

See Bottomley
See Green

1a

This is the second report of the East African
Guaranteed Loan Committee, the first (S.O. 2745/26)
having dealt with certain urgent requirements of the
Tanganyika Territory for 1926-7 only.

The present report is intended as an interim
report prepared in connection with the imminent intro-
duction of the East African Loan Bill into Parliament.
It will be seen that as regards concrete transport
propositions (railways, harbours and roads) it makes
very few definite recommendations for an allocation
from the Loan, but generally, classifies them in a
rough order of priority and advises further enquiries,
surveys and reports on receipt of which each proposi-
tion will require further examination. (The summary
at the end gives in outline the Committee's recommen-
dation upon each scheme put forward). The report
indicates that as the results of the enquiries become
available they will be referred back to the Committee.
It has, however, been discussed on other papers how
inconvenient and undesirable it would be to set up
the Committee as a sort of permanent revising and
approving body in connection with Loan expenditure
and correspondence with the Chancellor of the
Exchequer is now proceeding as to the omission
from the draft of the Parliamentary Bill of the words
providing for this.

If the view of the Committee's duties which the
Secretary of State has taken carries the day, the
Committee is now factus officio, and letters will
presumably

etc. which subsequent developments may make it difficult to dispose of. The original intention, as I understand it, was that the Committee's report should be available to facilitate the discussion of the Loan Bill i.e. to provide the Secretary of State with a basis for his speech, and I presume that this arrangement will be adhered to.

We should, however, as soon as possible, send the Treasury a copy of the Report for their information, with an intimation of whatever it is decided to do with it and, if possible, a statement as to the discharge of the Committee.

The above minute, of course, relates only to immediate action required in regard to the Report itself, and I do not delay the papers in order to go into the questions raised by the Report, as will have been done. While I think that the Secretary of State will have no difficulty in accepting generally the classification of the concrete transport schemes (Canals, Harbours and Roads) given in the Report and the rather vague recommendations in regard to these, the section on Research (which is on different lines from the rest of the Report) will, I think, require some attention. If the Secretary of State approves the main outlines of the section as to transport schemes, the next step will be to get the Governors to institute the various surveys and enquiries

enquiries recommended in so far as these have not been set on foot already. But that can wait; and the first thing seems to be to decide as to the treatment of the Report itself.

Elmington

13 July 1918

The Committee have seen all - and more than expected could be expected of them in view of the very sketchy information supplied by local boards and in view of the superficial nature of most of the questions answered by the Local Boards. Their report was however - a very healthy suggestion of preliminary work on both ground & above ground - and is undeniably

Another reason is that the Government have not been adequately heard

The report should, I think, be very carefully considered by the Government in framing the Bill - a very important one

for general use - and
as an indication of the sort of thing
which is contemplated and with a
little definition a way be.

If the Committee is to continue
there is the less reason for publishing
its first thoughts

W. B. Brewster
1872

W. B. Brewster
1872

There is a vast quantity of useful stuff here, & some
not very useful - but I need not comment.

We should send to Treasury - with that comment
I think - as they have already inserted the "value schedule"
summary in the margin, they do not really want
it for reference the schedule

Railways 6,500,000
Hudson 2,000,000
Roads 1,000,000
10,000,000

3/26

For Amosby fare.
Sec of State

As Dr. C. Stueckey says
there is a lot of useful matter in
this report: but it will require
some time to digest and will
also have to be referred to the

different governments concerned.

It will have to be considered
very carefully. Before any
decision can be come to as to
what work should be started
now, and what must wait
until surveys etc are made.

After reading the report of the
Committee, I can't help feeling
that there has been a tendency
to rush things, since the last
African Commission recommended
a guaranteed loan.

Dr. Brewster states in his minutes
that he thinks it is Dr.
Brewster's idea that the report
should be printed and issued
as a white paper, and I know
that Amosby fare takes the view
that this should be done. I fancy
that it would be very difficult,
if not impossible, to secure
a demand for publication,
but if there is any way of getting

out of doing so, without giving
the impression that we have
something to conceal, I certainly
would not do so. I take this
view because I am not quite
sure what the present procedure
is going to lead us to in the
future. Only yesterday the
Cabinet decided to leave in the
Act of Parliament for the World
Loan a clause which makes
it necessary for the Sec of State
to consult an advisory committee
before any loan is raised
under the guarantee: and if we
now publish this report we
shall almost certainly have
to do likewise in the future.

I agree with Mr. Bottomley in
thinking that the local governments
should be consulted first
but I doubt if there will be

time to do this, as if it is decided
to publish it will have to be
made quite clear that the local
governments have not been
consulted.

J.H.B.
15.9.26.

I agree with Mr. Bottomley in
hope that in addition to making
it clear that the E.A. governments
must be consulted before any
recommendations of the report
are or are not accepted by the Sec of
the Sops here and now dissent
from the recommendations of the
Committee in regard to Amman.

I gave a specific understanding
to the League at Geneva last
year that we would not
scrap Amman and that we
intended to reopen its question.
The Siberian Committee have
ignored the present campaign
in Germany & Amman is the
one good card they have
especially in Pacific Countries
like Amman who find Amman
of great value before the war.

None of the members of the
Committee have seen Amman

I have. In the morning was
 sent out to examine it & d
 the idea of yet another committee
 is fatuous I
 will proceed to
 the appointment of a director
 to make it clear
 for the house that you
 dissent from the Selinger
 Committee in this part. There
 will be an outburst from Deane,
 Harwood, Sanderson & others
 if you don't.

I favour immediate
 publication as a white paper
 full distribution with a covering
 note by you defining the position
 vis-a-vis the facts & your own
 views.

16-7-26

be prepared to do this
 The report will interest the public & interests
 and one of our utterances, which has been
 difficult. It is written from a last opinion
 both of mine & from the report which is
 a personal opinion at this. It is
 of a different nature of things to be done. I
 think we have as to get the lesson out Tuesday.

There is the danger of making a two-volume book,
 but as the bill is being done 14 report as an
 appendix to the report. The second volume
 is a separate volume, but as the report is
 a separate volume, it is a separate volume.

Mr. C. Stanley

In the name of action,
 will you please submit, as
 early as possible, draft of a
 suitable covering note.

P.H.

16-7-26

Mr. J. Wilson

Copy of report sent to Stanley. They
 hope to produce a journal on Monday (17)
 The previous information is not
 frequently that I thought we were practically
 bound to publish it also (in an appendix). But
 in view of the S. off. minute is effective, I
 no steps have been taken to withdraw
 we have asked a few words, giving the constitution
 of the Committee & the terms of reference.
 Draft preparatory note has it.

C.S.
 July 22

Spoke to Mr. J. Wilson, who approved of a
 note in the form of draft annexed
 being included in the Command Paper. Mr
 J. Wilson also said that he had seen

decided that the interim Report of
March 18th sh^d also be included in
the Command Paper.

Steps are being taken to get these
pp. printed in addition to the actual
Report. As the ^{Command} paper must be
ready on Wednesday, or as time is so
short, this will mean continuous printing
day & night from now onwards till
Wednesday, and Mr. Wilson has promised
to visit a separate ^{letter} ~~draft~~ to his
Honorary Office about this.

B. Matthews

19 July 1926

Sec of State

In view of the urgency of
the matter I have approved
on your behalf the inclusion
of a "note" ^{annex} ~~opposite~~
in the ~~White Paper~~ ^{Command} paper giving the
Schechter Report.

J.H.
19.7.26. m.w.

Mr. B. Matthews
Mr. Green

549

A copy of the Command Paper as
now published, is attached. Copies
have been sent to Mr. Green in a
preliminary despatch by to-day's mail.

I feel I must draw attention
to the extremely valuable assistance
which Mr. Christian of the Printing
Dept. has afforded in getting this
Report ^{out} in time for the Debate
yesterday. No time available was
so ~~very~~ short (from Saturday mid-
day till Wednesday) that the
preparation of the text and the
correction of the proofs had to be
done at the highest possible speed
and Mr. Christian not only

Inf. Sec.

had to stay here on Saturday
afternoon until 3 pm. but also
very late on Monday and to make
frequent journeys to the printers
at Bethmar Green on Monday and
Tuesday. It is only fair to place
on record that without his
devotion, fidelity and ~~other~~ energy
the Command Paper could not possibly
have been published in time.

Presumably all further action on
the Report may wait until the
present Parliamentary proceedings are
over. I leave it to a fortnight

I should like to mention
my hearty sympathy with the
Committee's work in this matter

Quacking
22 July 1916

I have cancelled
my opinion
about this
20
J. 247

W. G. 13.7.16

Sir S. Wilson -

The Report of the Schuster Committee was handed to the Printing Department on Saturday and on Monday it was decided to include in it their previous interim Report of March last. The whole forms a substantial pamphlet of 47 pages. Proofs were delivered and revised, and ~~the~~ copies distributed this (Wednesday) morning - a remarkably smart piece of work.

If the S. of S. would express his commendation to all concerned, I feel sure that it would be greatly appreciated -

C. Shickel 21/7/20

Secy of State

has passage accordingly

at 11/11/20

22/7/20

Shickel

Schuster Committee

The question now arises of the future of the Committee appointed to advise the Secretary of State as to the Loan Expenditure.

