

1926

KENYA

50

X. 2232  
2 MAR 1926

DATE

R ORIGG

163

7th February 1926.

REGULATION

MEMORANDUM ON RAILWAY DEVELOPMENT.

Encloses and states that the  
same was the subject of discussion at the Gov's  
Conference. Adds that the reason for not  
developing the Lake Traffic was the difficulty  
of securing cooperation between the Govts.  
concerned.

U.S. of S.

U.S. of S.

U.S. of S.

U.S. of S.

Subsequent Paper

NOTES

*Enclosure*  
*I enclose herewith a copy of the*  
*minutes of the meeting of the*  
*Committee on the subject of the*  
*development of the Lake Traffic*  
*held on the 1st February 1926.*  
*The minutes are herewith*  
*submitted for your information.*

*W. J. M. M. M.*  
6. 3. 26  
*J. M. M.* 6. 3. 26

Subsequent Paper

Mr Strachey has agreed to his annotated copy (received from Sir D.Cameron) and Sir D.Cameron's comments in Conference being attached to this paper.

I prefer not to comment on the publication of Sir H.Griffith's criticism of Imperial policy in paragraphs 7 and 8 but not because there is no reply to the criticisms.

We have discussed generally, and I have also had a talk with Mr Felling.

The Secretary of State has given his decision for the construction of the railway through to Mwanza, and it had not been supposed that reference to the Committee on the principle of its construction would be necessary. But in view of the opposition to Colonel Hammond's report it seems desirable that he at least should be consulted.

The important matter is <sup>the</sup> one of import freight rates. These are very high on the Uganda Railway, which is enabled to make good part of its cost renewal, provide improvements for its motive and heavy debt energies existing and entering. The Tanganyika railways have no big fuel charges and are able, for the present, to avoid big expense on renewals. If nothing is done, the Uganda Railway ~~stands~~ to lose all the Lake Victoria and Uganda import traffic and cannot carry on.

(isi) If it is laid down that the Uganda Railway <sup>be carried on</sup> ~~must~~ carry on, including proper renewals, improvements and extensions, Mr Felling and Mr Maxwell should have no difficulty in coming to terms about rates. But (a) They will not meet in this country unless Mr Felling is brought back from Switzerland (undesirable for his health) or Mr Maxwell is detained beyond

30th April:-

(b) It is difficult to see how, 6000 miles from their traffic and accounts staffs, they can come to an agreement in this country.

No one expects the rails to be through to Mwanza before May, 1927 (Mr Felling thinks later); they will therefore have some eight months together in Africa. That is not the whole story, however, as it will pay to run Uganda imports from Shinvanga to Mwanza by motor. It may be necessary to have some temporary agreement on this point between the two Acting Managers.

Sir S. Wilson.

I am sorry Sir E. Grigg has published this memorandum locally.

It is an argument for not extending the branch line from Tabora (see map at end of memorandum) beyond Shinyanga, which place is now nearly reached. It is urged that if this line is extended to the Lake at Mwanza, the system of railway "basins" advocated by General Hammond will be infringed, Mwanza falling within the Uganda Railway "basin" and properly looking to that railway to provide its means of access to the ocean. Sir E. Grigg anticipated that a very troublesome situation will arise in connection with rates if the branch is extended to Mwanza.

I do not quote at length, but I must say that I am not greatly impressed by the arguments. To bring in Kenya's share in the war and her disappointment at the cession of Jubaland to Italy seems to me to be irrelevant. Nobody disputes Kenya's right to put forward opinions, and it was unnecessary to justify that right so elaborately.

Then the Governor deprecates attaching importance to artificial frontiers and an unstatesmanlike or parochial outlook, but he seems to me to take a purely Kenya view of the matter.

That difficult questions as to rates will arise must be admitted, but I have a higher opinion of the General Managers, Felling and Maxwell, than to suppose the problems to be insoluble.

The extension to Mwanza has been authorized.

*[Faint handwritten notes and signatures, including "The Minister" and "23 26"]*

(b) It is difficult to see how, 6000 miles from their traffic and accounts staffs, they can come to an agreement in this country.

No one expects the rails to be through to Mwanza before May, 1927 (Mr Felling thinks later): they will therefore have some eight months together in Africa. What is not the whole story, however, as it will pay to run Uganda imports from Shinyanga to Mwanza by motor. It may be necessary to have some temporary agreement on this point between the two Acting Managers.

*W. C. ...*

*... the ... of ...*

*... to be consulted ...*

*... the last two sentences ... I have no doubt that a tariff which enables goods for Uganda or ... to be sent cheaper via Shinyanga and motor to Mwanza is improper competition. I would prefer to consult Col Maxwell, who is calling here ...*

*W. C. ...*  
6.3.26

Sir S. Wilson.

I am sorry Sir E. Grigg has published this memorandum locally.

It is an argument for not extending the branch line from Tabora (see map at end of memorandum) beyond Shinyanga, which place is now nearly reached. It is urged that if this line is extended to the lake at Mwanza, the system of railway "basins" advocated by General Hammond will be infringed, Mwanza falling within the Uganda Railway "basin" and proper looking to that railway to provide its means of access to the ocean. Sir E. Grigg anticipates that a very troublesome situation will arise in connection with rates if the branch is extended to Mwanza.

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That difficult questions as to rates will arise must be admitted, but I have a higher opinion of the General Managers, Felling and Maxwell, than to suppose the problems to be insoluble.

The extension to Mwanza has been authorised.

I would not propose to stick to that decision blindly if the Governor's representations are of such weight as to justify reconsideration,

As the Governor appeals so strongly to the views expressed by General (then Colonel) Hammond in 1921, I suggest that we send him the memorandum and Sir D. Cameron's remarks officially and ask him whether he considers that Sir V. Grigg's representations are such as to cause the Secretary of State to modify the decision already arrived at to continue the extension to Mwanza as soon as it has reached Shinyanga. We might add that orders for the material are already in hand, and that the Treasury, when sanctioning the expenditure as a charge on the £10,000,000 loan, only stipulated that Sir G. Schuster's Committee should agree as to the route to be followed from Shinyanga to Mwanza.

(Shirley)  
11/10

*[Faint handwritten notes, possibly a summary or commentary on the typed text above.]*

*Kerry's was effort weaken his general case. I also think it a pity that in a memorandum which has been published the favours should suggest that the policy of the Imperial Government after the war did not take Kerry's interests into sufficient account. In every Colony there is always a section of the community who is only too ready to believe that "imperial" fact even without being encouraged by the Government do not believe that Sir E. Grey refers to the proposal to bridge the Zambezi and suggests that the "British taxpayer's" money is going to be spent in order to enrich a foreign port and foreign, or privately owned, railway companies at the expense of the development of British territory proper. That is I*

E. J. Jigg refers to Col Kennards  
views, we might, in the first instance,  
send the memo to this officer  
and send your previous report  
at the same time but this can be

D. Connors  
In connection with your memorandum  
has been read, and it is proposed  
to give it to one of the officers who  
taken in the case of Col Kennards.  
Remarks, I will be necessary to  
be made with regard to the  
bills now before the House and  
the same have been referred to the  
Select Committee of the House.

J. H. G.

19 3 16

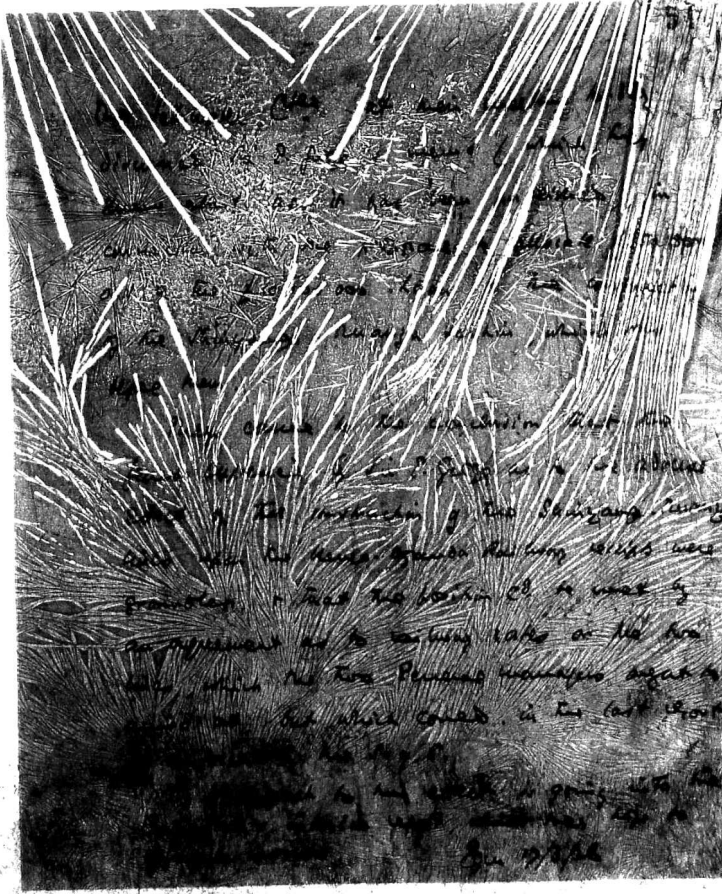
I spoke to the Sec of State on 17<sup>th</sup>  
March about this, but as he was in  
a great hurry I did not do more  
than tell him that the Select Com

had considered the question today.

