

EAST AFR. PROT

14000

14000

Mond L.A.
Rt. M.P.

Railway Report - 1912-13.

1914

7 April

Submit observations or remarks by Post Manager
re: Carrriage of Soda

Last previous Paper
No. 35679 (Mtg Report)
935 Mgs
(Paper Manuf)

months within

Mr. Reed

M. see

2 P.M.

10/5/14

at one

h. 2nd

21/12/14

Answer probably 16 April

Next subsequent Paper
No. 19186

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35, LOWNDEN SQUARE,
S.W.

14000
April 25th 1914

My dear Harcourt,

In reference to our conversation yesterday, I have looked up the Uganda Railway Report for 1912-13. I would like to draw your attention to the paragraph at the top of page 7. As the railway hopes to recoup itself by the introduction of soda using industries, I am afraid it will make a bad speculation, as necessarily it will be a long time, if ever, before any industries will be established in Uganda consuming any quantity of soda ash. The writer is wrong in his reference to paper pulp, as paper pulp nowadays is practically either mechanical or else sulphite, and requires no soda ash. Towards the suggestion of laying out a large tract of land it may be presumptuous on my part to volunteer an opinion, but until the Uganda Soda Company has shown itself capable of producing soda ash, of which I have considerable doubt, the expenditure of a large amount of capital in order to deal with this problematic traffic seems to me a very risky operation. I think the question of the terms on which this traffic is to be carried is worth your attention. Naturally I don't want to raise this

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35, LOWNDEN SQUARE,
S.W.

...in any way, as I don't want to embarrass you
in any way, and my own position in the matter might be
misunderstood.

Yours sincerely,

Alfred M. ...

1400

...court, N.P.,

Colonial Office,

Downing Street, S.W.

Mr. Harcourt

Early this week I read
wrote for you a brief memorandum
on the Uganda Railway rates
for the carriage of soda from
Magadi to the Coast. Can you
use it for the purpose of
making a reply to Sir Alfred
Wood's letter to you on the
same subject.

J.A.B.

9 4 14

be marked passage at p. 7. of R^y Report
The railway rates were fixed at what
was considered a remunerative figure
after the most careful consideration by
our ~~the~~ ~~representatives~~ the then General
Manager, the Gen^l of the Port^l (who had
railway experience), the Consulting Engineer
of the R^y, the Director of Indian
Railways, & an ex-general manager of
one of the big British lines (w^h
connected North British R^y).

There is also a Royalty of

2/6 per ton for Raw Soda

3/6 per ton for Manufactured Soda

There is also the Revenue to be
derived from the Shipping dues on
the Co^l ships, from the carriage of
fuel to the colliery works, from the
import duties on stores & imported

Also, in the past, we have given
low rates for the purpose of encouraging
local industries e.g. a rate of 10/6 per
ton for maize irrespective of distance
for which the produce is carried, as
most of the maize comes from 400

miles or more in the interior, the
works out at about $\frac{1}{4}$ a ton a
mile

39

The rates for the Suez are fixed
in § 18 of the annexed Contract
but the governing idea was that,
when the industry had settled down
the R^y should always receive
a profit of $\frac{1}{16}$ th of 1 per
ton per mile. As the whole
length of ~~the~~ line from ^{the} port to
Mogadishu is about 380 miles, &
for the first year alone, the Co^y
have promised an export of 80,000
tons, we shall get out in the
first year from railway rates, at
least:—

$$\frac{1}{16} \times 380 \times 80,000 \text{ pence}$$

$$\frac{1}{16} \times 380 \times \frac{80,000}{12 \times 20} \text{ £}$$

or nearly £ 8,000

& the unexpected of Rogathes &c
The Rogathes alone will be another
£ 8,000 (2/6 for 80,000 tons)

Mr. J. Anderson

40

1400

Submitted ~~officially~~ to Mr. A. H. [unclear]
letter to the [unclear]

1. Paper-pulp. Mr. A. H. [unclear] does not say that soda-products are useless - only that they are not required. Also his letter is written without formal reference to, & I suppose without knowledge of, the elephant grass project, for which caustic soda may be essential. S. Herz says it is

~~the~~ ~~and~~ ~~whether~~ the Co can work ~~with~~ locally. S. Herz clearly ~~is~~ ~~not~~ ~~sure~~ ~~of~~ ~~their~~ ~~doing~~ ~~so~~, though they do not propose to turn it into caustic soda.

2. Transshipment yard at Nagadi Junction

This is one of Mr. Taylor's other ideas which would have been better left out of the report. But we do not yet know what the cost would be or what we should save by it or running expenses of the goods transhipped.

3. Government receipts for the traffic

James H. Reed memo. Also I

34482

13

(a) that the arrangements for receiving
a profit did not contemplate the
involvement of the Government
capital but only working
expenses &

Contract 42(c)

(b) that while the Mysore Branch
remains vested in the Contractors
they are to ^{have} half the net profits, &c.

80 46

On the other hand it was clear that
the securing of a profit covers the
entire cost of the works (i.e. returning
the empty wagons) & not merely the
carriage of the rods to the coast.

It is difficult to make out how ^{much}
the profit is to be split up, about
for royalty, and I think we should
ask for a full report on the point
with views as to the receipts for, cost of,
& how saving derived from the trans-
shipment yard.

WCS
13/4/14

Downing Street,

16 April, 1914.

My dear Mond,

Thank you for your letter of the 7th about the soda question in Africa. Personally I think the General Manager was justified to write as he did in his annual report; the reference to a transshipment yard at the junction seems to me premature as it is a point which will require careful consideration.

But I am not satisfied that his qualified pessimism about the traffic is justified. So far as I can see we are likely to get a good return on the carriage of the soda itself, while there will be indirect revenue in the way of shipping dues and the customs and railway charges on the materials required by the Company. All this, of course, in addition to the royalty. It is too soon for me, or the General Manager, to say anything about new industries or the extent to which the Company

Company will manufacture as well as produce. I am not without hopes that there will be developments in these directions; but so far as Government expenditure is concerned, the factor will have to be considered mainly on the basis of the traffic.

(Signatures)

15

16 April 1901

My dear General

Thank you for your letter of the 7th about the soda question in East Africa. Personally

I think the General Manager is ill-advised to write as to do in his annual report; the

reference to a township yard at the ... Firm seems to be premature as it is a point which will require careful consideration

But I am not satisfied that his qualifications to handle the matter is sufficient

DRAFT.

The Pay to be

Mr. A. Hand, Barb, MS

MINUTE.

Mr. ~~Hand~~

Mr. ~~Hand~~

Sir G. F. G. ~~Hand~~

Sir H. J. ~~Hand~~

X Sir J. Anderson ~~Hand~~

Lord Emmott. ~~Hand~~

X Mr. Harcourt. ~~Hand~~

Parsons
Please see minute.

WCS

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 considered on the basis
 of the traffic alone.

Yours sincerely

(Sign) ROBERT.