Sir G. Schuster will, it is understood, return to the Sudan in September; General Hammond is at present engaged on an enquiry in Greece and will then go to Iraq and Mr. Jackson lives in Lancashire and in any case has, I understand, found it difficult to attend past meetings.

I suggest that it is clearly necessary to regard this Committee as having completed its work and that it should be left altogether open whom the Secretary of State should appoint to advise him as a Committee to fulfil the requirements of the Loan Bill.

If this is approved, I suggest that letters should now be sent to Sir George Schuster, Mr. Jackson, and General Hammond, thanking them for the valuable services they have rendered in the preparation and presentation of the two Reports, "which will be of the greatest value to His Majesty's Government and the East African Dependencies" and saying that under the Act it will be necessary at some future date to re-constitute a Committee, but that it is impossible at present to say whether circumstances will admit of the Secretary of State asking them for their further assistance, or whether it will be necessary for other arrangements to be made.

It

It will be unnecessary to retain the secretarial arrangements during the interval. This work has been very heavy, in spite of the fact that both a Principal and an Assistant Principal have been engaged upon it, and as a good deal of it has been clerical, it ought to be unnecessary to detail a senior officer for it in future, especially as a Principal cannot be spared for such long periods as this has involved without greatly inconveniencing the work of the Department.

Mr. Machtig and Mr. Cliffe have in fact had to give up a great deal of time to this Committee, which necessarily worked at high pressure and took it for granted that the Secretary was their servant and was at their entire disposal.

C.S.
26.7.26

In Ormsby Gore
Sec of State

I think before taking any steps to dissolve this Committee I thank its members for their services, it would be as well for you to discuss with Sir J. Schuster. You will recollect that I told you he would like to discuss the whole question of the future of the Committee with you.

In Ormsby Gore
I am personally of opinion that the practical course is to dissolve this Committee and appoint other ad hoc committees as circumstances require.

G.H.G.
26.7.26

I am taking up separately the question of the action we can take at once on the Committee's report.

G.H.G.

26.7.26

WOC
26.7.26

I think the 5 names will do as well as the 4
I have signed the 5
26.7.26

I discussed this matter this afternoon with the Secretary of State and Mr. Ormsby Gore when the Secretary of State decided that he would not ask the Schuster Committee to continue in its present form. Mr. Amery proposes, however, to set

the Parliamentary Under Secretary of State to advise on all questions of development in the Colonies, etc. He thinks that at least two of the personnel of this Committee should be paid, viz. the Secretary and an expert on transport. He is of opinion that the services of General Hammond should be obtained as the Transport expert and that we should try and persuade the Treasury to give us an additional officer permanently to act as Secretary. He vented nothing definite about the other members but thought that the Treasury should be asked to suggest a Financial expert and that there should also be a representative on the Committee of the Crown Agents.

S.H.G.

27.7.26

The Sec of State saw Sir J. Selinger this afternoon. He told Sir J. Selinger that he was turning over in his mind the question of whether a permanent committee should be set up to advise on development or whether ad hoc committees should be appointed as required; and more or less hinted that the choice was what to have in

his mind. He agreed that the Selinger Committee need not be formally dissolved now & that Sir J. Selinger might see him in the middle of September and ascertain whether this was anything further that might be considered by the committee as at present constituted.

Noted

S.H.G.

29.7.26

abence

pleading by Selinger
about
the supply of the
the paper about
and the
was made
reported enough

Extract from letter to Sir G. Selinger from the Secretary of State dated August 6:-

When I get back we might have a further talk. I want to go seriously into the question of the future work of the Committee, i.e. whether it should continue, with such personnel as may be conveniently available at any time, as an ad hoc body in connection with this particular guarantee, or whether it ought not to be made a more permanent body in connection with Colonial development generally

file

70

E.A. Sept

See S. Co. Co. store to the
S. of L. about 1000 feet
some days ago, & he thinks
it may be allowed to
drop for the present.

McClure
18/10/06

P.P.

am 18/10/06

McClure 18/10/06

J. T. M. M.

18/10

18/10

15. 11. 25 / 26. Nyasa

Transmitted from the Secretary of State for the Colonies to the Officer Administering the Government of Nyasaland.

(sent 11.50 a.m. 17th August, 1926.)

Copies of Guaranteed Loan Committee's report sent to you in my despatch 22nd July 1926. Recommendations in paragraphs 55 and 57 discussed with Messing and following action proposed.

(a)

(i) Nyasaland Government to correct information and properly state reasons on economic grounds.

(ii) Crown Agents to be asked to engage railway engineer who would under Nyasaland Government carry out topographical survey of north western expansion and prepare closer estimate of cost.

(iii) Railway engineer under (ii) to carry out the topographical survey of proposed line from Nyasaland railway system to Zambezi bearing in mind possibility of extension to Lake.

(iv) Central African Railway to be asked for further information as to location survey and cost of line across proposed bridge and Trans Zambezia Railway.

(v) Crown Agents to be asked to engage draughting engineer to investigate Shire River.

(vi) considered unnecessary in view of information available.

(vii) do not propose to adopt

(viii (1)) consider such to be said for proposed independent railway expert should examine situation on behalf of Government with a view to his submission

negotiations with railway companies on behalf of Secretary of State and am hopeful of securing Hammond's services.

(g (ii)) Propose not to include examination of Beira arrangements in export's duties.

555

Paragraph 37 First two recommendations see above third recommendation considered unnecessary to send out commercial expert to survey Nyasaland's economic possibilities etc.

Proposed that cost of above measures should be met provisionally from advances by Crown Agents until loan funds available. Before approaching Treasury shall be glad to know if you agree to above proposals. Shall be glad if you will telegraph summarily and report more fully by despatch observations generally on sections of report affecting land.

AMERY.

5662/1926

Downing Street,

~~July, 1926~~

2 AUG 1926

Sir,

I am directed by Mr. Secretary Amery to transmit to you a copy of Cmd Paper 2701 containing the second report of the East African Guaranteed Loan Committee.

2. Copies were sent on July 22nd to the High Commissioner for the Kenya-Uganda Railway and to the Government of Uganda and telegrams have now been sent to Sir E. Grigg and Mr. Jarvis requesting that on their receipt consultation should take place between Railway Administration and the Uganda Government, and that their observations upon the Committee's recommendations as to the Kenya Uganda Railway should thereupon be communicated to the Secretary of State, similarly in the first instance by telegram, and afterwards more fully by despatch.

W. GOVERS, K.C.M.G.

5662/1926

Downing Street,

~~July, 1926.~~

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3.

3. In the meanwhile Mr. Amery would be glad
to have your observations also upon the recommendations
of the Committee in so far as they relate to Uganda.

Sir,

Your obedient servant,

(Signed) H. F. DOWNIE.

for Under Secretary of State

Mr. Macleod 30/7
Mr. Botherley 30/7

Mr. E. J. Harding

Mr. Strachey 30/7

Mr. J. Shuckburgh

Mr. G. Grindal

Mr. G. Davis

Mr. S. Wilson

Mr. Ormsby Gore

Earl of Clarendon

Mr. Amery

~~July 28~~

2 AUG 1920

Handwritten notes:
Puckett
15/8
15/8

a copy of Col. Papers 2701
containing the second
Report of the C.A. Finance
Loan Committee.

DRAFT.

50 fivers being
The Bill Club

Copies were sent
on July 22nd
to the C.A. for the Uganda
Railway

The Govt of Uganda
& Telegrams have been
sent to Sir P. Finlay

Mr. Lawrie requesting
that a bill be sent

2701

5270

between the Railway

Administration & the Uganda

Govt. & that accordingly

of this observation upon

the C.M. recommendations

as to the Uganda

Railway the increase in

communities to the V.G.S.

generally in this first instance

of railway & the Uganda was

to be

the not unreasonable

to be made with the

have some others also upon

the recommendations

Case

L.5662/26

Telegram from the Secretary of State for the Colonies
to the Governor of Kenya.

(Sent 8.45 p.m. 30th July 1926)

Copies of East Africa Guaranteed Loan Committee's
Report sent to you in my despatch 22nd July 1926. Send
by telegram as soon as possible summary of your
observations upon recommendations of Committee as
regards Kenya proposals other than railways following
this up with fuller statement by mail.

AMERY.

Mr. Inchausti 28/7/26
Mr. Belmont 30.7.26
Mr.

Codes sent 8.45 pm
30th July 26
CD

Mr. E. J. Harding.

Mr. Strachey 30.7.26

Sir J. Shackburgh.

Sir G. Grindle.

Sir G. Davis.

Sir W. Wilson.

Mr. Cernoby Gore.

Earl of Clarendon.

Mr. Amery.

Copies of E.A. Guaranteed

Loan Committee's Report

sent to you in copy

DRAFT. Tel. code

Dec 22 July 1927

Received
No. 150.

sent by telegram as

possible summary

of your observations upon

recommendations of

Committee as regards

Kenya proposals other

than railways following

up with fuller

statement

L

At present, we have their

conurrence for (my) £4. 70

plus Schuster's money. If

planned to be oil in an

use one of the in a

the first.

