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E. AFRICA

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House of  
Commons

DATE  
29th July, 1925.

TRANSPORT DEVELOPMENT.  
COTTON GROWING.

U.S. of S.

*Mr. Stanley*

49. Colonel Day. To ask the Prime Minister, whether the proposals made by the Committee on Industry and Trade, appointed to inquire into the conditions and prospects of British industry and commerce in so far as transport development and cotton growing in East Africa are concerned, have been considered; and whether it is proposed that such submissions should be carried into effect. [I]

Previous

*6074*

MINUTES

ORAL REPLY

This relates to the memo recently published as Cmd 2463, urging rapid building of railways in East Africa.

Kenya railways are going ahead all right but Tanganyika is still held up by the Treasury, who have so far refused to allow any new construction work on the Tabora Mwanza line. At present we are putting down old rails on German construction work done in 1913-4.

If asked to advise reply, I suppose it can only be said that the matter is still receiving consideration.

*1 July 30.7.25*

Subsequent Paper

*CP 36138*

*In view of the very general terms in which*

46. Lieut.-Colonel WATTS-MORGAN for Colonel DAY) asked the Prime Minister whether the submissions made by the Committee on Industry and Trade, appointed to inquire into the conditions and prospects of British industry and commerce in so far as transport development and cotton growing in East Africa are concerned, have been considered; and whether it is proposed that such submissions should be carried into effect.

The PRIME MINISTER: As the hon. and gallant Member is aware, the submissions of the Committee on Industry and Trade are in general terms, and before they could be carried into effect, specific proposals must be framed with a view to consideration on their merits as practical contributions to the solution of the transport problem in East Africa. My right hon. Friend the Secretary of State for the Colonies has this matter now before him.

Lieut.-Colonel Sir JOSEPH NALL: May I ask whether, in considering this question, it will be appreciated that it is intimately bound up with employment in Lancashire?

The PRIME MINISTER: Lancashire has not failed to notify me of that fact.

*Official Report*  
*5 August.*

*W. G. A.*

*W. G. A.*

*W. G. A.*

*6-8-25*

*W. G. A.*

*J. M. G.*

*7-8-25*

5th August, 1925.

Dear Mr. Hankinson,

This is the treasury proposed  
reply to Colonel Day's Question  
No. 46 for to-day. I should be  
glad to know whether you concur.

Yours sincerely,

*E. M. Watson*

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*Approved after  
speaking with  
the*

J. C. Hankinson Esq., M.P.

Wednesday, 5th August, 1925.

216. Colonial Day.

Suggested Reply.

As the Hon. and Gallant Member is aware, the submissions of the Committee on Industry and Trade are in general terms; and before they could be carried into effect, specific proposals must be framed with a view to consideration on their merits as practical contributions to the solution of the transport problem in East Africa. My Rt. Hon. Friend the Secretary of State for the Colonies has this matter now before him.

Have nothing to add to Mr Green's -  
Mr Strachey's minutes - except that the  
Kenya - Uganda programme already  
laid down will keep us  
busy for 2 1/2 years at  
least.

W.S.

30.7.45

Mr Bottomley

592

The Prime Minister has  
asked for advice on the  
question by Colonel Day (No 49  
for Wednesday 5th August)  
regarding the submissions made  
by the Ctee on Industry & Trade  
so far as transport devel<sup>t</sup>  
in progress in E. Afr. are  
concerned.

W. Chamberlain

technical and scientific nature; and research may have to be undertaken on a substantial scale into such questions as the spread of the tsetse fly.

The Committee do not wish to appear to minimise the importance of the most careful examination of these problems, with a view to the wisest solution being reached. Their terms of reference, however, instruct them "to enquire into the prospects of British industry and commerce and to make recommendations in regard thereto"; and they feel that, having received a definite suggestion supported by the unanimous views of so important a section of British industry as the cotton trade, they are compelled to look at the problem from the point of view of its effect on trade and employment in this country. In the light of the evidence quoted above, there appears to be no reasonable doubt that British trade and employment would substantially benefit not only from the immediate demand for the products of the iron and steel and engineering industries and the prospective increase of raw cotton supplies, but also, eventually, in many other ways, through the increased purchasing power of the population of the African territories affected. While feeling it their duty to call attention to the importance of the local problems which must arise in connection with the proposed development, the Committee do not feel competent as a Committee to express any views as to the best methods of dealing with these, as they have no means of investigating them.