J. H. G.

19 3 16

Date by the Faculty, Sec of Education  
Committee.



Sec of State  
I think you had better see

2. In reply refer to Col. Hemmings  
which we might in the first instance  
send to the same to his officers  
in view of the fact that we want  
it to remain in the hands of the  
British.

The following is a summary of the  
discussion which took place on the  
11th inst. at the meeting of the  
Committee.

The Committee considered the  
proposal to advance a loan of  
£10,000,000 to the Government  
of the Tanganyika Territory

and it was decided that the  
Government should be asked to  
submit a report on the  
subject to the Committee.

Report to the Govt of State on 17<sup>th</sup>  
March about the fact that it was  
agreed in the report not to move  
the money out of the British

had considered the question today.  
1954  
written by the Secretary of the Committee  
on 17/3/54

The Schuster Committee at their meeting today  
discussed Sir P. J. J. 's memo (which they  
knew about as it has been published) in  
connection with his proposal to advance £500,000  
out of the £10,000,000 loan to the Government  
of the Tanganyika Territory which was  
before them.

They came to the conclusion that the  
fears expressed by Sir P. J. J. as to the adverse  
effect of the construction of the Tanganyika Railway  
lines upon the Kenya Uganda Railway would not  
be groundless & that the basis of the work of  
an agreement as to railway rates on the two  
lines, which the two General Managers agree to  
arrive at, but which could in the first instance  
be enforced by the Govt.

A paragraph to this effect is going into the  
Committee's interim report which was due to  
leave to-morrow. 17/3/54

Govt of State  
17th March 1954

these papers. In view of the  
 opinion which appears to be  
 held by the Select Committee  
 I presume you will not wish  
 to re-consider of our decision  
 to complete the Inanga  
 extension?

S.A.G.

18.3.16.

No. L.S.G. should be informed of  
 the news of the decision. I should like  
 to have his own book to note pointing to  
 L.S.G. about the important work of  
 his name.

Jan 21

This slip is  
 Referred to the Report  
 The Hon. Sec. of the  
 Gen. Hammond  
 18/3/16

S.G.S. has now  
 written privately  
 the Govt. He does  
 wish a copy to be  
 attached to this  
 M.E.A. 19/4

W. Jensen

Please see above. Saw S. Wilson tomorrow. Day  
 that the S. of S. had agreed that the memo. shd go to  
 Gen. Hammond and prepared in my name. (with S. Wilson's  
 Concurrence reply).

Car 29/3/16

(H. Hammond)

J. M. G. 30.3.16

Jek

(The Army with the  
 first that this was  
 necessary, as he  
 signed the interim report  
 (the Committee))



252/26.

DOWNING STREET

31 Mar. 1926.

Sir,

I am directed by Mr. Secretary Amery to transmit to you the enclosed copy of a memorandum by the Governor of Kenya on Railway development in East Africa together with a report of observations on the memorandum made at the recent Conference at Nairobi by the Governor of Tanganyika.

You will note that the argument of the memorandum is largely based on certain references to your report of 1921 on the East African Railway systems. I am to state that Mr. Amery would be obliged if you would be so good as to inform him whether you consider that Sir Edward Glynne's representations are such as to make it advisable for the Secretary of State to modify the decision already arrived at to continue the extension from Tabora, which is now approaching Shinyanga, to Lake Victoria at Uvira.

I am to explain that orders for the permanent

and bridging material required for the  
tion Shinyanga - Mwanza etc already in hand.  
question of the route has been before the  
Committee appointed in connection with the forth-  
coming East African Development Loan Bill.

I am,

Sir,

Your obedient servant,

(Signed) C. STRACHEY.

Kenya  
2232/26

57

- Mr. Green 30.3.26
- Mr. Stanley 30.3.
- Mr. J. Shackburgh.
- Sir O. Davis.
- Sir G. Grindle.
- Sir J. Masterton-Smith.
- Mr. Ormsby-Gore.
- Mr. Amery.

31 MAR 1926

12c

81 MAR 1926

DRAFT.

Sir

Colonel F D Hammond  
CBE DSO

I am to transmit for you to you the enclosed copy of a memorandum by the Governor of Kenya on railway development in East Africa together with a report of observations on the memorandum made at the recent Conference at Nairobi by the Governor of Tanganyika.

You will note that the argument of the memorandum is largely based on certain references to your report of 1921 on the East African railway system.

P  
~~report on 8 Committee report~~

would be obliged if you would be  
so good as to inform him whether  
you consider that Sir Edward  
Grogan's representations are such as to  
make it advisable for the S of S to  
modify the decision already arrived at  
to continue the extension from Tabora,  
which is now approaching Shungunya, to  
the Lake Victoria at Mwanza.

I am to explain that  
orders for the permanent trackbridging  
material required for the section  
Shungunya - Mwanza are already in  
hand. The question of the route  
has been before the Committee agreed  
in connection with the forthcoming  
East African Guaranteed Loan Bill.

(Signed) C. STRACHEY

KENYA

No 163



GOVERNMENT HOUSE  
NAIROBI

KENYA

5th February 1926.

X. 2232  
2 MAR 1926

Sir,

Gov  
1886  
2.a

I beg to enclose ~~two~~ copies of the Memorandum on Railway Development which I have published here in accordance with the terms of my telegram to you dated the 5th February. The Memorandum has been the subject of discussion in the Governor's Conference, the records of which will shortly be despatched to you. I need hardly add that although the main subject of the Memorandum was one <sup>which</sup> ~~of~~ the interests of the Uganda and Tanganyika Railways are ~~to~~ reconcile, the discussion of it has nevertheless been carried out in the most friendly spirit by the Governor of Tanganyika and all concerned. ~~such~~

Gov  
16897/24

2. In this connection I would call your attention to the despatch forwarded to you by my predecessor Sir Robert Corvode dated the 12th March 1924. You will observe that Sir Robert Corvode's conclusions, after a tour of the lake, coincide with mine. The only reason why development of lake traffic in the southern ~~area~~ has not been carried further in the meanwhile was <sup>the</sup> difficulty of securing co-operation between the Governments concerned. The Governor of Tanganyika and myself are addressing ourselves to this difficulty.

I have the honour to be,

Sir,

Your most obedient, humble servant,

Edward Gigg

G O V E R N O R .

THE RIGHT HONOURABLE,  
LIEUT. COLONEL L.C.M.S. AMERY, P.C., M.P.  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET,  
LONDON, S.W.

G.O. (30)  
P. 11/11/26

...with the typed copy of his  
remarks at the Conference. It is  
to be noted that his observations may be read  
with the Memo.



I made the original comment  
on the copy as I was not  
not interested in the proposed  
work - but the Dept. think that  
they may be useful.

COLONY AND PROTECTORATE OF KENYA

The general notes are, I suppose, by Sir J.  
Cameron -

C.S.

53

# MEMORANDUM

ON

# RAILWAY DEVELOPMENT.

LIEUTENANT-COLONEL SIR EDWARD GRIGG, C.M.G., C.A.M.G., D.A.O., M.C.

Secretary and Commanding Officer of the Colony and Protectorate of Kenya, and  
His Excellency's Commissioner for the Kenya Uganda Railway

**CONFIDENTIAL.**



COLONY AND PROTECTORATE OF KENYA.

MEMORANDUM  
ON  
RAILWAY DEVELOPMENT

BY LT-COL. SIR EDWARD GRIGG, K.C.V.O., C.M.G., D.S.O., M.C.,  
*Governor and Commander-in-Chief of the Colony and Protectorate of Kenya, and  
High Commissioner for the Kenya-Uganda Railway.*

---

NAIROBI:  
PRINTED AT THE GOVT. PRESS.  
1926.

*Not shown to the Secretary*

*State Papers  
K. P. 11. 17. 1903  
This is the  
to be taken into  
the Government  
show to*

# RAILWAYS.

The Secretary of State has directed that the subject of Railways, including Lake Victoria questions and the proposed railway, be discussed by the Governors' Conference. This memorandum is a broad presentation of the views of Kenya Colony and Protectorate upon that subject.

2. Kenya's main objection is a simple one. German rivalry in Tanganyika has been intensified by the war. East Africa as a whole is now under British administration. Economic development is no longer limited by the old artificial international frontier nor need it be retarded by inter-colonial rivalry in trade and transport. Kenya therefore submits that the railway development of the East African territories should now be pushed forward on co-operative and complementary, not on competitive lines, and that railway questions affecting more than one of the East African territories should be judged by geographical and economic convenience without a strict regard for existing inter-colonial boundaries.