The day commenced by

to the

with the

5662/1926

Telegram from the Secretary of State for the
Colonies to the Governor of the Tanganyika Territory
(Sent 8.45 p.m. 30th July, 1926)

My despatch 20th April copies of Guaranteed
Loan Commission's second report sent to you in my
despatch 22nd July 473. Send by telegram as soon
as possible summary of your observations upon
Committee's recommendations as regards Tanganyika
proposals following this up with fuller statement
by mail.

ALRY

CO. 5662/2698

Codes & sent
8.45 pm
30th July 26

July 20/26

Mr. Mackay 30/7/26

Mr. Green 30/7

Mr.

Mr. E. J. Harding.

Mr. Strachan 30/7 et al

(1865)

my despatch 20 April copies

Sir J. Chesham.

Sir G. Grenville.

Sir C. Dapin.

Sir S. Wilson.

Mr. Ormsby-Gore.

Earl of Clarendon.

Mr. Amery.

DRAFT. Tel 1030

Lawson

James Salaman

S 570

for review

in oral instructions

of the guaranteed loan

Committee's second report

sent to you in my despatch

22 July 1926

by telegram as soon as

possible summary of your

observations upon Committee's

recommendations as regards

Parliamentary approval

following this up with

fuller statement by mail

CO. 5662/569A

Codes, sent 56
8.45 pm
30th July 20

Incl
Answers
6569/56

Mr. Mackay, 30/7/26

Mr. Green 30/7

Mr. E. J. Harding

Mr. Strachan 30/7/26 (5665) 20 April copies

Sir J. Sturges

Sir G. Grindle

Sir C. Davis

Sir S. Wilson

Mr. Ormsby-Gore

Earl of Clarendon

Mr. Amery

of the guaranteed loan

Committee's second report

sent to you in my bag

22 July 473 0 sent

by telegram as soon as

possible summary of your

observations upon Committee's

recommendations as regards

Pengawika 11/10/26

following list of with

fuller statement by mail

DRAFT. Tel. code

Pengawika

Davis telegram

5 8/2

for review

on oral instructions

K.5652/26

Telegram from the Secretary of State for the Colonies
to the Officer Administering the Government of the
Uganda Protectorate.

(Sent 8.45 p.m. 30th July 1926)

Copies of Guaranteed Loan Committee's report sent to
you in my despatch 22 July 350. Have asked High
Commissioner after consultation with you to telegraph
as soon as possible summary of observations upon
Committee's recommendations regarding Kenya Uganda
railway and to follow this up with fuller statement by
mail.

AMERL

Ca. 5662/26

Codes & Sent
8 45 pm

26
①

Mr. Buxton 30/7/26
Mr. Buxton 30/7/26

Mr.
Mr. E. J. Harding

Mr. Strachey 30/7/26

Sir J. Shackleton

Sir G. Grindle

Sir C. Davis

Sir S. Wilson

Mr. Ormsby-Gore

Earl of Clarendon

Mr. Amery

Quar

Copies of Guaranteed Loan

Committee's report sent

to you in my bag.

22 July 350 O. Davis

DRAFT. Tel code

Foreman Entebbe

asked High Commissioner

after consultation with

me to telegraph as soon

as possible summary of

observations upon Committee's

recommendations regarding

Kenya Uganda railway

and to follow this up

with further statements by email

557

X.5662/26.

Telegram from the Secretary of State for the Colonies to the High Commissioner for Transport, Kenya-Uganda.

Sent 8.45 p.m. 30th July, 1926.

My telegram of to-day to Governor Kenya as to Guaranteed Loan Committee's Report glad if after consultation with Government of Uganda you will report by telegram and despatch as regards Committee's recommendations regarding Kenya-Uganda Railway.

AMERY.

Cables sent
8.45 pm
30th July 26

Mr. Macarty 507/26
Mr. Pittman 307

Mr. E. J. Harding
Mr. Strachey 307 at once
Mr. J. Shuckburgh
Mr. G. Grindle
Mr. G. Davis
Mr. S. Wilson
Mr. Ormsby-Gore
Earl of Clarendon
Mr. Amery

~~Office of the Secretary~~
~~General Secretariat~~

Price
Award
115/26
119/26

by telegram of
to-day to Secretary General
as to ~~the~~ arrangements

DRAFT Tel. code

High Commission
Nairobi

f 10066 1/2 Loan Committee's Report

that if after consultation
with Govt of Uganda you
will report by telegram
and dispatch as regards
Committee's recommendation
regarding Kenya. Uganda
Bosman

5.8/26

Similar draft sent
to Ugo, T.I., Nyasa and
N. Rhodes. Vide draft below.

SECRETARY GENERAL,

22 Sept. 1957.

697

With reference to previous communications regarding the proposed East African Development Fund of £25,000,000, I have the honour to transmit to you for your information, copies of enclosed figure 1957, covering the second (interim) Report of the East African Development Committee. I shall hope to discuss your views on the matter with regard to this Report.

I have the honour to be,

SIR,

Your most obedient

humble servant,

(Signed) L. S. AMERY

SECRETARY GENERAL

UNITED NATIONS OFFICE AT NAIROBI, P.O. BOX 196, NAIROBI, KENYA

1957

22

22

and

- Mrs. W. M. ...
- Mr. B. ...
- Mr. Green 22
- Mr. E. J. Harding
- Mr. Strachey
- Sir J. Shuckburgh
- Sir G. Grindle
- Sir C. Davis
- Sir S. Wilson
- Mr. Ormsby-Gore
- Earl of Clarendon
- Mr. Amery

22 July 1926



Sir,

With refer to previous
 corresp^s regarding the
 proposed
 £200,000 guaranteed

To, air mail

DRAFT

ma	S4	694
sa	S3	350
...	S3	493
...		205
...		154

loan of £200,000
 have it to amount
 to you, for you in
 copies of Command Paper
 2701 containing the
 second (interim) report
 of the East African
 Guaranteed Loan Com.
 shall hope to address
 you on this with regard
 to this report. (in the course
 of the next week)

od, 2701
6 copies to each

00 / 5662 / 16
2a

569

and

- Mr. Macleay 21/
- Mr. Bicknell 22/
- Mr. Green 22/
- Mr. E. J. Harding
- Mr. Strachey
- Sir J. Shackleton
- Sir G. Grindell
- Sir C. Davis
- Sir S. Wilson
- Mr. Ormsby-Gore
- Earl of Clarendon
- Mr. Amery



22 Feb 1926

Sir

With refer to previous
corresp regarding the
proposed
£200,000 guaranteed

loan of £20,000,000

Please etc to transmit

to you for your info

copies of Command Paper

2701 containing the

second (interim) report

of the East African

Guaranteed Loan Com

shall hope to address

you for the same

To, per mail

DRAFT

USA \$4 694
Canada \$3 350
Australia \$3 1493
Malaya 285
Rhodesia 154

6 copies to each

(SIGNED) L. O. AMERY

200 copies

NOTE.

This Report is issued at the earliest possible moment for the information of Parliament in connection with the debates on the East African Guaranteed Loan Bill. The Committee was appointed by the Secretary of State for the Colonies to advise him on the schemes submitted by the East African Governments for expenditure from the proposed guaranteed Loan of £10,000,000.

The publication of the Report has been approved in view of its exceptional interest and comprehensiveness, although such publication is not in accordance with the usual practice. The Secretary of State wishes it to be clear that in issuing the Report he should not be taken as having accepted the recommendations of the Committee and, in particular, that he does not accept their recommendations as to the Amani Institute.

Further, he wishes to emphasize the fact that, in view of the urgency of the matter, he has had no opportunity of consulting the local Governments concerned, and that it will be necessary for him to invite and consider their comments before any recommendations contained in the Report are or are not accepted by him.

Sir,

On the 18th of March we had the honour to submit to you an interim report in which we recommended the allocation of £1,268,635 from the £10,000,000 loan in respect of certain proposals of the Government of the Tanganyika Territory for the year 1926-27 which, for the reasons explained therein, were regarded as urgent. Since that date, we have been able to consider the general proposals submitted by the Governments of Kenya, Uganda, the Tanganyika Territory, Nyasaland and Northern Rhodesia for inclusion in the Loan, and we have had an opportunity of examining a number of witnesses upon the details of these schemes and upon certain of the general principles which they involve. For reasons which are explained in the succeeding paragraphs of this report, we do not yet find it possible to give a final decision in regard to the majority of these proposals, but we feel that we have reached a stage of our investigations at which we are able to put before you some recommendations which indicate in broad outline the manner in which the proceeds of the £10,000,000 Loan should, in our opinion, be applied.

It appears to us important at the outset to make clear our position in relation to a matter of principle in connection with the proposed loan fund on which there ^{is} ~~is~~ likely to be some misunderstanding.

The Government of Zanzibar has intimated that it does not desire to participate in the Loan.

The statements of numerous representative witnesses whom we have interviewed have indicated that there is a general impression, both here and in East Africa, that the proposal for a £10,000,000 loan, as the outcome of the recommendations of the East African Commission, was intended to make possible the construction of railways and other projects of Imperial importance which the countries concerned could not undertake without special assistance, and that the fund should not be devoted to projects which can be regarded as having an immediate commercial justification. It is argued that such projects can be financed without special assistance from the Imperial Government, and that the special loan fund should be reserved for those for which money could not be so raised, because, although they are of great Imperial importance and likely in the more distant future to lead to development of new areas and an increase of material wealth, they cannot be represented as having reasonable prospects of producing, at least for some years, an adequate commercial return.