It should also be made clear that, as the Committee are not in a position to review suggestions based on a study of the problem in detail on the spot, they are not necessarily recommending the spending of specific sums on the electric railway lines suggested in the Report of the East Africa Commission. It follows that they are expressing no opinion as to the immediate commercial prospects of these lines, although, even should the railways themselves fail to pay for some time, the Government would have important compensatory factors to be taken into account, having regard to the objects for which the railways were proposed.

Subject to the considerations mentioned in Paragraphs 6 and 7, the Committee submit—

(a) That British industry, and in particular British export trade, would derive very considerable benefit from the development of the East African Territories and Dependencies.

(b) That for the encouragement of such development, the primary need is the provision of further transport, in particular railways; and

(c) That in order to secure the building of railways with sufficient rapidity, some additional facilities for meeting the necessary expenditure should be evolved.

10th of June 1925.

Return me C.S.

591



BOARD OF TRADE

# Memorandum

on

## Transport Development and Cotton Growing in East Africa

Submitted by the Committee on Industry and Trade  
to the Prime Minister on 2nd of July 1925.

*Presented to Parliament by  
Command of His Majesty.*

LONDON:

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## LETTER OF TRANSMISSION

New Public Offices,

Great George Street,

Westminster, S.W. 1.

2nd of July 1925.

MR. PRIME MINISTER,

I forward herewith a Memorandum, which has been unanimously approved by my Committee, on the subject of the proposed hastening of transport developments in Africa, more particularly with a view to stimulating the production of cotton in the Empire.

You will see that we have had evidence on the matter from a considerable number of witnesses including Mr. Ormsby Gore, who indicated that he thought it would be useful for the Committee to let the Government have forthwith the information and representations which have been submitted. So far as the question of the cotton supply is concerned, the evidence we have received covers all the interests principally concerned.

In forwarding the Memorandum to you on behalf of my Committee, I venture to express the hope that it may be of assistance to the Government in reaching a decision as to the course to be followed.

Yours faithfully,

A. BALFOUR

The Hon. Stanley Baldwin, M.P.,

10 Downing Street,

S.W. 1.



appeared to be the country to look to. They suggested that the Government should subsidise any company which was going about cotton growing on the right lines.

The Cotton Spinners' and Manufacturers' Association, on 18th March 1925, quoted statistics showing that, while about 84 million bales of American cotton were available in 1913 after the American mills had secured their supplies, the average quantity in the years 1921—1924 had been reduced to approximately 5 million bales, and they submitted that it was an urgent necessity to encourage the activities of the Empire Cotton Growing Corporation. The Association stated in their evidence:—"The chief direction in which it would appear that the Committee on Industry and Trade could assist the efforts of the Corporation is in emphasising the need for further transport facilities in the various cotton growing Dependencies and Colonies. The provision of the necessary capital to build railways, and arrangements whereby they could be financed during the first few years . . . are vital to the extension of Empire Cotton Growing." In summing up the reasons for the decline in British exports of cotton goods, the Association placed in the forefront the shortage of raw cotton and its high price, and said: "We cannot too strongly urge upon your Committee the necessity of advising the Government to do all in their power to encourage the growing of cotton within the Empire by extending as quickly and as fully as possible the transport facilities for cotton from the new cotton growing areas now being developed in the world." The witnesses representing the Association were asked whether Empire cotton was able to replace American cotton in the United Kingdom, and they gave the reply that the Uganda cotton is better than the American seed is being grown largely in the Sudan

The Federation of Master Cotton Spinners' Associations, having submitted in their evidence on 8th of April 1925, that perhaps the most important factor upon which the output of cotton yarn depended was the availability of raw material, submitted that the work of the Empire Cotton Growing Corporation and the British Cotton Growing Corporation should be speeded on with the utmost despatch. The Federation said: "The increase of supplies by the development of cotton growing countries of the Empire can be substantially increased by increased Government facilities for transport in the Colonies and Dependencies which have already shown that cotton can be advantageously produced." The Federation stated that every avenue of transport in the African continent had been filled up as fast as those transport arrangements had been made, and they expressed the view that no private firm could be able to arrange transport because of the laws of land tenure; and that as the railway service was in the interest of all traders, it was natural for the Government to provide it.

