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Finances and Public  
works in E. A. Protectorates

Let previous Paper.

Cabinet decision registered  
for record -

accf  
9/17/13

The Cabinet to-day decided that the East African Loans Bill cannot be introduced this year owing to the stringent state of the money market and the bad effects likely to be produced by commitment for future borrowings even though they are not likely to take effect until next year and then only to a limited extent. But it is a good thing that the East African Loans Bill shall be introduced and passed in the Session of 1914, if market conditions are more normal. I told the Cabinet that, for the sake of the East African Protectorate, it was necessary that I should have an assurance that £250,000 would be available for these purposes in the financial year 1914-15, in order that I might immediately set on foot preparatory work surveys to be made. It was, therefore, agreed that, in case there was any unforeseen delay in the passage of the Loans Bill next Session, I should receive £250,000 from the Treasury as a temporary financial aid, to be repaid out of the Loans when raised. I also informed the Cabinet that if the Loans Bill was not passed in 1914 I should require £250,000 in aid, on similar terms, of £750,000 for the financial year 1915-16.

It was also decided that the Bill should be left open for further consideration whether it should be inserted in the Budget or in the Estimates to be presented to Parliament in the ordinary course or whether it should be taken as a separate Bill in the Estimates for 1914, by which time it might not be required owing to the passage of the Loans Bill. The Treasury require further details and justification for the various items which would amount to the total of £250,000 or £750,000. These will be submitted to the Treasury.

Original document initialed  
 H.H.A. & Prime Minister, 20/6/13  
 Private Secy. H.H. 30.6.13

The Cabinet to-day decided that the East African Loans Bill cannot be introduced this year owing to the straitened state of the money market and the bad effects likely to be produced by curtailment for future borrowings even though they are not likely to take effect until next year and then only to a limited extent. But it is a good thing that the East African Loans Bill shall be introduced and passed in the Session of 1914, if market conditions are more normal. I told the Cabinet that, for the sake of the East African Protectorate, it was necessary that I should have an assurance that £210,000 would be available for these purposes in the financial year 1914-15, in order that I may immediately authorise preparations and surveys to be made. It was, therefore, agreed that, in case there was any unforeseen delay in the passage of the Loans Bill next Session, I should receive £210,000 from the Treasury as a temporary Financial Aid, to be repaid out of the Loan when raised. I also informed the Cabinet that if the Loans Bill was not passed in 1914 I should require a Grant in Aid, on similar terms, of £750,000 for the financial year 1915-16.

As to the £210,000, it was left open for further consideration whether it should be inserted in the ordinary Estimates to be presented to Parliament in February next or whether it should be taken under Supplementary Estimates. On July 12th, by which time it might not have been required owing to the passage of the Loans Bill, the Treasury require further details and identification of various items which would make up the total of the £210,000 Loan. These should be submitted to the Treasury at once.

Original document not initialed  
 H. A. G. P. [unclear] [unclear]  
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 H. A. G. P. 20.6.13

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7 JUL  
1913

Confidential

Downing Street,

9 July, 1913.

DRAFT.

THE SECRETARY

TO THE TREASURY.

MINUTE.

- Mr. Read. 2 July
- Mr.
- Sir G. Fiddes. 3
- Sir H. Just.
- Sir J. Anderson. 3
- Lord Emmott. 4
- Mr. Harcourt. 8 July 13

Sir,

I am directed by Mr. Secretary Harcourt to request you to inform the Lords Commissioners of the Treasury that the question of providing funds for necessary and pressing public works in the three East African Protectorates is causing him serious anxiety.

Those Protectorates have now reached a critical stage in their development, where it appears to Mr. Harcourt to be essential that something should be done, not only in the interests of the British taxpayers.

*Superficially*  
*Quite admirable*  
H. 13

the want of transport, the congestion is great, and complaints are rife. If nothing is done the settlers will lose heart and the natives will be discouraged, East Africa will experience a serious set-back, and the Protectorate will once more become a heavy burden on the Treasury. His Majesty's Government have, therefore, a direct pecuniary interest in devising means whereby the Protectorates can obtain funds to provide the necessary facilities for transport.

5. The Protectorates could not in existing circumstances be allowed to raise loans in the open market on their own account, but it appeared to Mr Harcourt that "The Colonial Loans Act, 1899" formed a useful precedent and might be followed in this case.

He accordingly brought the whole matter before his colleagues at a recent meeting

of  
F.T.O.