However much we might sympathise with this view, we have, according to our interpretation of the position, had no opportunity to give effect to it. It had been decided, before the appointment of our Committee, not to adopt the recommendation of the East African Commission that interest on loans from the £10,000,000 fund should be met by the Imperial Government for the first seven years, but to make the borrowing Governments accept responsibility for interest payments from the outset.

outset. This decision appears inevitably to imply that these loan funds can only properly be allotted in cases where the borrowing Government is likely to be able to meet the necessary interest charges, and we have therefore not felt ourselves able to recommend an allotment for a project in regard to which the local authorities admit both that the project itself is unlikely to pay and that they could not accept the loan charges as a burden on their general revenues.

We have explained these considerations at length because they apply to certain important projects which have been put before us, such as the extension of the Tanganyika Railway from Dodoma to the South Western Highlands on the borders of Nyasaland and Northern Rhodesia.

We wish to make it clear at the outset that our decision not to recommend an allotment from the £10,000,000 loan fund for the construction of the last-mentioned extension does not imply any condemnation of the proposal. We have not, indeed, yet had enough information about it to pronounce a final judgment of any kind, but, on the arguments as put before us, we recognise that there may be a very strong case in its favour. We think that this case should be reconsidered when all the necessary information is available, and that the possibility of giving some greater measure of assistance than can be afforded by the present loan proposals should not be finally ruled out.

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A summary of the proposals which have been submitted by the local Governments is given in ~~unnumbered~~ paragraph of this report. The figures in this summary are based mainly on estimates furnished by the Governments concerned,

concerned, and, except in one or two cases where this is specially stated, they make no allowance for the payment of interest during construction. It will be seen that the total estimated cost exceeds £16,000,000. Even this sum is incomplete, as it does not include certain proposals for which no estimate of cost has yet been given, e.g. in the case of Research expenditure, where the recommendations of the local Governments are not yet either definite or complete.

It is clear from the foregoing remarks that, however worthy of support the proposals submitted may in themselves be, a considerable proportion must necessarily be excluded merely on the ground that the sum available for allotment is insufficient to finance them all.

Summary of proposals submitted by the East African Governments for inclusion in the £10,000,000 Loan:-

A. RAILWAYS.

	Estimated full cost.	Amount already recommended in interim report of March 1953
<u>Kenya-Uganda</u>		
Soroti-Lira extension	£1,050,000	-
Busambatia-Jinja-Kampala line.	£ 700,000	-
General improvements in main line in Kenya.	£ 300,000	-
Rolling stock and workshops for existing and proposed new lines.	(Kenya) £ 500,000 (Uganda) £ 500,000	-

A. RAILWAYS. (cont.)

	Estimated full cost.	Amount already recommended in Interim report of March 1931
<u>Tanganyika Territory</u>		
■ Completion of Tabora-Mwanza railway	X £ 700,000	£657,000
■ Moshi-Arusha extension.	X £ 280,000	£220,000
Itigi-Mkalema line.	£ 660,000	-
Dodoma-Fife line	£2,700,000	-
Dodoma-Arusha line	£1,800,000	-
Surveys	£ 46,000	£16,000
General improvements on existing lines telegraphs etc.	£ 734,708	£274,705

Nyasaland

Zambesi Bridge and Coal Line.	£1,500,000	-
Railway extension northwards from Blantyre (including dredging of Shire River.)	£ 700,000	-

X Including interest during period of construction.

B. PORTS AND HARBOURSKenya

Kilindini Harbour Scheme	£2,000,000	-
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Tanganyika Territory

Mwanza Port Improvement.	£ 3,000	£3,000
DaresSalaam Wharfrage improvement.	£ 85,000	£50,000
Dar-es-Salaam Harbour extension	£ 475,000	-

Northern Rhodesia

Misende Port Improvement.	£ 2,500	-
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C. ROADS AND MISCELLANEOUS

	Estimated full cost.	Amount already recommended in interim report of March 1964.
<u>Kenya</u>		
Road from Mombasa to Tanzanika Border (£32,500)		
Mombasa-Nairobi-Uganda (£196,800)	(say) £250,000	
Nairobi-Arusha (£19,500)		

Tanzanika Territory

Roads		
Dodoma-Iringa (£6,328)		
Tanga-Pangani (£3,200)		
Moshi-Arusha (£6,000)		
Kilosa-Kerogwe (£6,000)	£63,128	£38,428
Kilosa-Ifakara (£16,000)		
Tabera feeder roads (£13,400)		
Ngere-Ngere - Kisaki (£4,700)		
Morogoro-Mlali (£2,500)		
Feeder road (Mwanza) (£5,000)		
Iringa-Tukuyu (£58,000)		
Dodoma-Arusha (£63,000)		
Mkomazi-Same (Bridges) (£6,000)	£160,000	
Road Surveys (£4,000)		
Extension of road Tukuyu to Old File (£20,000)		
Ruaha-Bridge (£9,000)		

Northern Rhodesia

Roads	£185,000
Survey of Zambesi	£ 5,000

D. RESEARCH.

	Estimated full cost.	Amount already recommended in inter-report of 16th Mar
<u>Kenya</u>		
Kabete Veterinary Research Station. Research into native welfare	provisionally £50,000	-
	£100,000	-
<u>Uganda</u>		
Sleeping sickness Research station at Entebbe	} no figure given.	-
		-
<u>Tanganika Territory</u>		
Mpapa Veterinary Laboratory.	£5,000	-
Amani	no figure given	£4,000.
Geological Survey	no figure given	£5,000.
<u>Northern Rhodesia</u>		
Central Research station	£30,000	-
Total	£16,984,836	£1,268,636.

5. Our conclusions and recommendations on the above proposals are contained in the following paragraphs:-

6. A. RAILWAYS.

1. Kapsa-Uganda.

(a) New extension projects.

(1) Soroti-Lira extension. Estimated cost £1,050,000

We are satisfied on the evidence which we have heard that a prima facie case has been made out for this line, and we have been especially impressed by the following points:-

(a) The statement made by Mr. C. L. N. Feilding, C.M.G., General Manager of the Kenya-Uganda Railway, as to the unreliability of transport on Lake Kioga and the necessity for curtailing development in the district beyond Lira unless better and more assured facilities can be provided in the form of railway connection.

(b) The general arguments in favour of a link with the Lake Albert basin and the navigable portion of the Nile between Lake Albert and Nimule.

7. We understand that, owing to economies on the estimates of the cost of extending the existing line as far as Mbale, the former Kenya-Uganda Railway loan of £23,500,000 will probably suffice to finance an extension as far as Soroti, thus covering a substantial part of the work in respect of which the estimate of £1,050,000 had been prepared.

8. We are assuming therefore, for the purpose of the present report, that this figure can be considerably reduced, and we recommend that a sum of £700,000 should be provisionally reserved from the loan for the purpose of constructing an extension running north-west from Soroti. Before however any sum is definitely allocated we consider that certain preliminary requirements must be fulfilled.

9. In the first place, a detailed and comprehensive economic survey dealing with the whole of the territory up to the Nile should be made, and a report furnished. This report should not only amplify the general statements which have already been made as regards the nature

nature of the country through which the proposed line will pass, but should also be of such a nature as to enable a decision to be taken as regards the ultimate object whether it should extend towards Nimble, or westward to a point on the navigable

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We consider... reserved provisionally... however, the money is... of the route and particularly... for the crossing of the... a detailed economic report... furnished. A final decision... until full data on these points... clear estimates of capital cost and probable earnings can

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can be compiled and the comparative merits of the alternative route Mbuluzi-Kampala carefully weighed. We understand that the local authorities share this view, and that surveys of the two alternative lines are at present being carried out.

(b) General equipment.

General improvements to main line in Kenya.

Estimated cost £800,000.

Rolling-Stock and Workshops for existing and proposed new lines. (£500,000 for Kenya and £500,000 for Uganda) £1,000,000

Total £1,800,000

We have had the advantage of hearing the explanation given by Mr. Felling, General Manager of the Kenya-Uganda Railway, in regard to these requirements. As regards the item of £800,000, Mr. Felling has, at our request, furnished the attached Memorandum (forming an Appendix to this report) which explains his policy for the improvement of the main-line system in order to cope with the increased traffic that may be expected as a result of the new extensions and branch lines in construction or in contemplation.

As regards the two sums of £500,000, we have requested that the Kenya-Uganda Railway Administration should submit a fuller programme of their requirements under these heads, and a more detailed statement of the policy according to which the money is to be expended.

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16. While in regard to all these items we are prepared to accept the general principles of Mr. Felling's proposals as being reasonable and sound, we feel, since Mr. Felling (as he himself emphasised to us) was speaking away from his office and hence was unable to verify the figures from his own records, that before we make any definite recommendation, we ought to have in front of us the official statement which, as explained above, the Railway Administration has been asked to furnish.

