· as a second C O 24410 1911 EAST AFR. PROT. 36 1- H 24410enry Reduction of railway rates ate. July . Jubmits news on proposals. Assents to them on the understanding that effect with the carefully watches I proposed revices if found to the unremumerative. Request full report as end 753 7 three years. hi Rear Fiddes Incitent. hanach to the prime too borfarels are approved formio wing has comprom & deep, and g com y maning here 1315 8% at mel 191 H. J.R. 10. A.&B.W. quent Paper 313-12-4

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

13715

TREASORY CHAMBERS.

Sir,

I have laid before the Lords Commissioners of Hi for Lajesty's Treasury Mr. Fiddes' letter of the 14th instant (19753/1911) and the accompanying copy of correspondence with the Governor of the East Africa Protectorate on the subject of reducing the third class fares on the Uganda Railway.

Reductions are recommended of two kinds: first in the case of the ordinary third class fares by means of sliding scale similar to that adopted on the Last Indian Railway; and secondly a still further reduction is propose in respect of natives travelling in batches of ten men or over.

The former of these concessions appears likely to involve at the outset a considerable loss of revenue, as explained in the 6th paragraph of the lanager's despat of the 20th March last, and it is doubtful, to judge from the remarks contained in the 3rd paragraph, whether this loss would be fully recouped by a corresponding increase traffic.

The second proposal seems at first sight to be based on more substantial grounds, but by Lords repard by Secretary Harcourt's objection, viz. that it will primarily benefit the Magadi Company rather than the Rail as of great weight and as not entirely met by the argumer urged by the Governor in his despatch of the 11th May las This

The Under Secretary of State

This concession points to the desirability of fixing the rates for these gangs of men at the highest reasonable figure which this Company could afford to tay without having recourse to imported labour.

In both cases, moreover, Ly Lords presume that the carrying capacity of the existing rolling stock must have an important bearing on the question whether the concessions are likely to be reproductive.

While the proposals seem to Their Lordships to be open to criticism in these particulars, They are not disposed to withhold Their assent to them to long as they are regarded as purely experimental in character and open to revision mercefter, -If therefore Wr. harcourt is satisfied on the question of the rates popule by the Legnai Company, to which reference has been made, by Lords are willing that the meanching that their effect will be carefully watched and that they will be revised, if clear evidence is forthcoming that they are not remanerative. In any case by Lords would ask for a full report at the end of three years.

In conclusion 1 am to express Their Loraships' gratification at the improvement in the Railway's receipts reported in Sir. F. Girouard's despatch of the 20th hay last.

Sir,

i am,

Your obedient Servant,

C. Acal

many la 4410 J 31/7 Jent 6:25 yun dest of to he 200 propust Fart Tehrs rabbinus. Aduction of Franking DRAFT. Pregnand Entres apporter forman Nauch deruful 1 Drepatiz filow & hear MINUTE. Mr. 1915 21/1 Mr. Real 31 Mr. Fiddes. Mr. Just. Sir C. Lucas. Lord Lucas. Mr. Harcourt.

I deall.

S2C But 1911 N. 40423 I have two harmest to capion my therean buil fian of the Bist of fing this had as follows ns th I have afy to mutral no lal 31 2: A Brown Buckse for your which purchase a copy of a little from two Incoming a which hey her was band y is hit