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the port had gone up in value from about 22,000,000 in 1910-11 to about

24,000,000 in 1912-13, but the facilities

for dealing with it on shore are practically

the same. Mr. Harcourt has, it is true,

approved of certain minor improvements

to relieve as far as possible the congestion

until the much needed deep-water pier

can be constructed, but these must be re-

garded as only temporary and very inade-

quate palliatives. [As an illustration

of what has been said above, certain figures

which have been supplied by the Chief of

the Customs at Bombay show that between

the 11th and 25th of February 1913 tons

were handled at the port. This is a

particularly favourable period because the

facilities at the port were being worked

to their fullest capacity during it, but

as their loadings will not be done

the average of goods handled amounted only to

Gov/18440/13

*Send the value  
of goods in  
the port for  
the year 1913*

*YH*

this country, connected with harbour work, to inquire into the matter on the spot and to submit his recommendations. His detailed report has not yet been received, but he has provisionally estimated that a deep water wharf with four berths and the necessary subsidiary equipment can be provided for a sum of £700,000. This scheme, if carried out, would sufficiently meet the present difficulties, but it would take <sup>4 1/2</sup> 5 years to

£700,000

complete and even now there are at times 5 ships all loading and discharging in the harbour. Mr. Harcourt considers there

fore that it would be only prudent to add a further sum of £100,000 so that, with the sum of ~~£800,000~~ <sup>rather less than £100,000</sup> £90,000 (the balance of the original sum of

£100,000 has been spent in preliminary investigations) available from the recent loan for the construction of a deep-water pier adequate provision may be made for the construction of two additional berths,

which

*during the next few months*

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produce being destroyed with consequent loss both to the Government and to the native. This is an unsatisfactory state of affairs, especially as the native has been encouraged by the local Government to cultivate the land, but is now finding that he is unable to take his produce to market or only at a prohibitive cost. It is abundantly clear that this line should be constructed as soon as possible, and there can be no doubt that it would pay from the very beginning. Owing to the advancing cost of labour in the East Africa Protectorate and of railway material in this country, Mr. Harcourt does not think that it would be safe to estimate the cost of line at less than £4,000 a mile, which, for a total length of 60 miles, gives a sum of £240,000. ~~It is desired to secure the~~ sum will probably be devoted balance of the sum of £400,000 to the extension

£40,000



and, as there is no opportunity of executing needful repairs, it is rapidly deteriorating. The situation will be relieved to a certain extent when the additional rolling-stock which is now on order has been delivered, but the railway estimates for the current year had scarcely been approved before it became apparent that the following additional rolling-stock would be required, namely 10 new engines, 50 open coal trucks, 25 bogie trucks (20 tons), and some 15 additional horse-boxes and cattle trucks. The cost of the engines may be put at £3,500 each, that of the bogie trucks at £425 each, and that of the coal trucks, horse boxes, &c., at £320 each. With the exception of this represents an expenditure of about £70,000. This makes no allowance for increase of traffic in the year succeeding the present financial year, and, even as regards the present financial year,

with the funds at present at his disposal.  
In the country adjoining Lake Victoria, in  
the Highlands, and in the Coast district

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an extended and improved system of roads  
is urgently required. In the Coast district,  
for example, there are practically no  
roads at all to the north of Mombasa and  
only one road of any importance in the  
country to the south, and yet this is one  
of the richest districts in the Protec-  
torate. Steps are now being taken to  
increase the administrative staff in this  
district, to get into closer touch with  
the natives, and to open up its resources,  
and it is especially desirable that proper  
means of communication should be estab-  
lished. Bridges are of course an integral  
part of any scheme for the improvement of  
the road system and a considerable expendi-  
ture is required in this direction also.

£200,000

A sum of £200,000, to cover a five years'  
programme,

has recently returned from a tour in East Africa, in the course of which he visited the German side of the lake. He states that at the time of his visit the German warehouses were full of produce which the steamers on the Lake were unable to remove, that the matter was causing the Government of German East Africa serious anxiety, and that it was their intention, if the Uganda Railway was unable to handle the traffic, from the German ports, to construct a branch line to the Lake from the main line to Lake Tanganyika. If, on the other hand, the Uganda Railway could make proper arrangements for the conveyance of their goods, they would prefer to make no change in the present system, as they considered that the money required for the branch could be more profitably spent in railway extension in other parts of their Protectorate. The

German

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country traversed at present only by ordinary bush tracks which are impassable for any description of wheeled traffic during six or seven months in every year . . . . . I cannot avoid the conviction that, unless something is soon done to mitigate these troubles, the progress of this young country will receive a decided check at a most critical stage . . . . .

I feel therefore that every effort should be made to initiate a dependable system of

metalled roads in the Shire Highlands . . . . .

*Very little progress has been made and*  
*great expenditure was not done*  
 meant to obtain full value from the exten-

sion to the Lake it will be necessary to construct additional roads in districts other than the Shire Highlands. At present the scanty means of the Protectorate do not admit of road construction on anything but a very small scale and an annual sum of £25,000 could be profitably spent in this direction during the next five years.

Agenda14. ~~Uganda~~ Railway Extension£450,000.DRAFT

Very shortly after the transfer of the administration of the Uganda Protectorate from the Foreign Office, the Colonial Office recognized the importance of linking up Lake Victoria with Lake Albert and the Congo Free State by means of a railway and surveys of possible routes were actually carried out in 1908-9 by an officer of the Royal Engineers.