17. We further understood Mr. Felling's view to be that all improvements to the line or increases of rolling stock that might be found necessary should, as far as possible, be met from the Renewals and Betterment Funds (to the building up of which all surplus revenue from the Kenya-Uganda Railway, after meeting interest charges, is now being devoted) and that funds from the £10,000,000 Loan should be utilised for this purpose only insofar as the Renewals and Betterment Funds did not suffice. This point also has been referred to the Railway Administration for confirmation. In our opinion this is the correct policy, and for the purposes of making a provisional allocation of the funds available, we have assumed that it will prove possible to provide a sum of £400,000 from the Renewals and Betterment Funds for expenditure on the headings now under consideration, so that the amount to be reserved from the Loan can be reduced from the sum of £1,800,000 asked for to £1,400,000. We consider that the final allocation under this head should be decided in the light of the more detailed estimates for which we have asked, and of the

results

results of the current year's working, when these are available.

18.

II. Tanganika Territory.

(a) New extension projects.

Completion of Tabora-Mwanza line.

Estimated cost	£700,000
Already recommended in the report of March 18th.	657,000

The question of the completion of the railway from Tabora to Mwanza was discussed in the Committee's report of March 18th, in which it was recommended that a sum of £657,000 should be allocated from the Loan for the year 1926-7 to cover the construction of the last section of this line (from Shinyanga to Mwanza) and certain balances of expenditure still outstanding in respect of the completion of the previous section from Kahama to Shinyanga. We now recommend that this amount should be raised to £700,000 in order to provide for payment of interest during construction and for a slight increase on the revised estimates of the cost of material and freight.

19. While, for the reasons explained in the report of March 18th, the Committee felt that the case in favour of the completion of this line was unanswerable, we wish to take this opportunity of recording our full agreement with Sir Edward Grigg in the main principle which we take to underlie his memorandum of the 18th January, 1926, namely, that railway policy in the various territories under British administration in East Africa should be regarded as a whole, and that any new construction which is of more than purely local importance

importance

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importance should be considered in its relation to a common policy for the development of these territories, and should only be undertaken after full consultation with the Governments of all the territories concerned.

20. It follows as a necessary corollary that when the systems of communication in two adjoining territories have been developed to a stage at which they can possibly compete with each other for the service of any particular area, some agreement as to traffic rates must be made, so as to avoid wasteful competition which would be in the interests of neither community.

21. As between Kenya and the Tanganyika Territory such a stage will definitely be reached by the completion of the Tanganyika Railway to Mwanza, and we must again emphasise that the Committee's recommendation of this project was given on the understanding that a satisfactory agreement as to rates should be concluded between the two Governments. In this connection we have been glad to learn that the Governors of Kenya and the Tanganyika Territory have already been requested to confer with a view to a rate agreement being arranged. In our opinion it is essential that such an agreement should be concluded before the railway reaches Mwanza.

2. (ii) Moshi-Arusha line.

Estimated Cost £250,000

Already recommended in the report of March 18th. £220,000

The construction of this line at a cost of £220,000 was recommended in the report of March 18th.

We now recommend that the provision from the Loan for this work should be increased to £280,000, the additional £60,000 being due, as in the case of the Tabora-Mwanza line, to a revised estimate of the cost of material and freight, and to the provision out of the Loan of interest during the period of construction.

We take this opportunity of pointing out that the completion of this line will introduce a new factor into the situation as regards the Tanga line, and in conformity with our endorsement of the principle advocated by Sir Edward Grigg, as explained above, we wish to support the recommendation made by the East African Commission on page 122 of their Report that the management and operation of the Tanga line should on fair terms be transferred to the Kenya-Uganda Railway.

(iii) Itigi-Mkalama line.

Estimated Cost	£660,000
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On the evidence which has been put before us, we consider that a prima facie case has been made out for the construction of this line on the ground that it will open up a thickly populated and potentially productive area, and that its construction will help to develop the Territory and strengthen the financial resources of the Government. We recommend, ^{accordingly} therefore, that a sum of £660,000 should be provisionally reserved for this purpose, but that the final approval of the project should be dependent on further and more reliable evidence as to its cost and prospects. Immediate steps, therefore, should be taken to complete a survey of the route and a detailed economic report on the areas to be served by this line.

(iv) Dodama-Fife line.

Estimated Cost	£2,700,000
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We have given this proposal serious consideration in view of the strong terms in which it has been recommended by the East African Commission, and subsequently by the Joint East Africa Board. We recognise its far-reaching importance not only as a link in the chain of Imperial connections in Africa, but as a means of developing the south-western Highlands of Tanganyika, and of giving an outlet to the Northern part of Nyasaland and to Northern Rhodesia. On the other hand, we have been forced to consider the proposition in its relation to the financial resources of the Government of the Tanganyika Territory, having regard to the condition (not anticipated by the East African Commission) that the territories taking money from the £10,000,000 Loan must accept the obligation of paying interest on such money from the outset.

The East African Commission, after recommending the proposal, expressed the view, on page 20 of their Report, that "in the present state of development of the Tanganyika Territory, Northern Rhodesia and Nyasaland, no Secretary of State could approve of burdening the territories with immediate interest liabilities for the service of the loan required to finance the construction which we recommend". We are agreed that in the present state of its finances the Government of the Tanganyika Territory could not support the burden of interest charges on this line, which, according to the evidence placed before us, could not be expected to become a paying proposition for a considerable number of years.

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(iv) Dodoma-Fife line.

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27. There are, moreover, other reasons which make an immediate recommendation impossible. The country to be traversed is difficult, and the completion of the reconnaissance work which will be necessary before the best alignment can be settled will involve a considerable delay. The estimate of cost given above cannot at present be regarded as more than guess-work. It does not appear to us justifiable to hold up other developments, for which there appears to be an immediate need and commercial justification, and which will probably exhaust the full amount of £10,000,000, for the sake of reserving so large a proportion of this sum for a project which is at present vague and undefined.

28. On the other hand, we consider that the proposal should be treated as one which demands immediate study, and that no time should be lost in completing the necessary reconnaissance work, topographical and economic, and that this should be followed as soon as may be by surveys and the preparation of reliable estimates.

29. It is with this in mind that we ^{now} recommend that the amount of £16,000 allocated in the report of March 18th for railway surveys in the Tanganyika Territory should be increased by a further £30,000, making a total of £46,000 in all for surveys.

30. On the completion of the reconnaissance and survey work referred to above, it will be necessary to consider new methods of financing the construction of this line, when, with more reliable evidence than is at present available as to its cost and prospects, it

is to be expected that a better case could be made out for assistance by the Imperial Government than is now possible. An application for such assistance would undoubtedly deserve most serious consideration, but at the same time it is to be hoped that the other development work now recommended by us may, by then, have so strengthened the resources of the Government of the Tanganyika Territory that it may perhaps be in a position to undertake the construction of this line without a subsidy.

(v) Dodoma-Arusha line.

Estimated Cost £1,300,000

The general considerations discussed in the case of the proposed Dodoma-Fife line apply also to a great extent to the suggested construction of a line from Dodoma to Arusha. On grounds of general policy, and with an outlook to the more distant future, we recognise the great importance of this link, which would not only provide a physical connection between the Kenya-Uganda and Central Tanganyika Railway systems, but would also ^{afford} provide the latter with an alternative outlet to an ocean port at Kilindini. On the other hand, we cannot feel that there is any immediately urgent need for such a line, and, as there appears to be little doubt that its earnings would not meet the interest charges for several years, we have been compelled to adopt the view that, as in the case of the proposed line from Dodoma to Fife, this is a project for which an immediate allocation from the loan can hardly be recommended. At the same time we consider that surveys, both economic and topographic, should

should be carried out without delay, and that the position should be reconsidered when these are completed.

We have not ignored the fact that one section of the line, namely from Dodoma to Kondoa-Irangi, would pass through a well populated country, and might therefore produce an immediate commercial return. We have therefore considered whether a beginning might be made with this section in priority to the proposed line from Itigi to Mkalama, which we have provisionally recommended. We understand, however, that the Government of the Tanganyika Territory would prefer to make a start with the latter line, which they expect to be more valuable as a commercial proposition.

(vi) Surveys.

Estimated Cost	£46,000
Already recommended in the report of March 18th.	£16,000.

unnecessary for us to do more than call attention to what is said above in regard to the Itigi-Mkalama, Dodoma-Fife and Dodoma-Arusha lines as regards survey expenditure.

(b) General Improvements of existing lines, telegraphs, etc.

Estimated Cost	£734,708
Already recommended in the report of March 18th.	£274,708

The amount proposed for inclusion in the Loan under this head is not yet definitely established. For the year 1926-7 we have already recommended a sum of £274,708 in respect of general improvements, quarters.

quarters, stores and telegraph extensions. The Governor of the Tanganyika Territory has proposed a further figure of £150,000 in respect of the next two years, but it has appeared to the Colonial Office, in consultation with the General Manager of the Tanganyika Railway while on leave, that this amount is inadequate, having regard to the rate of expenditure in previous years, and it has been proposed to us that an addition of £460,000 should be provided in place of the extra £150,000 asked for by the Governor. The question has been referred back to the Governor for his comments and views, on receipt of which a final decision can be taken.