3. It is true that the adoption of this principle must give to the territories a voice proportionate to their interest in railway questions outside their own boundaries; but the conquest of German East Africa and the placing of a continuous series of territories under British administration would seem to have little value if all questions of railway development which necessarily affect more than one territory are still to be considered and decided in watertight compartments. Kenya, at any rate, has some right to be heard on common questions such as railway development in even outside her own frontiers, because in the campaign which freed Tanganyika from German rule she bore a burden and made a sacrifice larger in proportion to her means than any other British colony of her size and settled population. It is no more than just that the effort which she then made for the Empire in East Africa should not be overlooked now that developments only made possible by the war are being discussed.

4. But she has no desire to use her share in the war as a form of special pleading for a policy or a principle the merits of which would otherwise be weak. On the contrary, she is firmly convinced that the policy which she advocates presents, on purely economic grounds, the soundest line of investment for British capital in East Africa at the present time; and she desires it to be judged solely on its merits from the economic point of view. It is indeed her whole case that when the British taxpayer is about to invest ten millions sterling in East Africa free of interest for ten years, all narrow political considerations based on boundaries fixed in totally different conditions forty years ago should be firmly set aside, and attention given only to the best form of investment.

*Kenya was not  
her making it  
with the subject in  
hand.*

*x There is no part in  
calling him a taxpayer  
with the correct a.  
He will be an investor  
in a get-edges sense.*

*(This was mistake. Such & they was not contemplated by anybody.  
(It has been corrected).)*



an immediate increase of smuggling, which entails for 1925 alone an estimated loss of £25,000 in ivory revenue, and seems likely in a few years to destroy that branch of revenue altogether. In Kismayu and the Juba River, moreover, she has lost an asset capable of great future development both as a stock- and crop-producing area. Nor is that all. In 1921, at a moment when the trade of the whole world had suddenly collapsed and Kenya herself was suffering from the results of a bad year, her currency was suddenly converted from rupee to sterling by Imperial instructions, with the result that overdrafts at the banks, which were then large and numerous, were increased overnight by over 50 per cent. The Colony was severely hit by the change, and the heavy interest and sinking fund charges referred to above were added to her recurrent expenditure from that period. Kenya's recovery since that date has been amazing, but it has not been due to any consideration given her for the services she has rendered or the sacrifices she has made.

8. The future, however, is still an open book; and for Kenya it will turn to a very great extent on whether she has to look for co-operation or for competition in the organisation of what was once German East Africa. Her own boundaries have been treated with small respect; and she considers herself entitled to a voice in matters which affect her closely to the south of the old international boundary proportionate to her share in wiping that boundary out. She submits that, since East Africa is now wholly British, the geographical facts, the racial configuration, and the economic convenience of the country as a whole should no longer be subordinated to artificial boundaries established blindly in another age.

9. That is the foundation of the argument on the railway question set out in this memorandum. The old frontier between British and German East Africa, of which the most pressing railway and tribal questions turn, was ignorantly drawn forty years ago in Europe by diplomats who knew practically nothing about the country they were dividing and could not possibly have forecasted the lines of its development. Nothing could be more artificial than that frontier, whether from the tribal, or the geographical, or the economic point of view. Now that the British Empire administers both sides of it, the time has surely come to remedy its anomalies, in the interests of native, settler and trader alike. Why, Kenya asks, should an old and artificial frontier, which has lost its *raison d'être*, continue to dominate British minds as though it were an ineradicable feature of the soil, not a mere line upon the map?

10. These considerations evidently shaped both the instructions received and the conclusions reached by Lieutenant-Colonel F. D. Hammond, who was sent out by the Secretary of State for the Colonies in 1921 to report on the railway systems of Kenya, Uganda and Tanganyika, including marine and terminal facilities. His findings coincide exactly with the points which Kenya now desires to urge in regard to future railway development.

#### Colonel Hammond's Railway Report, 1921.

11. In addition to making certain specific investigations, Colonel Hammond was asked in the Secretary of State's instructions "to advise on railway extension generally—regarding Kenya, Uganda and Tanganyika as a single whole from the point of view of railway and harbour

as Colonel Hammond pointed out,† was "to tap the rich districts of Ruanda and Urundi, and to divert both this and the traffic of the Mwanza district from the Uganda Railway Marine." Colonel Hammond added that, "with the absence of any motive for competition, the *raison d'être* of this line has disappeared." To Kenya and Uganda it is of the utmost importance that, before this branch line, condemned as unnecessarily competitive by Colonel Hammond, is completed, full consideration should be given to the following questions:—

*But it was not  
to go to Mwanza*

(a) Whether, when the Tabora-Mwanza line is completed, competition between the Tanganyika and Kenya-Uganda railways can be avoided or minimised by agreement as to uniform import and export rates.

(b) Whether, even if agreement as to rates be possible, the construction of this line will not necessarily reduce returns on capital already invested in the railway systems and thereby delay fresh capital development to the detriment of new construction of a complementary and non-competitive character.

(c) Whether, pending the time when amalgamation of the two railway systems may become possible, the true line of economic development for East Africa, regarded as a whole from the standpoint of transport facilities, is not to accept the demarcation of railway basins proposed by Colonel Hammond and thus to avoid the dangers indicated in the two preceding paragraphs until they can be dealt with by a single authority with unified control of railway rates and finance.

*This line had  
reached Shinyanga  
when Col. Hammond  
with his report, he  
would probably have  
included Mwanza in  
the S. basin - See  
map. C.S.*

The questions posed in these three paragraphs follow each other in logical sequence.

#### (a) The Question of Rates.

13. It is difficult to see how a uniform system of export and import rates over the two railway systems from Lake Victoria to the sea can in practice be applied. At present the two railway systems are financed by almost diametrically opposite systems of rates.

The Uganda Railway has aimed at the encouragement of production throughout the area which it serves. For this reason it has adopted a system of cheap long distance export rates and comparatively high import rates. Some of the import rates are very high; all the export rates are exceptionally low. Examples of the latter are the rate for groundnuts from Mwanza to the Coast, and the flat rate for maize from any part of the country.

The Tanganyika Railway has evidently had quite different conditions to face. It carries a huge tonnage of copper ore from the Belgian Congo to the Coast. These minerals pay a comparatively high rate. But the trucks which carry them to Dar-es-Salaam would return empty to the Lake if the import rates were not low enough to persuade importers into the Belgian Congo to send their goods by the Tanganyika route. On the Tanganyika railway system therefore the established principle, exactly converse to that of the Uganda system, is to have fairly high export rates and comparatively low import rates.

† Report, p. 60, para. 296

they agree on rates or not, the trade of the basin, instead of going wholly to one railway, must be divided in some proportion or other between the two of them. For the Tanganyika system this is not an immediate objection, since it carries at present very little of the trade of that basin. But from the point of view of the Uganda Railway, and also from that of the British taxpayer, it is a very serious one. Loss of traffic from the Lake must mean for Kenya and Uganda a slower return upon the capital invested in their railways and harbours, a longer period before rates can be reduced, a proportionately weakened stimulus to increased production, and some serious retardation of new railway construction. It would also compel immediate revision of the present policy of renewals and betterment on the main line. The British taxpayer, for his part, must look for all round development, and the demand for goods which development produces, but if the capital which he devotes to developing one railway system is so used as to retard the development of another in which he is equally interested, he loses on the swings what he gains on the roundabouts, and is none the better off for his expenditure.

20. Not even for the Tanganyika system would competition for the Lake basin trade be an unmitigated blessing. The capital invested in the Tabora-Mwanza line, where competition in some form is inevitable, is capital withdrawn from the construction of other feeder lines, such as the greatly needed branch to Nyasa land and Northern Rhodesia, where the whole trade, import and export, and every mile of new development could be expected to increase to the Tanganyika revenues. Not to build Kenya's objective, to the Tabora-Mwanza line is that its construction must inevitably prejudice the construction of essential arterial lines to the northern and southern East African basins. Ten millions being spent on ten millions that they will go further if invested in roads and railways rather than a single railway branch.

This conclusion is borne out by the fact that some part of the ten millions must of necessity be spent on bridging the Zambezi and thereby connecting Beira with the foreign or privately owned railways connected with it. This expenditure would deprive considerable part of the ten million from available resources on the construction of a railway from the Tabora-Mwanza line to Northern Rhodesia through Nyasaland, the British taxpayer would be asked to divert trade from a British port to a foreign one, to expend the British taxpayer's money on enriching the foreign and impoverishing Kilindini is had enough, but it seems more to be feared that on favouring Beira and starving Dar-es-Salaam, competition would see the completion of an essential arterial railway between the two main harbours south of the Tanganyika line must thereby be greatly retarded and perhaps long postponed.