It was considered that the best route for the line would be from Port Bell in a direction almost due west via Kampala and Mubendi to a port Bulinda, at the southern end of Lake Albert. This route lies practically across the centre of the Protectorate, is in a favourable position for feeder lines or roads, and passes through a populous district. It also strikes Lake Albert at a particularly

suitable

produce is now exported to the Congo from  
 the most westerly districts along the *Port*  
~~route~~, but, with proper communications, the  
 production would be immensely increased and  
 a trade would spring up with the eastern  
 portion of Uganda and with the East Africa  
 Protectorate. These western districts are  
*with the introduction of mechanical transport*  
 populous and fertile and the working popula-  
 tion would be still further increased by a  
 large number of porters who are now employed  
 for transport purposes. The total distance  
 from Port Bell to Lake Albert is 211 miles  
 and the small section from Port Bell to  
 Kampala is at present being constructed  
 from the loan of £125,000 recently made to  
 the Protectorate. Funds will not be avail-  
 able for the construction of the whole  
 length of line from Kampala to Lake Albert,  
 but the first section of 100 miles from  
 Kampala to Mubende, a Government station  
 and possible sanatorium *for white staff* from the Protec-  
 torate.



construction of a shorter section in the Western Province, say from Kampala to the Ntivyira district, referred to above.

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The whole question of railway extension in Uganda will, however, require careful discussion with the local authorities, but Mr. Harcourt thinks that enough has been said to convince Their Lordships that the sum which has been inserted under *this the Railway extension* head is only a moderate provision for the purpose.

15. Roads £75,000

Adequate provision has been made in the last loan to Uganda for the construction of roads in the Eastern Province, but it appears from correspondence which has been received from the Governor that the following roads are required in the Western part of the Protectorate:

Kampala

rapidly introduced. In addition, some provision must be made for the special staff which will be required for these new roads. At present, little or no progress can be made with these very necessary works. The total sum provided for new roads in the Estimates for the current year is only £4,058, and a considerable portion of this amount has had to be diverted to even more pressing services which were unforeseen when the Estimates were framed. It will be seen from what is stated above that a sum of £75,000 is a very moderate provision for a 4 or 5 years programme of road construction.

£75,000

Rs Steamers for Lake Chioga £60,000.

The development of land communications in Uganda would no doubt call for increased shipping facilities on Lake Chioga, the central waterway of the Protectorate, and a sum of £60,000 might well be provided under this head.

£60,000

18. Mr. Harcourt has now laid before their Lordships a provisional outline of work to be provided for by the loan. A work like the deep-water wharf at Mombasa will take some 5 years to complete, the extension of the Shiré Highlands railway to Lake Nyasa, although a pressing work, must wait until the extension of the line to <sup>Beira or along rail to</sup> the Zambezi or to Beira has been completed, the programmes of road construction will require time to carry out, while, owing to the congestion in the ship-building trade, the new steamers even if ordered at once cannot be delivered at an early date. In these circumstances Mr Harcourt would suggest that the whole programme should be regarded as one to be spread over a period of 5 years from 1914-15 to 1918-19. It is of course impossible to forecast with accuracy the proportion of the loan which will be required in each of the 5 years, but it seems probable that the heaviest expenditure will fall in the 3rd

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and

provide in as general terms as possible  
 and *with freedom*  
 for the improvement of communications in the  
 three Protectorates. In view of the  
 rapidly changing conditions in the labour  
 market in those countries and of the  
 present abnormal state of the iron industry  
 in Great Britain it is impossible to frame  
 highly accurate Estimates which shall hold  
 good for five years. On the other hand  
 in new countries like the three Protectorates  
 occur which may make it imperative to  
 sudden developments may concentrate effort  
 on one *branch* ~~section~~ of the communications even  
 at the expense of other pressing works of a  
 similar nature. In order therefore that  
 the utmost advantage may be derived from  
 the loan Mr Harcourt considers that as  
 wide a latitude as possible should be  
 allowed in its administration, subject of  
 course to the condition that it is to be  
 devoted only to works which can be brought  
 under the head of improvement of commu-  
 nications. The sum to be provided is a

*Five million*

in the congested condition of the transport system. As development proceeds in those

districts, as new districts are opened up,

among the many thousands of natives who are at present employed as carriers are enabled by the introduction of mechanical

transport to return to work on the land the

present results must be largely exceeded.

This economic progress among the natives

is synchronizing with a considerable influx

of white settlers into the two Protectorates,

while many of the plantations established

by the older settlers are now reaching the

producing stage. Add to this the vast live-

stock resources of the two Protectorates

which have practically remained unex-

ploited hitherto, and Their Lordships will

realize that it is difficult to set limits

to the important requirements for the next

few years. If reasonably efficient ar-

rangements can be made for bringing to

market the large quantity of produce which

is now coming forward and which will come forward in still greater volume in the near future, development will be sure, rapid, and peaceful; if, on the other hand, existing conditions are allowed to prevail, there will inevitably be disappointment, discontent, and disturbance, and the whole future of these countries will be endangered.

I am, &c.,

Wm S. V. Adams

Schedule

East  
Africa

Victoria Harbour Works	500,000
Railway Extension	400,000
Railway Rolling Stock	200,000
Roads & Bridges	200,000
Steamers for Lake Victoria	65,000

Uganda

Railway Extension	550,000
Roads	125,000
Steamers for Lake Nyanza	75,000

Kenya

Railway Extension	450,000
Roads	75,000
Steamers for Lake Chiroga	60,000
Total	<u>3,000,000</u>