



DOMESTIC

EAST AFR. PROT.

6265

No.

6265

FEB 19 07

Individual

(Subject)

to be in effect

1907

8 Feb 7

not previous Paper

Uganda Revenue Ry

States conditions which his principals are willing to accept asks for an early reply

(Minutes Per my minutes of 4/1/07)

Mr Read

They now ask in return for the construction of the Railway

about 50,000 acres
 to plant
 An area of farming land in other parts of the country
 on a total of 164,000 acres for 50 miles of line = 3280 or rather more than 5 square miles of land per mile of line

at a rate of 1/2 d per ton mile on the Uganda Railway for the timber with carry 10 tons of timber
 (This is probably inadmissible - it may not be possible to provide such timber)
 Provision on the timber carried

anyway rising from £1000 to £2500
The negotiations from the terms which
they proposed in 44298 are inconsiderable
& I must adhere to the views ex-
pressed in my minutes

I think the proposals were rejected
& that we shd. adhere to the terms
offered in our letter of the 8th May
5474/08. On 44298 I suggested
that we shd. offer to make the line our
own if they wd. pay 1/2 the cost of the
work remaining the property of the
Govt. This I think would be a good
test of their bona fides. i.e. whether they
are really looking to the development
of the fruit for their reward or only
to promoters & contractors profits on
the railway. But at present we are
not in a financial position to make
this offer.

I presume that Mayer Thomson
if he goes out will be asked to survey
this route also - tho. it has not yet
been mentioned in the correspondence
to his proposed mission.
= Mr. Hutchins report on the

We can see
that the
line is
surveyed
the
proposed

for a railway to be completed about
the end of March.

M. or T.

Mr. Hutchins. I agree - I think that it is
very important that we shd. have Mr.
Hutchins' report. At present we have
only the most preliminary ideas of
what we are proposing to put into

H. & R.
2/3
3/4
6.3



C. O.
6265
RECEIVED
19 FEB 07

HARRIS, WORTON & MILLER,
TELEPHONE NO 2700 GERRARD,
CABLE & TELEGRAPH
"TRADING HOUSE"
"LONDON"

18th February 1907.

To The Under-Secretary of State,
The Colonial Office,
S. W.

Sir,

Siidama. 44298 - 1906.

I have now been able to obtain the instructions of my Principals upon your letter of the 18th January last.

With reference to Clause 3 of that letter, my Principals agree that a detailed survey with plans and specifications of the line should be made by Government Engineers and the line built to those plans. My Principals are prepared to deposit with H. M. Government an estimated amount in cash to cover cost of survey and plans, so soon as a draft Agreement is settled upon between H. M. Government and themselves, such Agreement to be signed only after my Principals have given H. M. Government good and substantial securities and assurances that the railway will be built according to such plans and specifications.

With reference to Clause 4, (Sec A) my Principals agree to meet the objection raised by arranging to have the 50,000 acres in alternate blocks of 1 mile square. (Sec B) they would agree for every tree cut and exported to plant 2 trees. They consider it is as much

in their interest as in that of H. M. Government that the forests should be kept intact.

With reference to Clause 5, my Principals are willing to agree to always put a full load on trucks provided that the railway provides suitable trucks that will carry 10 or 20 tons of timber. My Principals point out with reference to the $\frac{1}{2}$ ^d per ton per mile, that capitalists will not invest their money in a branch line in a new country without some guarantee of the kind. They point out that the rate does not appear to be an unreasonable one that the Uganda Railway is cheaply operated, and that timber is hauled in Canada at $\frac{1}{2}$ ^d per ton per mile.

With reference to the proposed subvention if the amount suggested is considered too much and will stand in the way, my Principals will be contented with 35 $\frac{1}{3}$ rd per cent less.

As my Principals are very anxious to proceed in the matter and urge me to let them hear the views of H. M. Government on this amended proposal with the least possible delay, may I venture to hope that I may have a reply to this letter at the earliest possible moment. I trust that Mr. Hitchins has now made the report mentioned in your letter of the 18th ulto.

I have the honour to be, Sir,

Your obedient servant,

John White Smith

11 M
12 6265

E.A.P.
126



DRAFT

John M. N. Miller
Esq

12 March 1876

Sir
I am directed by the
Earl of Elgin to ack.
the receipt of your
letter of the 12th inst.
in which you
state the terms upon
which your principals
are prepared to construct
a Railway from the
Nakuru to the Eldama
Ravine in the E. A. P.
The report on the
Eldama forests by
Mr. Hutcheson, to which
reference is made in

MINUTE.

11 This 7/3
Mr Read 8

x Mr. Antrobus. 9

Mr. Cox. 1

Mr. Lucas.

Mr. Graham.

Sir S. H. Wood 7/10 10/3 76.

Mr. Churchill.

The Earl of Elgin.

Copy sent to Mr. 12 March 76

6265 + this 6
a 2 lines of info 127.

x No. 6265

The 1st para of the letter from
this dept. of the 18th
Jan^r has not yet ⁴⁴²⁹⁸
been received; but
whatever the nature of
that report may be,
Lord Elgin does not
consider that the terms
propounded in your letter
can form the basis
of a satisfactory agree-
ment.

3. The land grant
asked for amounting
to some 5 square miles
of land & including
what is at present
valuable forest is much
too great. The character
& value of the forest is
at present imperfectly
known, but, assuming
that there are 50 trees to
the acre and taking

their value at Rs. 2 each,
which is the royalty payable
by Messrs. Bingham &
Grogan under their
existing lease, the
value of the grant of
forest land alone
for which you ask (114,000
acres) ^{will amount to}
at Rs. 11,400,000 or
some three quarters of
a million pounds.

4. The subvention on
the amount of timber
carried by the Uganda
Railway - differs little
in value of the fact that
minimum rates are also
asked for - from a quantity
of interest & is accordingly
inadmissible.

5. On the whole Lord
Elgin does not see