In the course of the views of Sir Sydney Henn, the Chairman of the East Africa Board, who looks at East African affairs from an impartial standpoint and has studied them intimately, deserve respectful attention. Written to the *Manchester Guardian* of October 24th on the allocation of the ten million loan, he said:—

I would urge the Government to give preference over all other projects to the construction of a main trunk line to connect Dar-es-Salaam with the north end of Lake Nyasa, and I appeal to public opinion throughout the country to support this recommendation. I am not wedded either to the particular scheme suggested in the report of the East Africa Commission or to any other route, but

I do most definitely assert my belief that from both an Imperial and an International point of view the early construction of this trunk line is of supreme importance; Imperial, because it would open up for development fertile areas in south-west Tanganyika, and eventually provide an outlet to the sea at a British port for north-eastern Rhodesia and northern Nyasaland (consider in this regard the Conference of White Settlers from Kenya, Tanganyika, Nyasaland, and north-eastern Rhodesia held under Lord Delamere a few days ago at Tukuyu, near the boundaries of the three last-named territories); International because our failure to date to show any serious intention of developing Tanganyika Territory as it should be developed under the mandate is the main reason why the claim of Germany to have this particular Colony returned to it is listened to with sympathy in many quarters abroad. Finally, this line would bring all the East African territories into direct transport communication and greatly advance the cause of good government.

It is interesting to note that while actually writing this paragraph, I received a telegram saying that the Governor of Northern Rhodesia, having to travel to the Governors' Conference by Beira, had been stopped by floods and had consequently missed his steamer. The episode lends force to Sir Sydney Henn's concluding observation.

21. The arguments of the preceding seven paragraphs apply with equal force to the Moshi-Arusha district. No one has suggested that it would be wise or even practicable to develop the port of Tanga in competition with Dar-es-Salaam and Kilindini. Tanga, with its present facilities, will continue to serve a small coastal hinterland, but the main trade of the Moshi-Arusha district must go either to Kilindini or Dar-es-Salaam. Moshi is already connected by rail through Voi with Kilindini. A new line already surveyed by the Tanganyika Government will extend that connexion to Arusha. No railway engineer or business man, looking at the geographical configuration of the country, could well dispute Colonel Hammond's verdict, but the natural outlet of the Moshi-Arusha area to the sea is through Kilindini.

To build a competing connexion from Arusha to the main Tanganyika line, which must go through harder and less profitable country unless a long detour be undertaken and the mileage to the sea proportionately increased, can never be an economic proposition until both trade and policy require a continuous north and south arterial connexion. There is no such prospect yet in view, and in the meanwhile division of the trade of the Moshi-Arusha district between two railway systems could lead to nothing but an accentuated form of the rate problem already dealt with in regard to the Mwanza area. In other words, it would lead only to retarded development and waste of capital.

### (c) Demarcation of Railway Basins.

22. It seems therefore clear that there are great advantages to be gained, and equally great disadvantages to be avoided, by the demarcation of railway basins proposed by Colonel Hammond four years ago. The practical value of his suggestions stands out plainly now that it is actually proposed that the two railway systems should enter the same basin, whether in the Mwanza or the Arusha areas, and divide the trade

This is not a case to be done about the lake. Sir S Henn cannot have seen it. I expect to see it in 1933 & 1934. I expect much to be done there. I hope to see it in 1933 & 1934.

It is likely that it will be a case for the lake. I expect to see it in 1933 & 1934.

the railway will be built in 1933 & 1934

26. There remains the argument that the Kenya main line cannot be organised to carry all the Uganda, Lake Victoria and Kenya trade since from Nakuru to Kilindini the whole burden will fall on a single line. It is quite true that, owing to some lack of foresight and still more to the diversion of railway funds from railway purposes before 1923, the Uganda Railway has suffered from serious congestion during the past two years; but impatient remedies of such trouble often produce even worse, though different, results. The capital necessary to increase the carrying capacity of the Kenya-Uganda main line is far less than the capital necessary to build the Tabora-Mwanza line. A great deal of the necessary capital, and further large sums allocated to renewals and betterment from revenue, have indeed already been devoted to that object, and the hard work done, in the face of unceasing criticism, by the present General Manager of the Railway is just beginning to bear fruit. But a great deal of the expenditure incurred for catching up arrears in maintenance and expanding the carrying capacity of the line to meet a rapid development of trade will be thrown away, if part of that expected trade is diverted to another line; and while Kenya and Uganda's expenditures thus being wasted, Tanganyika must incur heavy expenditure for similar improvements on its own line. For investors, traders and producers alike, this would be an expensive procedure to pursue.

27. If any doubt exists regarding the future capacity of the line it should be removed by comparison with the traffic carried by the Natal main line. The following statement by the General Manager of the Uganda Railway points this comparison:

"The Natal single main line, when I left South Africa, was carrying 21,000 tons per day. I believe it has since carried up to 25,000 tons per day.

"We have never yet been asked to carry more than approximately 15,000 tons per day on the section between Nakuru and Kilindini, and there is no reason whatever why that section should not be developed to make it capable of carrying certainly 12,000 tons per day, and probably much more, without doubling, provided the line is developed and worked so as to fit in with the railway system. It is most unlikely that for the next fifty years the line will be called to carry anything like 12,000 tons per day, unless there is a big internal development in the interior, of which no signs are apparent to-day. The Natal heavy traffic includes, of course, coal for export and bunkering. In Kenya and Uganda we are still entirely dependent on agricultural traffic and precedent or consequential imports.

"We are relaying the main line between the Coast and Nairobi with 80lb. rails. That will treble, and may quadruple, the capacity in the matter of engine loads. Further increases in capacity will depend, as they do on all railways, on the number of crossing stations, and numerous crossing stations can be put in without difficulty.

"The section between Nairobi and Nakuru presents the only difficulty. For that section I am ordering Garrett engines, which will take, I hope, up to double the present loads. If that is not enough we should relay the line with 80lb. rails, and if that does

reserve. But that time is far ahead, since the pressure of traffic on Kisumu will be considerably relieved in the near future when the main line through Uganda north of the Lake is completed. Through railway connexion with Jinja will be established by the middle of 1927, unless unforeseen reasons prevent. A shorter connexion from the neighbourhood of Tororo to Jinja is now being surveyed. It is expected that the traffic down the Mbale-Tororo road to Mwanji will be diverted to the new railway by the end of the present year. Kisumu will therefore more and more depend upon trade from the southern half of Lake Victoria, and an increased flotilla of tugs and lighters is already being provided to carry traffic from the smaller ports and piers. Kisumu can thus fully serve the Lake for many years to come; and when it begins to prove inadequate, Jinja with its excellent harbour will be available for Lake trade. Ultimately, the traffic of the southern end of the Lake may justify a separate railway outlet to the sea; but the shortest route for such an outlet, to which reference is made in the next two paragraphs, would be by junction with the Kenya line to Kilindini, not by junction with the Tanganyika line to Dar-es-Salaam. The prospects of Lake traffic and the Lake ports for many years to come give no ground for the establishment of competing railways from the Lake to the sea, whether regulated by agreements or not.

(c) **The Need of a Railway for the Mwanza Area.**

31. The objection that the Mwanza area cannot be left without a railway is also sound so far as it goes; but it is not an argument against the proposed demarcation of railway basins. It is generally agreed that the best alignment for a railway intended to develop the Mwanza hinterland is east of the direct line to Tabora. Such a line, pushed eastwards as conditions required, could for some time evacuate its traffic through Mwanza and the Lake, and it would eventually be linked with the Uganda Railway either through Arusha and Moshi, or, if that alignment were attended with too serious difficulty, through Magadi or South Kavirondo. Like many other coastal regions round the Lake, Mwanza may also be profitably and cheaply developed by feeder-roads running either to Mwanza itself or to small subsidiary ports where piers for tugs and lighters may be built at small expense. The need of these has already been urged by the Kenya and Uganda Governments.

32. It is in any case highly desirable, before the alignment of the Mwanza railway is finally determined, to have the country between Mwanza and Arusha freshly surveyed. All that is known about it at present is through a German survey, and the Germans had special reasons for wishing to deflect traffic to the Central Tanganyika Railway and Dar-es-Salaam. It is the fact, moreover, that other German surveys have been found unsatisfactory. The Governor of Tanganyika has noted this in regard to the German railway survey of the Ngerengeré-Kilombaré area and the German railway survey reports of the country between the Irabi Pass and Dongo. It will also be remembered that our own first estimates of the cost of reconditioning the Voi-Moshi railway were extremely inaccurate. It was announced in Parliament, presumably on local advice, that the work would cost half a million. After much hesitation, due to this estimate, the line was ultimately put in working order by the Uganda Railway for £30,000. It is therefore not unreasonable to ask that old surveys and estimates for the construction of a line between Mwanza and Arusha should be checked by fresh reconnaissance.

not increase the capacity sufficiently, or even before relaying with 80 lb. rails is resorted to, we could relieve the whole position by the simple process of running a loop line from Nairobi through Ng'ara to Kijaba (a station which has been reconnoitred since my appointment here), thereby not only providing a double line but avoiding the bad grades on the existing line between Nairobi and Longonot.

"In my opinion, relaying with heavier rails, strengthening bridges, increasing the number of crossing stations, building larger engine depôts and depot yards, etc., would increase the capacity of the main line from Nakuru to the Coast sufficiently to meet any demand likely to be made upon the Uganda Railway for the next fifty years, but if I should prove to be wrong, doubling could always be resorted to."