It was stated in the report of March 18th, 1924, that the Government were generally opposed to spending Loan money on minor improvements, and we consider that the £10,000,000 loan funds ought properly to be reserved for capital works of major importance, minor items being, if possible, financed out of revenue. At the present stage however, of the development of the Tanganyika Territory, we do not feel justified in withholding our recommendation that certain sums from the Loan should for the present be reserved for such improvements as are necessary and complementary to the building of new branches, in order to make the main line capable of carrying increased traffic; but we consider that the Government's financial position should be reviewed at the end of the current year, and that, if it is then found possible to provide for any of this expenditure from the Government's own resources, this should be done, and the corresponding sums earmarked from Loan funds should

should be released for other purposes. Our opinion in this respect is strengthened by the fact that the Government of the Tanganyika Territory has been allowed to retain unexpended balances from the Loan-in-aid made by the Treasury for the previous year, which loan was originally destined partly to meet some of the items included in the list of those approved in the Committee's report of March 18th.

36.

Our recommendation for the present is that a sum of £360,000 (instead of the £460,000 recommended by the Colonial Office) should be provisionally reserved in respect of these services making together with the £274,708 already approved a total of £634,708; but that, as explained above, this amount should be subject to revision according to the financial position of the Territory at the end of the current year.

37.

III. Nyasaland

(i) Zambesi Bridge and Coal Line.

Estimated Cost £1,500,000.

(ii) Railway Extension from Blantyre towards Port Jameson.

Estimated Cost £700,000.

(i) Zambesi Bridge and Coal Line.

The proposition which has been placed first on the list of requirements for the development of Nyasaland is the construction of a bridge over the Zambesi to connect the Central African and Trans-Zambesia Railways, and, as part of the same scheme, the construction of a branch railway from Chiromo to

a point on the western frontier, at which it is intended to meet a line from the Tete coalfields to be constructed through Portuguese territory by the Belgian Group who hold the concession for the field. The combined cost of the railway as far as the front

38.

We understand that the bridge crossing has been proposed by Messrs Livesey, Son & Co on behalf of the Central African Colonies but that no survey of the coal line has been made which will have to be constructed between the bridge and the Trans-Zambesia Railway has yet been made.

39.

The project for the Zambesi Bridge raises many difficult issues.

It has been advocated on the grounds first, that the economic development of Nyasaland is impossible without it, and secondly, that it will lead to the exploitation of the Tete coalfields, the traffic from which, it is said, will in a few years provide net earnings for the branch line and bridge sufficient to cover any charges for the service of the loan. It is not claimed (and this Sir Charles Bowring has made quite clear) that the exports from Nyasaland itself are likely within the near future to make the bridge a paying proposition. (Sir Charles Bowring's despatch of the 21st of January, 1925, a copy of which has been put before us, gives a full analysis of the possibilities).

system cannot be provided without the bridging of the Zambezi. On the other hand, the bridge alone will not, in our opinion, suffice.

From the evidence which has been placed before us, we are convinced that transport difficulties have not been the sole cause of the slow development of Nyasaland, and that the bridge alone will not supply all that is necessary to meet the transport needs of the country.

Without going into details, the main requirements in order to rescue the country from its present state of comparative stagnation appear to us to be improved methods of native agriculture and increased facilities for internal transport.

The former implies a stronger Agricultural Service to provide for the better instruction of the natives, a land policy which will create assurance of tenure and the inducement to adopt methods of good farming, and the cultivation of suitable rotation crops for cotton and tobacco. As regards cotton in particular it will be impossible without the cultivation of rotation crops to combat the insect pests which are especially prevalent in Nyasaland.

As regards internal transport, it is, in our view, necessary to provide better means for tapping Lake Nyasa and the whole of the country as far north as the fertile districts which extend over a large area round Lilongwe. This will require, first, a railway running beyond the present terminus at Blantyre in a north-westerly direction, secondly, the dredging of the Shire River from the Lake up to a point where transshipment to the railway will be possible; thirdly, road development.

development.

45. If the bridging of the Zambesi is to be justified mainly as a step necessary to the development of Nyasaland, then these further measures must be taken also, and we do not at present feel that we could recommend the provision of funds for so costly a project as the bridge unless we were at the same time satisfied that the other steps necessary for the proper development of the country could and would also be carried out.

46. Before we can be so satisfied, much further information is required. Topographical and economic surveys are necessary before the alignment of the north-westerly railway extension can be settled, while, as we point out below, a more accurate estimate of the cost of this railway, and of the traffic which it may be expected to produce, are requisite before a scheme can properly be worked out for combining the various existing railway interests, and before it can be decided what share it will be justifiable for the Nyasaland Government itself to take in the new commitments. We deal below with the provision of funds for their railway extension. In addition to the above, an expert investigation of the possibilities of re-opening the Upper Shire River to navigation is required.

47. To turn now to the possibilities of the Tete coalfields as the second ground of justification for the Zambesi Bridge, it has been represented to us that the prospects of these areas are so good that, given an outlet to the sea, a traffic of 300,000 tons of coal could be expected in a few years, with the result that the

the revenue required to provide for the service of the necessary loan would at once become available.

In order to be assured of this, it will be necessary to obtain not only satisfactory guarantees that adequate capital will be provided for the development and equipment of the mines, and for the construction of a railway up to the agreed point on the Nyasaland frontier, but also reliable evidence that the undertaking has an assured prospect of commercial success. For the latter, it is clearly necessary that regular markets should be found for the Tete coal outside the needs of the local industries and railways, and this involves the development of a large bunkering trade at Beira and probably also an export trade, together with the proper equipment of the Port of Beira for dealing with this traffic. Further expert information is required before we can be satisfied that these purposes can be achieved in competition with other fields of production, eg. The Natal coalfields exporting via Durban, or the Transvaal fields via Lorenzo Marques.

If on due examination it can be established that the conditions referred to above as regards the development of Nyasaland and of the Tete coalfields can be secured, there still remains for consideration the complicated question of how the new undertakings - the bridge and the coal line - are to be fitted in with those that already exist.

The arrangements on which Nyasaland at present relies for shipment to its export markets are admittedly unsatisfactory. There are five links in the

the chain, each under separate control, namely, the Shire Highlands Railway, the Central African Railway, the Trans-Zambesia Railway, the Beira Junction Railway and the Port of Beira.

51.

that We recognise the difficulties have been considerable, and that the private interests which have helped to provide the present system have shown enterprise and public spirit, for which as yet they have had little commercial return. At the same time, however, the Government of Nyasaland has, by the guarantees which it has given, incurred very heavy commitments without securing commensurate advantages.

52.

If that Government, backed by the guarantee of the Imperial Government, is now to undertake the further financial responsibilities necessary to complete (by the construction of the Zambesi Bridge) the one missing link, it must take the occasion to secure satisfactory conditions for itself. These should, in our opinion, include at least in the first place, a certain guarantee that the through system thus provided will be operated in an efficient manner, and at reasonable rates, for the benefit of the trade of Nyasaland, and secondly, some chance of profiting by the increased earning power which the completion of the bridge will confer on the various undertakings which now operate portions of the system between Nyasaland and the sea.

We understand that for several reasons the complete unification of all these undertakings under one control could not be carried out, but it should at least be possible to provide for the combined working of the

Shire

Shire Highlands Railway, the Central African Railway and the new coal line and bridge. We consider that an arrangement for this purpose, on terms which would secure to the Nyasaland Government an adequate interest in the profits and an adequate share in the control, must be regarded as a necessary condition of the provision of funds for the bridge. We have seen proposals which have been prepared for this purpose on the lines of a "Public-private Company" such as was recommended by the Committee on Private Enterprise in British Tropical Africa which reported in 1924, and, without expressing any opinion as to the fairness of these particular proposals, we consider that an arrangement of this kind might be suitable in this case.

53.

Apart from this, it will be necessary to obtain assurances that proper arrangements will be made for working through traffic over the whole of the continuous line between Nyasaland and the Port of Beira which will be created by the completion of the bridge, that fair rates only will be charged for running over the lines south of the Zambesi, and that fair and reasonable charges only will be levied at the Port of Beira.

54.

The completion of the arrangements and the provision of the guarantees to which we have referred above will involve a series of complicated negotiations.

negotiations. We think that it is essential that, before such negotiations are concluded, an independent railway expert should visit Nyasaland to examine the working of the whole of the present railway and port arrangements, and particularly to report on the physical condition of the Shire Highlands and Central African Railways, evidence as to which will be an important factor in determining what would be fair terms for an amalgamation on the basis which we have suggested above.

To sum up, our view is that the bridging of the Zambesi is a project which cannot be considered by itself, but only as part of a comprehensive plan which will provide for the proper development of Nyasaland (including the extension of its internal railways) and for the simplification of the whole system of its communications with the sea. As a preliminary to any final decision, the following are required:-

- (a) An economic survey of the country north of Blantyre which will provide the evidence requisite for considering the north-westerly railway extension.
- (b) A preliminary topographical survey for the
above

* Cf. the following passage from the recommendations of the Departmental Committee which reported in 1924:-

"As regards the simplification of the working of the railways connecting Nyasaland with the sea we feel, after careful consideration of the problem that this is not a matter that can conveniently be dealt with by a Committee. The mutual relations of the three railways and the political considerations involved present a delicate and intricate problem likely to call for complicated and somewhat protracted negotiations. We consider that such negotiations are likely to have more chances of success if placed in the hands of an expert in railway management acting on behalf of the Secretary of State."

above extension and a closer estimate of its cost.