The Manchester Cotton Association on 8th of April 1925, stated that the Association was keenly interested in the development of cotton growing within the Empire and the advantages that are to be obtained by the development of trade between the cotton-growing Colonies and this country. The Association was strongly of opinion that it is in the interests of this country and the Empire that the

... has rendered invaluable help . . . .” These witnesses indicated various specific areas in Africa which investigation had distinguished as being suitable for cotton growing; and they expressed the opinion that what has already been accomplished is sufficient guarantee that the Empire is capable of producing very large quantities of excellent cotton. Further, their evidence supported the view that, while certain other difficulties remain to be solved, the primary necessity is for the provision of further transport facilities in the African Colonies and Dependencies. Both these witnesses were strongly of opinion that for this purpose some more elastic methods of financing railway development than those possible at present must be found.

4. In view of the anticipation that, should an extended scheme of railway development be put into operation, orders for large quantities of material would be placed in Great Britain, reference may suitably be made to certain views expressed in evidence by witnesses representing the iron and steel and engineering industries.

The Agricultural Engineers' Association on 26th of November 1924, cited as two of the reasons for the unsatisfactory state of the agricultural engineering industry the reduction in the purchasing power of the world and the loss of various export markets; and they agreed in reply to a question, that East Africa was a safe area for development from the point of view of the agricultural engineering industry.

The Iron and Steel Trades Confederation, on 14th of February 1925, having pointed out the importance to the iron and steel industry of its export trade, stated that the volume of exports of iron and steel in 1923 were only 86.2 per cent. of the 1913 figures.

The National Federation of Iron and Steel Manufacturers on 14th of February 1925, in analysing the causes for the inability of the British iron and steel industry effectively to resist foreign competition at the present time, either in its home or overseas markets, gave prominence to under-consumption especially in export markets. In reply to a suggestion that the only thing for the trade to do in regard to this question of under-consumption was to try to create demands in new markets, the Association expressed the view that a potential demand existed and that endeavours should be made to render it effective.

The British Engineers' Association, on 1st of April 1925, pointed out that the volume of exports of machinery in 1924 was only 73 per cent. of the 1913 figures and cited as one of the causes of this state of affairs the inadequate demand for engineering products at present prices. The Association expressed the opinion that this under-consumption in many of the markets of the world was due to inadequacy of their active purchasing power.

The Locomotive Manufacturers' Association, on 17th of June 1925, stated that, while the average annual exports of rail locomotives during the years 1911 to 1918 amounted to 44,613 tons, the corresponding figure for 1924 was 23,563 tons, and the figure for the first five months of 1925 17,437 tons. The Association gave, as one of the main factors which had created this position, the

inadequacy of available markets to absorb the locomotives produced by the increased capacity of the world; and, when asked whether railway development in East Africa would be an important stimulant to the industry, expressed the opinion that everything was of importance which would in any way increase orders placed in the home market since, in their opinion, the locomotive industry was at the present time eating up its reserves.

In view of this evidence that these industries are suffering from lack of demand for their products from overseas, it appears that the placing of orders with them for railway material for use in the Dependencies and Colonies would be of great advantage, both to those industries themselves and to national prosperity generally.

5. An invitation was accordingly sent to the Hon. W. G. A. Ormsby-Gore, M.P., Under-Secretary of State for the Colonies, to give the Committee the benefit of his views on his return from his tour of the East African Colonies and Dependencies, as Chairman of the East Africa Commission. On 26th of May 1925, he explained the definite conclusions of the Commission that the further economic development of these East African territories is dependent on the early provision of increased transport facilities; that little or nothing can be done without liberal financial assistance from the Imperial Government; and that an East Africa Loan Guarantee Bill authorising the issue of a loan for £10,000,000 guaranteed as to principal and interest by the Imperial Government, should be introduced, the money so obtained to be used for railway extensions (in particular the 800 miles of new railway in Tanganyika and 200 miles to Uganda described in the Commission's report), harbour developments and the provision of other transport facilities.

Mr. Ormsby-Gore pointed out that, if the surveys for the new railways which he suggests in Tanganyika are not completed this autumn or those in Uganda next year, the expert staffs will have to be disbanded, with the consequence that, should the Government favour railway development in those territories, the cost will be too high, difficulty, expense and delay will be experienced in re-assembling a constructional staff.

6. The Committee apprehends that there are a number of difficulties to be faced locally in connection with the development of the East African Colonies and Dependencies, which will no doubt require time and careful administration to overcome. It will of course be necessary to ensure that development is not carried on either too extensively or more rapidly than is consistent with the interests of the native population on the one hand and its capacity on the other. Effective safeguards to the satisfaction of the Imperial Government will no doubt be necessary in connection with the supply and conditions of labour, both for the construction and working of the proposed railways and for producing cotton or other crops. There are also serious difficulties in connection with land tenure. Further enquiry could be held with advantage into questions of climate and soil, and into questions of a