The General Manager adds, with reference to the suggested need of another outlet for Uganda to the sea, that, "Surely, unless competition is a deliberate object, developing one line to its full capacity is the sound business method." It may also be observed that doubling the whole main line, when necessary, would involve a smaller tax on capital and development than the competition of two main lines, whether regulated by rate agreements or not. The example of Canada is the gravest possible warning against the increase of capital burdens without return which results from over-hasty development of competitive main lines.

28. A word is called for by the General Manager's reference to port management, which is of the highest concern. The task of the railway has undoubtedly been aggravated in the past three years by congestion at Kilindini. The two new deep-water berths, with their modern equipment of cranes and sheds, are now coming into operation; two new berths are to be built with as small delay as possible; and the whole business of harbour management has been reorganized on lines which will greatly facilitate the railway's task. It would at least be well to give this new organization, with all the expenditure entailed, a year or two's trial before committing the railway and the port to competition with another transport system so short a distance, as African distances go, to the south.

29. It should also be remembered that the traffic on both the Tanganyika and the Uganda Railways is at present swelled by the carriage of construction material for new lines. That fact bears closely upon any estimate that may be made of the ultimate carrying capacity of the railways and of the revenues which they will earn. The Uganda Railway is endeavouring to keep its debt charges as low as possible against the time when construction slows down and revenues in consequence fall by allocating a large proportion of its earnings to renewals and betterment and by other means. This aspect of the railway question should not be lost to mind by those who urge that the immediate prospects of trade justify and even necessitate the establishment of competition between the Tanganyika and Uganda lines.

#### (b) The Port of Kisumu and Lake Traffic.

30. The argument that Kisumu, owing to its shallow approaches and other natural disadvantages, must ultimately prove incapable of evacuating all the developing traffic of the Lake may be considered without

reserve. But that time is far ahead, since the pressure of traffic on Kisumu will be considerably relieved in the near future when the main line through Uganda north of the Lake is completed. Through railway connexion with Jinja will be established by the middle of 1927, unless unforeseen reasons prevent. A shorter connexion from the neighbourhood of Tororo to Jinja is now being surveyed. It is expected that the traffic down the Mbale-Tororo road to Mjanji will be diverted to the new railway by the end of the present year. Kisumu will therefore more and more depend upon trade from the southern half of Lake Victoria, and an increased flotilla of tugs and lighters is already being provided to carry traffic from the smaller ports and piers. Kisumu can thus fully serve the Lake for many years to come; and when it begins to prove inadequate, Jinja with its excellent harbour will be available for Lake trade. Ultimately, the traffic of the southern end of the Lake may justify a separate railway outlet to the sea; but the shortest route for such an outlet, to which reference is made in the next two paragraphs, would be by junction with the Kenya line to Kilindini, not by junction with the Tanganyika line to Dar-es-Salaam. The prospects of lake traffic and the Lake ports for many years to come give no ground for the establishment of competing railways from the Lake to the sea, whether regulated by agreements or not.

#### (c) The Need of a Railway for the Mwanza Area.

31. The objection that the Mwanza area cannot be left without a railway is also sound so far as it goes; but it is not an argument against the proposed demarcation of railway basins. It is generally agreed that the best alignment for a railway intended to develop the Mwanza hinterland is east of the direct line to Tabora. Such a line, pushed eastwards as conditions required, could for some time evacuate its traffic through Mwanza and the Lake, and it would eventually be linked with the Uganda Railway either through Arusha and Moshi, or, if that alignment were attended with too serious difficulty, through Magadi or South Kavirondo. Like many other coastal regions round the Lake, Mwanza may also be profitably and cheaply developed by feeder-roads running either to Mwanza itself or to small subsidiary ports where piers for tugs and lighters may be built at small expense. The need of these has already been urged by the Kenya and Uganda Governments.

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(d) The Inter-Colonial Frontier and the Mandate.

35. There remains the argument that Tanganyika Territory is naturally and properly entitled to build what railways it considers advisable within its own boundaries. The claim which Kenya advances to be heard on this question has been stated earlier in this memorandum and need not be repeated. Her view may be summarised in a sentence, already used—that the conquest of German East Africa and the placing of a continuous series of Territories under British administration would seem to have left open all questions of railway development which necessarily arise, since that one Territory are still to be considered and decided in accordance with the arguments. The whole of this memorandum is an argument against the competition and waste which that method must inevitably produce.

As to the Mandate, there is no reason why its demarcation should create any difficulty in the proposed demarcation of railway basins. There is, in fact, no clause in the Tanganyika Mandate which provides for the demarcation of its territory. There are also precedents for linking Mandated Territory with a British Colony for one purpose or another in West Africa and elsewhere. To the League of Nations it cannot matter which British administration undertakes this or that responsibility in Mandated Territory, provided the terms of the Mandate be respected and the responsibility duly discharged.

Conclusion:

36. In short, then, the objections that may be urged against the demarcation of railway basins proposed by Colonel Hammond do not seem insurmountable. All that is required for the moment to give that policy effect, is that the principle of demarcation by the natural watershed should be accepted as the basis of future development, and that the proposed extension of the Tanganyika line from Tabora to Shinyanga, which lies south of the natural watershed, should not be continued over the watershed into the Lake basin. The possible effect of demarcation of railway basins upon existing administrative boundaries may indeed require the closest consideration, but such questions are not relevant to a memorandum on the economic problem of railway development, nor do they call for any urgent solution. All that is urgent is, by acceptance of the principle of demarcation of basins, to save East Africa from an era of competitive instead of co-operative development, and from all the retardation, controversy and waste which railway competition, however regulated, must inevitably produce.

36. It would in truth be better for trade and production in Kenya and Uganda that there should be no ten-million loan at all than that a part of that loan should be applied to financing competition against their railway and their port. They can raise on their own credit sufficient capital to complete all the railway and harbour development necessary to serve the Lake Victoria basin as a whole. Competition against them, on the other hand, would not be possible without the British taxpayer's aid. How gravely such competition affected both Colonies would naturally depend on circumstances, such as good and bad years, which cannot be foreseen; but whatever their prospects, they would in any case be altered for the worse. The privilege of paying no interest for an hour on such part of the ten-million loan as might be allocated to

them would not compensate them for any considerable loss of traffic to another line; and they would have to begin paying interest on the loan at a period when the results of competition would probably not yet have been made good by increase of trade and new development.

37. It is, of course, not only certain but also desirable that the railways of British East Africa should ultimately be linked up. But the whole trend of East African traffic is from the coast to the interior and from the interior to the coast, or roughly east and west. The railway system based on Kilindini is the natural inlet and outlet for the trade of Lake Victoria. The system based on Dar-es-Salaam is, on the other hand, the natural inlet and outlet for the valuable trade of Lake Tanganyika and the Southern Congo, and of the two British Colonies, Nyasaland and Northern Rhodesia, lying immediately to the south. To carry the southern system into the basin of the northern system, until the trade of that basin is really beyond the single capacity of the railway already serving it, can only be to squander capital on competition in the north which should be spent on new construction in the south. It is therefore surely wise, as Colonel Hammond proposed, first to develop both railway systems from east to west and to delay the north and south connexion until the necessary main lines from east to west are complete.

38. To summarize, the policy of demarcation of basins follows the natural physical and economic configuration of the country, the main channels of which run east and west. To recognize this principle in the investment of capital makes certain that all the capital invested will pull its full weight. It is the only means, moreover, of avoiding competition in the period of development. How disabling such competition may be in growing Colonies South African history is there to illustrate. Lord Selborne, in the famous memorandum which first raised the question of union, described it as "a monstrous state of affairs . . . the direct result of frontiers arbitrarily ruled across the map of South Africa between sections of one community which corresponded to no real political or physical lines of division"; and in another passage he pointed to union as the only final remedy for a system in which the railways were "cut up by political accidents of the past utterly at variance with the natural conditions of railway administration." Closely as this description fits the present situation in the northern East African basin, Lord Selborne's remedy is not practicable in East Africa as yet; but it is possible to apply a temporary remedy here until conditions are ripe for the closer union which ultimately made an end of inter-colonial competition in South Africa. That temporary remedy is demarcation.

39. I trust, in conclusion, that the Governors of other East African Territories will condone the liberty which I have taken of speaking at large on East African affairs. They will, I think, endorse the claim that Kenya's service in the war entitles her to be heard on questions so closely affecting her, even beyond her own boundaries; and I apologise to them if in any argument that I have used I have unwittingly transgressed the limits to which that claim may properly be pressed. No question, outside the vast range of questions raised by native welfare and government, is of greater importance to Kenya than the co-operative organization of railway development. In the Lake Victoria and Tanganyika areas, in which the Secretary of State's instructions drew particular

*Art. 10. al. 1. P. 6. to be considered in the context of the whole of the memorandum.*

*Compare para. 20. When the Union M. 25. Line is drawn to be really practical.*

*Rather to make the argument.*

attention, that question is now urgent and acute; and being responsible for the interests both of Kenya and of the Kenya-Uganda Railway, I could not conscientiously have abstained from explaining how seriously both interests may be affected by the policy of inter-colonial railway competition now being advocated in influential quarters at home. Nor could I properly have failed to call attention to the practical alternative advocated by the only great railway authority who has been invited to study East African railway development as a whole since the map of East Africa was transformed by the Treaty of Versailles.