- (c) (i) A survey of the proposed coal line and a closer estimate of its cost.
- (ii) A location survey and a closer estimate of the cost of the connecting line between the proposed bridge-crossing and the Trans-Zambesia Railway.
- (d) An expert report on the dredging of the Shire River.
- (e) An estimate of the increased export trade which can be expected from Nyasaland if the bridge and a north-westerly railway extension are completed, and of the benefits which will accrue to the Nyasaland Government therefrom (including in such benefits any reduction to be anticipated in the annual sum which this Government has at present to find under its guarantee for the Trans-Zambesia Railway Company)
- (f) A report by independent experts on the prospects of the tete coalfields and the conditions necessary for their commercial success (i.e. the possibilities of developing a large bunkering and export business).
- (g) A report by an independent railway expert:-
- (i) As to the physical condition of the Shire Highlands Railway and the Central African Railway and as to the future capital expenditure which may be required to enable them to cope with increased traffic.

(ii) On the working of the Trans-Zambesia Railway and the Port of Beira, with a view to settling what arrangements must be made to protect the interest of Nyasaland.

56.

Subject to the above it will be necessary, first, to obtain guarantees from the group controlling the Tete coalfields that they will provide adequate capital for the development and exploitation of the fields and for the construction of their section of the branch line to the mines, and secondly, to open negotiations with the various interested parties for the conclusion of suitable arrangements as to the railways.

57.

In order that the matter may be proceeded with on the lines which we have recommended above, we think that the following steps should be taken.

1st. The Nyasaland Government should be instructed to initiate the enquiries referred to under headings (a), (b), (c), (d) and (e).

2nd. All available data as to the Tete Coalfields should be obtained and submitted to a coal-mining expert for his report on the points referred to in (f) above, and if it is thought necessary by such an expert, a local examination should be carried out.

3rd. Arrangements should be made for an independent railway expert to visit Nyasaland on behalf of the Protectorate.

x Should such an examination be made, the expert in charge could at the same time usefully report also on the coal area existing inside Nyasaland, and on the existing mining laws of the country which, it has been suggested to us, require some amendment in order to encourage prospecting.

Protectorate Government in order to compile the reports referred to under (g) above. We consider that such an expert should be accompanied by an individual of suitable commercial qualifications and experience who would be able

(i) To assist him in enquiries as to the general arrangements for the working of the railways and ports,

(ii) To form an opinion, based on local investigation, as to the general conditions affecting the prospects of the Tete coalfields.

(iii) To make a general survey of the economic possibilities of Nyasaland, the data for which will have been prepared in advance by the Nyasaland Government in accordance with our recommendation under the first heading above.

We consider that the cost of the investigations which we have recommended could properly be met by the Nyasaland Government from loan funds.

We recommend that, pending the completion of the reports which we have advised, we consider that the sum of £1,500,000 asked for by the Nyasaland Government for the Lambesi Bridge and Coal Line should be provisionally reserved from the £10,000,000 loan funds.

(ii) Railway Extension from Blantyre towards Fort Jameson

The cost of this extension (including some expenditure on the dredging of the Shire River) has been put by the Nyasaland Government in its recent estimate at £700,000. We understand that no survey of this line has yet been made, nor has the exact route been selected. Any decision therefore, regarding it should also, in our opinion, depend on the result of the economic

economic report and survey which we have recommended above.

61.

As regards ^{the} financing of this line, it will be seen that if final decisions are taken in favour of all the projects for which we have recommended the provisional reservation of funds, the whole of the £10,000,000 loan will be allocated for other purposes. We understand however that the requisite funds could, if necessary, be raised by utilising the borrowing powers already existing under the East African Protectorates (Loans) Act of 1914. We understand that under that Act, Nyasaland received power to borrow, for the purposes under discussion, a sum of £203,000, of which only £40,000 has already been raised. For the purposes of our present report, therefore, we are assuming, ^{that} if it should be decided to build this line, these existing borrowing powers will be utilised.

62.

GENERAL REMARKS ON RAILWAYS.

(a) In regard to the railway projects discussed above we have in practically all cases recommended that no final decision should be taken until detailed economic surveys and reports have been furnished. We consider that it would be convenient if these could be compiled in a standardised form. In this connection our attention has been called to a valuable series of rules for the compilation of such reports which has been issued by the Indian Railway Board (Memorandum on Traffic Surveys). Although conditions in India differ materially from those in the East African Dependencies, so that these particular rules would not be entirely appropriate, it ought nevertheless to be

possible

possible to prepare rules on similar lines which would ensure a proper standard of comparison between various projects and would provide security that all material factors should receive due consideration.

(b) We would further record our view that when reports of this nature are being prepared they should deal with the prospects of production not merely in relation to the prices for commodities which are prevalent today, but on a more conservative basis. In the case of cotton, for example, and the prospects of its production, we think it necessary that the possibility of prices lower than those now prevalent (even allowing for the fall in prices since 1925) should be envisaged.

(c) In the case of the projects for the Shinyanga-Morwa and Moshi-Arusha railway extensions where comparatively close estimates of the capital cost have been available, we have increased the amount which we have recommended to be reserved from the £10,000,000 Loan by adding a sum to cover interest during the period of construction. As interest is to be payable on this loan from the beginning we think that this principle would in all cases be admissible.

B. PORTS AND HARBOURS.

63. We are in general agreement with the view expressed by the East African Commission that it is essential that the development of Port and Harbour facilities in East Africa should keep pace with the progress of the development inland, and we are satisfied that there is need for substantial improvements at the ports.

I. Kenya.

Kilindini Harbour.

66. The proposals of the Government are based on a preliminary report by Mr. B. H. Mitchell, of the firm of Goad, Pitman & Co., Ltd., as Consulting Engineer, recently made on the whole scheme for the improvement of the port. Mr. Mitchell follows the same lines as the Commission, in proposing the addition of two deep-water berths and of special wharves for dealing with coal and oil, as well as the provision of two further deep-water berths if the trade of the port continues to increase. The approximate estimate of the cost of these works, apart from the purchase of land, is given by Mr. Mitchell as £1,650,000. We are not in a position to make a final recommendation on this project pending the receipt of Mr. Mitchell's final report and of the recommendations of the Imperial

Shipping Committee on the findings of the local Commission, which, we understand, they have been asked by the Secretary of State for the Colonies to furnish.

57.

We are of opinion that when these reports have been received the programme should be carefully reviewed in the light thereof, and that special attention should be directed to the question whether it would be better to proceed with the full programme of the construction of four additional deep-water berths, bringing the total up to six in all, or to construct two such berths only and to develop to the full the use of lighterage in conjunction with them. Pending the receipt of the reports referred to, we recommend that a sum of £1,800,000 should be provisionally reserved for this project.

58.

II. Tanganyika Territory.

Dar-es-Salaam Harbour Improvement Scheme.

Estimated Cost £475,000.

We have had before us, in connection with proposals for port improvements at Dar-es-Salaam, a preliminary memorandum prepared by Mr. Mitchell for the Governor of the Tanganyika Territory, and a preliminary report by the same gentleman on the relative merits of developing Dar-es-Salaam harbour itself or Mwasani Bay, five miles to the north of that place. In the latter report Mr. Mitchell sums up strongly in favour of developing Dar-es-Salaam itself, and we agree that, in view of the costly works which would be required for the protection of Mwasani Bay, the possibilities of Dar-es-Salaam ought to be developed to the full

before

before there is any question of constructing an alternative port. The estimate of £475,000, as the expenditure necessary in the near future for the development of Dar-es-Salaam, cannot be regarded as more than a very rough approximation as it is based on no particular scheme. It is not, indeed, possible to prepare any such scheme until after the completion of a general survey which has been recommended by Mr. Mitchell. We consider that this survey should be carried out at the earliest possible opportunity, and thereafter a proper scheme prepared. We recommend that, pending this, the sum of £475,000 should be provisionally reserved. We have had insufficient data before us to enable us to express an opinion as to the exact form which developments at Dar-es-Salaam should take, and final recommendations on this point must depend mainly on the results of the survey referred to above, and on the recommendations which, we understand, the Imperial Shipping Committee are about to furnish to the Secretary of State for the Colonies on the future of this port. We are impressed by the importance, before any costly schemes of permanent deep-water berths are considered, of taking into full account the difficulties of entry into this port and the limitations which its restricted area for anchorage will impose on its ultimate development.

69.

Dar-es-Salaam.

Improvements to existing wharfrage. Estimated Cost £85,000.

A sum of £85,000 has been asked for to improve the existing lighter wharfrage. These

improvements

improvements are required in order to cope with the traffic now in sight, and cannot, without fear of hindering trade, be delayed until the new scheme of extension has been brought into operation. We have already recommended in our first interim report the allocation to this purpose of £50,500, representing the cost of that portion of the work which it is proposed to execute in the financial year 1926-27, and we now recommend that the balance of £35,000 should be allocated.

70.

Port Improvements.

Estimated Cost £85,000.

We have in our first interim report recommended the allocation of the sum asked for in this connection:

71.

III. Northern Rhodesia.

Musende.

Port Improvement. Estimated Cost £2,500.

A sum of £2,500 has been asked for by the Government of Northern Rhodesia in order to improve the facilities at Musende on Lake Tanganyika, the port which serves the cotton-growing area in that district. We recommend that this sum should be approved.

72.