*Handwritten notes:*  
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EDWARD ORRIGG

NAIROBI

Printed and Published by  
 January 18th, 1900.



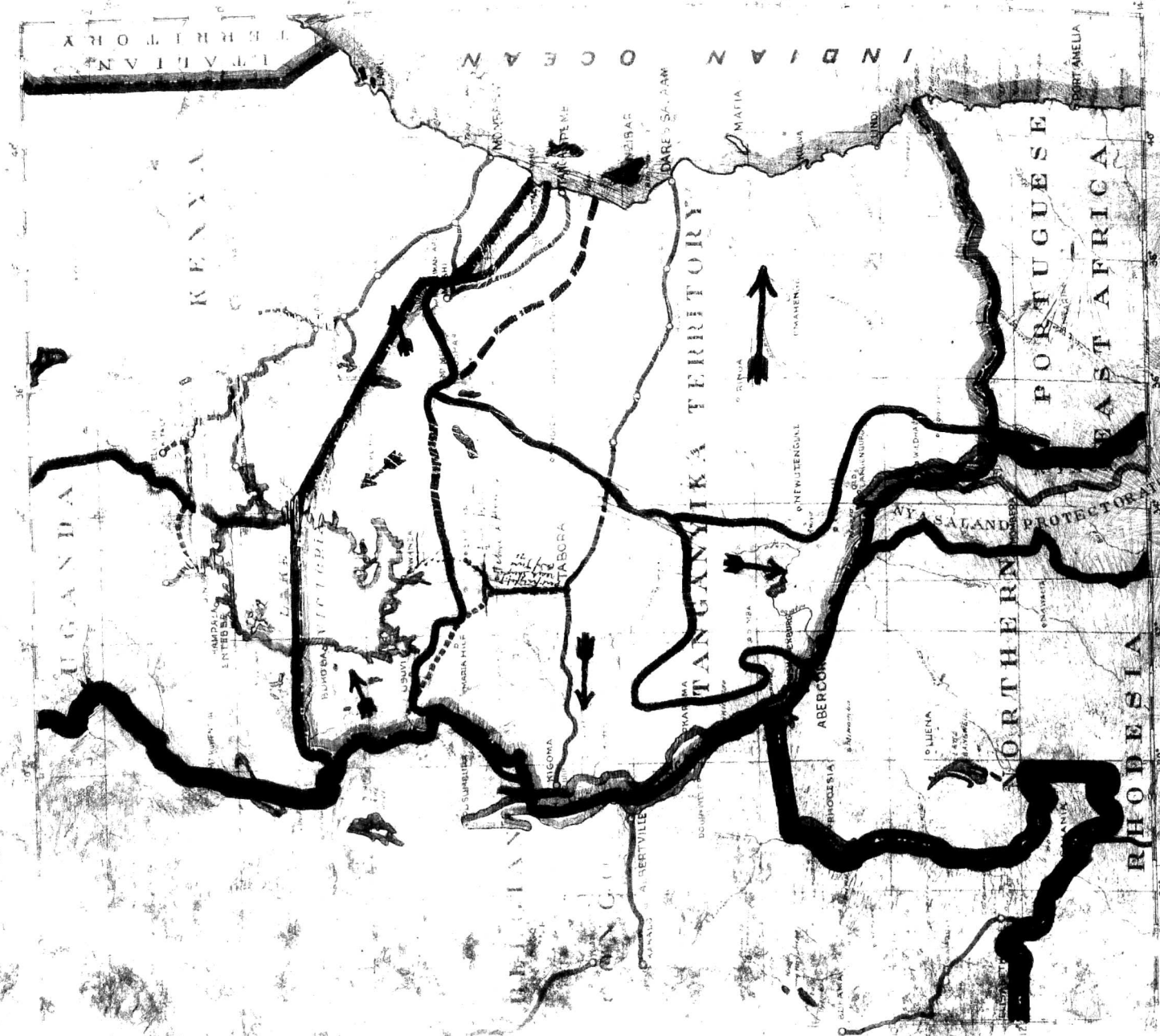
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*Handwritten notes:*  
considered  
1918  
1918

EDWARD BRIGGS

NAIROBI

and dated 14th  
January 1918.



Approx. Meter-Scale *Chimney Sticks*  
 Scale 1: 2500000 or 1 inch = 78.9 miles

*to Sir Donald Cameron*  
*Chairman of the*  
*and a speech on 4th*  
*S.V. D.*  
THE CONFERENCE had under consideration Railway Development in East Africa, including Lake Victoria questions and the Tanga Railway and in this connection had before them Memoranda by the Chairman, Sir Charles Doring and Sir William Gowers and the Resolutions of the Tanga Conference - Papers No. G.C. (26) 27, 34, 20, 63 and 15.

THE CHAIRMAN said he had nothing to add to his Memorandum - Paper No. G.C. (26) 27.

SIR DONALD CAMERON said (Stenographic Note):-

I have had an opportunity of studying this Memorandum which came into my hands the night before last and I am happy to be able to think that, as a result of the discussion which will take place this morning, it may be found that we have a great deal more of common ground than perusal of the Report might suggest to anybody who had not previously had before him what I may be allowed to call the other side of the question.

In the second paragraph of Your Excellency's Memorandum are the following words:-

"Kenya therefore submits that the railway development of the East African territories should now be pushed forward on co-operative and complementary, not on competitive lines, and that railway questions affecting more than one of the East African territories should be judged by geographical and economic convenience without too strict a regard for existing inter-colonial boundaries."

I might have written those words myself and probably, if I had, I should have put them in even wider and more liberal terms.

In the eighth paragraph:-

"The future, however, is still an open book, and for Kenya it will turn to a very great extent on whether she has to look for co-operation or for competition in the organisation of what was once German East Africa."

So far as I am able to pledge Tanganyika, I will give the fullest assurance that I can give that the spirit of co-operation and not that of competition is the one that guides me. The principle by which, since I came to Tanganyika, I have been guided in railway matters - and in the years before I came to Tanganyika - is the principle of the cheapest means of getting - taking everything into consideration - produce out and getting imports in to a given district. We believe that to be the cardinal principle and I do not suppose that many people will be found to assail that principle.

We agree that for certain general purposes zones and basins may be quite a good thing, but our view is that if that zone or basin policy is treated as a policy from which there can be no departure whatsoever, even though the natural conditions suggest a departure, then that leads to the violation of the first principle; that is to say the finding of the cheapest and most economical route. It might retard the development of given tracts of country and cause some injustices even to the inhabitants.

Again, in approaching the question of railway construction in Tanganyika, I have always looked at the map without seeing any territorial frontiers on it and I suggest that if the three Territories with which we are more closely concerned now were under one supreme Executive authority, the question of zones and basins would not be carried to the degree that would retard development; that it would be found that it was necessary in some cases, on account of physical and natural conditions, to make a departure from that policy of basins and zones.

If I may say so, an example of this is found in what is being done at the present moment in the line which is

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We agree that for a state's general purposes roads and bridges will be quite a good thing, but our view is that if that zone or basin policy is treated as a policy, from which there should be no departure with a view, even though the natural conditions are not favourable, then that leads to the violation of the principle that is to be followed by the authorities of the territories in the exercise of their functions. It is admitted that the example of the three territories is not an example to be followed in the exercise of the functions of the territories.

Again, in approaching the question of the introduction in Tanganyika, I have also looked at the matter without seeing any territorial implications, but that if the three Territories with which we are immediately concerned now were under one supreme executive authority, the question of zones and basins would not be carried to the degree that would retard development; that it would be found that it was necessary in some cases, on account of physical and natural conditions, to make a departure from some policy of basins or zones.

If I may say so, an example of this is found in what is being done at the present moment in the line which is

being built from Chinyanga and which it is proposed to build to the North, a distance of 110 miles to Mwanza. We have approached that question from the point of view of whether that railway is required in the interests of the District, or not. The district to be served is a very populous one, one of the richest districts in Tanganyika, and I think there can be very little doubt that the people ought to have some means for transporting their produce by railway and, if this is not supplied, I have no doubt that the development of the territory will be retarded. We say that our line affords the cheapest route.

It would be more than an unfortunate thing if I went to the District, and, supposing for a moment that it was decided to postpone the building of this line, natives addressed me somewhat in this sense: "If the Germans had remained here we should have had this railway which they had already begun to obstruct. The railway is necessary for our needs, why is it not built?"

I should have to reply that it is probable that they would have had the rail connexion if the Germans had remained in the country, that I agreed that they should have the railway, that it was fully justified, but that although Kenya could not build the railway itself, Tanganyika had to refrain from building it, because Kenya objected.

I should have to make the same explanation next year when I go to Geneva to be examined before the Permanent Mandates Committee on the Annual Report. I should have to say that in the interests of the Mandated Territory the railway was necessary, it would benefit the natives and develop the country, but I was not allowed to build it, although Kenya itself could not build it, because some policy of zones of influence would be violated.

It is an interesting thing that when I first approached the question of the railway extension from Shinyanga to Iwanza, I experienced some of the same doubts as are now being expressed, and I would say here that it seems to me that the objections which have been raised to the extension to Iwanza are raised not so much against the utility of that stretch of line. I gather from a paragraph in this Memorandum that the Kenya Government would be willing to build a line in that area to serve the Eastern and South Eastern portions of the Lake basin. It is the paragraph in which allusion is made to a possible extension to Arusha. (Paragraphs 31 and 32.) I gather from that that the Uganda Railway would be willing to build a line to the Lake with the prospect of perhaps joining it up with the Uganda Railway system afterwards. It seems to me that if the Uganda Railway Administration is willing to build a line in a part of the country which will certainly not develop the Territory of Tanganyika - on account of population and otherwise - in the same way as the railway which is proposed, the case against the northward extension of the Shinyanga line is very considerably weakened.

It is proposed that the line to serve the Iwanza area should not be put in the most advantageous place simply because that may offend against a policy, which, with all respect to other opinions, is not, I argue, as important as my principle of the cheapest and most economical route.

I gather that the Uganda Railway Administration would not object to the extension North to Iwanza if the Central Railway system of Tanganyika was 200 miles to the South. What they object to is the connection with that system and their objection seems to me not so much to the line northward from Shinyanga as to the portion to the south of Shinyanga. If there were a break of some 100 miles South of Shinyanga there would possibly be no objections raised to the line which is not proposed.

I was saying that when I first approached the question of this northward extension to Mwanza almost exactly the same arguments arose in my mind as the arguments, or some of them, which are proposed in this Paper. This line was very strongly urged by the East Africa Commission - the extension to Mwanza - and it was urged on the grounds principally that the area required the line for its development and that it would feed the Uganda Railway system and not act in competition against it. It is from this point of view that I have discussed the proposal with my advisers and it is from this point of view that I, for the most part, have approached the question of constructing this line.

The distance from Mwanza to Kilindini, via Misumu, is almost precisely the same as that from Mwanza to Dar es Salaam, but the northern route has the great advantage of 200 or 300 miles of cheap water transport which gives the goods going by that route (I am assuming now that rates will be equalised), a much cheaper transportable would give the northern route a very great advantage.

I believe myself that, as predicted by General Hammond, a watershed will be found somewhere between Shinyanga and Mwanza, and that that watershed will probably be much further south of Mwanza than some people suppose. Trade north of the watershed would flow to Kilindini via the Lake.

It does not seem to me that in Your Excellency's Memorandum any suggestion is made that the possibility - I should say probability - of the line feeding the Lake basin rather than taking traffic away from it has entered into the consideration of the question as discussed at this end. If we are wrong, if an extension to Mwanza does not fulfil our anticipations as regards a certain amount of traffic being directed to the North - given equalisation of rates - then we shall have to come to the conclusion that in spite of the better



port facilities at Kilindini and the cheap water transport on the Lake the natural and economical outlet for those goods is to the South and not to the North, and, although we may have been wrong in our anticipations, we would have been saved from the very grave error - as I believe it to be - of endeavouring to divert and force traffic into artificial channels.

The extension from Arusha to Moshi has been approached by me from exactly the same standpoint. Arusha would feed Moshi and Moshi would feed Kilindini as it is feeding it now. I speak always from the point of view of the equalisation of rates. I do not for that reason quite follow what I think to be the suggestion in this Memorandum of Your Excellency's, that the extension to Arusha would be competitive and not complementary.

"To build a competing connexion from Arusha to the main Tanganyika line, which must go through harder and less profitable country unless a long detour be undertaken and the tollage to the sea proportionately increased, can never be an economic proposition until both roads and policy require a continuous north and south arterial connexion."

I think paragraph 21 to mean that the interests of the Uganda system are threatened by the extension from Moshi to Arusha and I do not quite follow the 3rd and 4th lines of the second division of that paragraph.

I believe that if the line from Arusha to Dodoma is made, it will be found that there is a traffic watershed somewhere north of Kondon. Given, again, I say, an equalisation of rates, some goods would flow north to Arusha from some line drawn north of Kondon, some, that is, would flow to Kilindini, and the rest would come to Dar-es-Salaam. I cannot imagine how that link between Dodoma and Arusha could be regarded as competitive: I cannot imagine how any traffic from a point, say, 50 miles or even 60 miles South of Arusha could, with an equalisation of rates, be taken by any sane man to Dar-es-Salaam, seeing that he would have to pay a very much

larger sum if he adopted the cheaper northern route. But that line from Dodoma to Arusha I regard as hardly in the picture at present. I have asked that it be surveyed, as I have no doubt that, agreeing with Your Excellency, some day it will have to be built. I agree that, when the time comes, with one supreme Executive Authority for the three Territories, the unification of the railways is inevitable. I hold, on the other hand, the strong view that until that supreme Executive Authority is appointed the unification of the railway and other public services is not to the profit of the Territory for which I am responsible.

I may refer here for a moment to the paragraph in the Memorandum dealing with a railway from Arusha to the South Eastern corner of Lake Victoria. I have said already the Uganda Railway Administration seems willing to build a line from the Lake in an easterly direction, even though that line would be in the air from the operating point of view and would for that reason be expensive. It would have to have its own shops and its own organisation, quite away from the rest of the Railway Administration of the Uganda Railways. A statement is made that the only information on the subject of this route from Arusha to the Lake Natron and the West is from German sources.

THE CHAIRMAN: That is from information supplied to us in Kenya.

SIR DONALD CAMPBELL: Mr. Hallis is the only one here besides myself who has undertaken the journey by road from Nairobi to Arusha. Your Excellencies will understand me when I say that on the left stretching as far as eye can see there is a vertical wall of cliff, ranging in height from 2,000 to 3,000 feet. It is possible to get to Kivanzu or to the Spoke Gulf from Arusha by making two long detours; one very long one up in the direction of Lake Natron - that is the only place on that

side; the other by Lake Manyara to the South. I have placed the line on this map.

THE CONFERENCE discussed the map.

SIR DONALD CAMERON: My chief Veterinary Officer, Mr. McColl, made a long journey through the country to the West of Lake Natron, to Lake Victoria. He told me that he did not see a single human being for fourteen days. He came up on the South route. There is no water and no population, no possibilities in the country. A book has also been written by a traveller named Cunningham, who came out for the purpose of exploring the country. It is said in the preface that the country to the East of Natron is well known. He proceeded to explore and found that the country between Natron and Ikoma had no water and no inhabitants and that the land was unsuitable for agriculture, except near Lake Victoria. Mr. Roseawen of Tanga who has also travelled from Natron to Mwanza confirms the impressions of Mr. McColl.

THE CHAIRMAN: So far as the railways are concerned the German surveys are the only ones.

SIR DONALD CAMERON: That is so.

MR. HOLLIS: The country there is just like round Magadi. The ground is full of salts, etc., you break through soda the whole way. I went to Lake Manyara and to the active volcano.

SIR DONALD CAMERON: I return now to the question of rates, which, of course, is a very important one. It seems to me that there has been a certain amount of misunderstanding in regard to it, because I read at the foot of page 5 of the Memorandum on the Tanganyika Railway system:-

"The established principle, exactly converse to that of the Uganda system, is to have high export rates and comparatively low import rates."

Now, unless the Uganda export rates have been generally revised within the last eighteen months - a fact which has not come to my notice - that statement in the last paragraph on page 5 will require some modification. The rates that were in force on the Uganda Railway eighteen months ago, in October, 1924, were rates which were introduced by Mr. Pelling after he came here; and, with two exceptions, they are the rates which were recommended by Colonel - now General - Hammond, in his Report in 1921. The two exceptions are that a low flat rate for maize has been imposed, and that the rate on hides and skins has been decreased. Apart from that, I had a comparison of the export rates of the Tanganyika Railway system, very kindly prepared for me by General Hammond himself, in which he showed - I regret that I have not the paper here - that on the whole Tanganyika export rates were just as favourable, and in several instances more favourable, than the Uganda rates.

THE CHAIRMAN: What was the date of that?

MIR DONALD CAMERON: He gave it to me in about December, 1924, or January, 1925.

The policy, as pointed out in this Memorandum, of the Uganda Railway is to have light export rates and heavy import rates. There is a considerable body of opinion which is opposed to that policy, with which I have come in contact on the French and Belgian railways on the West Coast of Africa; but, perhaps I may be allowed to say - happily I do not belong to the opposite school - that I believe that the policy of light export duties and heavy import duties, within reason, is a good one for a young, developing country.

I refer here to the statement at the bottom of page 6:-

"The price of cotton cloth is a direct incentive to natives to earn, and it makes possible a low export rate on raw cotton and cotton-seed. It therefore

gives a double stimulus to native production. The spirit and tobacco rates, on the other hand, are rates of luxuries, and they are almost entirely paid by the European population, which benefits in return by low export rates on its own produce. Kenya also maintains very high customs duties on spirits and tobacco, without apparently affecting consumption."

I think we must always be very cautious in this matter because I have seen natives refuse, over a period of years, to buy any cotton cloth at all because it had been made too expensive. I am talking of a country where there was no native cloth to take its place, as I believe there is not in Kenya or Uganda.

I have foreseen, and I have mentioned the matter officially otherwise, that the rates of the Uganda and Tanganyika systems must be as far as possible, and absolutely, I hope, made similar. I have always felt that, in the circumstances, the Tanganyika Railway system would have to come to the Uganda system in this matter and that we could not expect the Uganda system to come to us; and I hope, therefore, that there will be no necessity for any compromise, which is mentioned and seems to be feared in this Memorandum. Subject to such advice as I shall get from the General Manager of the Tanganyika Railways when he returns from leave, I see at present no reason why there should not be a complete unification of rates for the two systems. The statement that the Belgian Congo traffic would prevent us from assimilating our rates to those of the Uganda Railway is one to which too much importance should not, I think, be attached. I do not think any arrangement of a special nature that we might make in order to get a valuable through traffic with the Belgian Congo would prevent us from coming into line otherwise with the Uganda Railway. I submit that no danger arises from the point of view of competition in rates; and I hope that I have indicated that no competition in the way of construction is to be feared. What I would say is that the policy of the basin zones must not be

-11-

applied in too rigid a manner. On the fringes of the basins cases may occur in which railways are required and ought to be built, and can only be built not entirely in conformity with the strict policy of the basins. If built at all they must for practical and natural reasons be built by the Railway Administration which is not serving the particular basin. The question of the actual construction of the railways, once the line has been adopted, I shall refer to now.

The Tanganyika Government takes the view that it would be unwise for it to part with any of its freedom in regard to railway matters. Tanganyika is not the hinterland of another country and she can make her own arrangements for outlet. Tanganyika is perfectly willing to build feeder lines to the other systems where they are needed, but she asserts that, in order to maintain her own railway freedom, those lines should be built and possessed by her, although they may be operated by another Railway Administration.

There is the further fact, which perhaps may be new to Your Excellencies in some measure; that is that I believe the Tanganyika Administration is in a better and more favourable position to approach the question of railway extension than most Colonial railway systems, including the Uganda Railway system. The reason is this: the original cost of the main lines from Dar-es-Salaam to Kigoma and Tanga to Moshi represent no debt against the railway/ which is not entirely negligible. Tanganyika has not to pay debt charges on the cost of those lines, and the whole earning force of the main lines can therefore be directed in support of the branches or extensions which she may construct.

There is the further point that the Mandated Territory is a whole and must remain a whole, even if it were broken up into two pieces and one was administered by one Colony and the other by another. It would still be regarded

as a whole by the League of Nations. The inhabitants of the Mandated Territory are entitled to any financial relief, railway or otherwise, which might flow from the construction of feeder lines within the Mandated Territory. We know that, although feeder lines may not produce any actual net revenue, it is to the advantage of the parent line owing to the standing charges being spread over a larger volume of traffic. It is to the advantage of the main line that this traffic should be brought within the system of the parent line and not within the system of another line. If Uganda built its own railways in Tanganyika, the Mandated Territory would be deprived of those direct and indirect financial advantages which ought to flow to itself and not to the other side.

I perhaps might mention now the question of the administration of lines owned by the Tanganyika Railway and operated by the Uganda Railway system.

The proposition has come forward in connection with the proposal that the Uganda Railway should operate the Tanga Railway for the Tanganyika Railway. Now the Tanga Railway is the property of the Mandated Territory and not of the Mandatory Power. It cannot be taken away from the Territory of which it is an asset. The East Africa Commission and General Hammond suggested that the Tanga Railway system should be operated by the Uganda Railway system because it was thought that owing to the physical connection of the systems certain economies might be achieved. No proposition was made that the Mandated Territory should part with its property in that line - that proposition came, I think, from Mr. Felling, and, as I pointed out, it is one which cannot be accepted by the Tanganyika Administration.

The Union of South Africa absorbed the late German railways in German South <sup>West</sup> Africa and passed the property in them over to the Union. They are in process of passing

the property back to the Territory, after the matter was brought to the attention of the League of Nations.

I understood from the General Manager of the Tanganyika Railway that Mr. Felling was unwilling to consider the question of operating the Tanga Railway unless the property in the line passed to the Uganda system; and I am not sure that, if that is the attitude, there is indeed a great deal to be gained by continuing the discussion. I am perfectly ready to continue it on the lines recommended by General Hammond in Appendix I to Part I of his Report of the Tanga and Uganda Railways, with the reservation that I consider that any net revenue earned by the line should be set-marked specially and should not flow into the General Portment Fund of the Uganda Railway system, for that would be diverting some of the legitimate resources of the Mandated Territory to another source.

I am sorry to detain you so long, but I may have overlooked a point or two and I should just like to run through the Memorandum, if you will allow me.

I think that I have said that any Administration would be guided broadly by considerations such as those mentioned by General Hammond in connection with the basins or zones, but I do not think that any Administration would push it to a conclusion that operated against development. I think that when General Hammond wrote the statement quoted in paragraph 12 of his Memorandum:-

"This branch was originally started by the Germans. Its object was to tap the rich districts of Ruanda and Urundi, and to divert both this and the traffic of the Kwanza district from the Uganda Railway Marine."

General Hammond added that:

"with the absence of any motive for competition the raison d'etre of this line has disappeared."



"To Kenya and Uganda it is of the utmost importance that, before this branch line, condemned as unnecessarily competitive by Colonel Hammond, is completed, full consideration should be given to the following questions."

he was writing of the extension as a whole and not of a feeder line to the Lake.

I know General Hammond very well and I have probably had with him more discussions on railway matters than any other responsible officer in the Colonies he has visited and I do not think for a moment that General Hammond would maintain now that what he wrote in 1921 about railway matters in East Africa is the last word on the subject. What he condemned then was a very large scheme to divert the whole of the traffic from the West and the South of the Lake away from the Lake. I cannot find anything in General Hammond's Report that suggests that he would push his basic policy to the extent of preventing the people of Mwanza Province from having an outlet for their goods which they ought to have and which they cannot obtain otherwise in such an economical manner.

Paragraph 19.

"Whether, moreover, competition were free or limited by compromise agreements, it is surely undeniable that the completion of the Tabora-Mwanza line must lead to competition. Two railway systems will then be tapping the Lake Victoria basin instead of one."

With regard to paragraph 19, as I said, our view is that the Northern part of our extension to Mwanza will feed the Uganda system instead of taking traffic away from it.

Paragraph 20.

Reference is made to the line South to Nyasaland and Northern Rhodesia. I have a despatch here from the Secretary of State for the Colonies which crossed my printed Memorandum on Railways which is before the Conference.

(Despatch circulated - Paper No. G.C. (26) 98.)

Paragraph 21.

I have asked for a survey of the line from Arusha to Dodoma. The Colonial Office suggested that I should put that line on the schedule for the Transport Development Loan. It has not been surveyed and I was reluctant to do so, as it would probably deprive other places of money which might be expended more expeditiously. I have, therefore, put it right at the end of the schedule.

Unfortunately, since I have come to the Conference I have been told by the Governor of Nyasaland that such a line to the South could expect no traffic from Nyasaland. That is a very great blow to the scheme, because if the Governor of Northern Rhodesia gives us the same sort of information it will, I think, be impossible to proceed with the building of the line.

Although the route has not been surveyed I have put a tentative sum on the Loan Schedule for the construction of the line, if possible. We not only want an engineering survey; we want also a very thorough traffic survey before anything is decided.

Paragraph 26 states:-

"While Kenya and Uganda's expenditure in this being wasted, Tanganyika must incur new expenditure for similar improvements on its own line."

That will not be necessary, because the line has already been relaid with a heavier rail and we can carry a very much greater volume of traffic than we are dealing with now. The Central Railway was built by the Germans to a standard which I do not suppose any Colonial Government has ever attempted to attain.

Paragraph 28.

I venture to think that the remarks in Paragraph 28 require some modification. I entirely agree that when there is one supreme Executive Authority the railways should be unified. Lord Selborne, in his memorandum - which I remember

reading on my way home from Mauritius in 1907 - was speaking of three or four self-governing Colonies that had no co-ordination. Kenya, Uganda and Tanganyika are not in that position. They have the co-ordinating power vested in the Secretary of State who, in a recent telegram on the subject, stated that he would not hesitate to use that power if his intervention was required.

(At this stage the Conference agreed that the stenographic notes should not be taken for the rest of the meeting.)