The full total of the amounts recommended in the preceding paragraphs for reservation or allocation in respect of Ports and Harbours is £2,365,500.

intended to serve as a feeder to it; and on these grounds we have recommended the allocation of the funds required for this purpose.

78.

Of the remaining roads proposed, two in particular call for comment, namely those between Iringa and Tukuyu (including the proposed extension from Tukuyu to Fife) and between Dodoma and Arusha. For reasons given earlier in this report, we have not been able to advise the immediate reservation of any funds out of the loan for the construction of a railway to the south-western corner of the Territory but have recommended that the surveys of such a line both economic and engineering, should be undertaken with all practicable speed. We consider that pending the provision of funds for the construction of a railway, which, even after funds are made available, will take a considerable period to complete, there are strong arguments both on administrative and economic grounds for the completion of a road connection. At present, however, no complete survey for such a road has been made. We recommend therefore, that this survey should be put in hand without delay, and that a final decision should be taken when this survey has been completed and a closer estimate of the cost is possible. In the meantime we advise that the sum of £53,000 (together with £9,000 for the bridge across the Ruaha and £20,000 for the extension to Fife) should be provisionally reserved. No delay will be incurred by this procedure, because the allocation of £6,328 for a road from Dodoma to Iringa, the first section, has been recommended in the report of March 18th, and

work

work can proceed on this pending the final decision.

79.

As regards the sum of £63,000 which has been asked for to provide a road between Dodoma and Arusha, we are not satisfied that this can be justified merely on the ground that it will provide a connection between these two points regardless of the economic possibilities of the districts through which it will pass. We understand that economic possibilities in the country between Dodoma and Kondoa-Irangi are favourable, but that north of this point the country offers little prospect for development. Before making any final recommendation we wish to have further evidence on this point and the value of the completion of this road to Arusha. In the meanwhile, we recommend that the sum of £63,000 should be provisionally reserved, and that a survey of the route and a closer estimate of its cost, together with a report on its economic possibilities, should be completed.

80.

We recommend that the balance of £34,700 asked for by the Government of the Tanganyika Territory on account of repairs, bridges and road surveys, should be granted.

81.

DII. Northern Rhodesia. Estimated Cost £190,000.

Of the total demand for £190,000 from Northern Rhodesia, £165,000 is for the construction of roads, and £25,000 for a survey of the Zambezi River. We have been furnished with a map showing the roads which it is proposed to construct under this programme, and we have also had the advantage of hearing the evidence of the Governor of the Protectorate. We are satisfied that the completion

of the road programme is necessary for the development of the Protectorate, and we recommend accordingly that the sum asked for should be allocated to this object.

82.

The object of the survey of the Kambesi is to ascertain whether it would be possible to improve the transport facilities of the native Barotse area by means of waterways in preference to roads, as being more suitable to the products of the district and its conditions. We recommend the allocation of the £5,000 asked for.

83.

IV. Nyasaland

We understand that the position as regards road construction is as follows:-

Under the East African Protectorates (Loans) Act of 1914, the Government of Nyasaland is empowered to borrow up to £303,000. The Nyasaland Imperial Loans Ordinance of 1915, which was enacted to give effect locally to the former Act, provided that, out of the total of £303,000, a sum of £156,000 should be allocated to the construction of certain specified roads. These roads were designed almost entirely as feeders to the railway extension from Buchanan to Lake Nyasa which was then contemplated. This extension was not, however, proceeded with, and in 1925 the Government of the Protectorate, in accordance with the provisions of the 1915 Act, to provide for a schedule of roads (amounting to £141,000) in aid of the development of trade and cultivation in the Protectorate which had taken place in the intervening ten years.

actually

84. Actually, only £40,000 has been advanced under the East African Protectorate (Loans) Act, and of this sum £6,108 has been spent on roads and approximately £22,000 on other purposes. Of this issue of £40,000, there is thus a balance left of approximately £12,000. Assuming therefore that £10,000 of this balance is spent on roads, and allowing for the £6,000 already spent, the Nyasaland Government could still, under the 1914 Act, borrow approximately £125,000 for road development.

85. We understand that, in reliance on these existing powers, the Governor has not included any sum in respect of road requirements from the £10,000,000 Loan.

It is not clear whether the sum above is sufficient under the 1914 Act, a sufficient sum for borrowing under that Act for the western railway extension and the Shire River.

86. We have already expressed our opinion that the construction of feeder roads is an important part of the comprehensive programme for the development of Nyasaland which we have recommended for the Government and we think that the whole question must be again reviewed after the completion of the economic reports, railway surveys, and closer estimates of cost, which we have recommended. It may perhaps then be necessary to allocate a certain portion of the £10,000,000 Loan funds, if still available, for the construction of roads in Nyasaland.

D. RESEARCH.

In our terms of reference we have been asked to consider "The nature of the research work that might be paid for out of the Guaranteed Loan and the extent to which the general expenditure on special enquiries may be regarded as Capital Expenditure to be paid for".

We interpret the inclusion of the considerations of Research work in our terms of reference as a recognition that efficiency of action in every field will be increased if guided by scientific knowledge. With this view of the significance of Research work we agree, and we wish particularly to emphasize our belief in the practical value of such work if properly conducted. It is, of course, in practice necessary to work largely by empirical methods in the early stages of the development of a new country, and this is apt to make the "practical" man undervalue the importance of scientific study. At later stages a higher standard of administration is required, and new difficulties, such as, for instance, human and animal diseases, deterioration of soil, insect pests, etc., have to be dealt with. Remedies for such difficulties are then urgently demanded. But effective remedies cannot be found without scientific knowledge, and scientific knowledge cannot be improvised. Moreover, if scientific knowledge were available in advance many difficulties could be countered by prevention rather than cure.

For

For these reasons we feel that it would be a wise policy to provide that, as works for the material development of a country are undertaken, a due provision should at the same time be made for the scientific study of all those factors on which good administration and material development depend.

At the same time, we must point out that it is difficult to give effect to this view in the form of recommendations restricted to the provision of funds for capital expenditure only, or to avoid making such recommendations dependent on conditions which are strictly outside our terms of reference. It is, for example, obvious, unless to provide money for building unless there is some assurance that a satisfactory staff of working in these buildings will be available. It is also clear that annual revenue will be found to pay for the running of research on a proper scale. In this connection we are particularly impressed by the view put before us by several scientific witnesses that, if research is to be of any value, it must be carried out under the direction of experts of first-class qualifications. Second-rate work of this kind will in every case be a complete waste of money.

Organisation of Research Work

Our recognition of the importance of providing that the best scientific brains available should be employed in the direction of Research work leads us to put forward a recommendation for immediate consideration. The financial resources of countries like the East African Dependencies are limited.

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We therefore note with appreciation that a step has been taken in this direction by the recommendations of the recent Governors' Conference at Nairobi for the setting up of three central research stations designed to serve the East African Dependencies as a whole -

i.e. for Agricultural Research at Amani, for Veterinary Research at Kabete, and for Sleeping-Sickness Research at Entebbe. We wish to recommend for consideration

that this principle might be still further extended, and that an organisation might be provided for the direction and co-ordination of research work throughout the Empire.

We realise, of course, that in many cases (especially in agricultural work) the problems to be investigated are of a purely local character and essentially questions of environment, but in many others this is not so and, in all, the principles of the methods of enquiry are the

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would also the knowledge that their work was regarded as having a wider significance outside the local sphere; while the pooling of resources, and the creation of a wider organisation, might make it possible to provide the prospect of more attractive careers which would not necessarily be entirely confined to work in a tropical climate. At the same time, a proper co-ordination of effort between all the various agencies which already exist for the conduct or encouragement of scientific research, and for scientific education, might save much dissipation of energy, and help to produce a more effective result from the resources in brains and money which are already available. Something, moreover, in the nature of a central clearing-house for all information is badly needed.

We think, therefore, that as the question of research work has now been brought prominently forward, the present proposals should be considered in their relation to a comprehensive scheme for organising research work throughout the Empire, and that it would at the same time be of great value to obtain a review of the activities and functions of all the bodies which are already at work in the field. With this object in view, we recommend that the Committee of Civil Research be invited to appoint a special sub-committee to examine the possibility of creating

Opportunities for individual workers to be posted from one Colony to another, to be allowed periods of study leave, or occasional tours of work in England, might be provided under the type of organisation which we suggest. Such opportunities would undoubtedly be stimulating, and should prove attractive to possible recruits.

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will have a beneficial effect on all concerned, as would

would also the knowledge that their work was regarded as having a wider significance outside the local sphere; while the pooling of resources, and the creation of a wider organisation, might make it possible to provide the prospect of more attractive careers which would not necessarily be entirely confined to work in a tropical climate. At the same time, a proper co-ordination of effort between all the various agencies which already exist for the conduct or encouragement of scientific research, and for scientific education, might save much dissipation of energy, and help to produce a more effective result from the resources in brains and money which are already available. Something, moreover, in the nature of a central clearing-house for all information is badly needed.

We think, therefore, that as the question of research work has now been brought prominently forward, the present proposals should be considered in their relation to a comprehensive scheme for organising research work throughout the Empire, and that it would at the same time be of great value to obtain a review of the activities and functions of all the bodies which are already at work in the field. With this object in view we recommend that the Committee of Civil Research be invited to appoint a special sub-committee to examine the possibility of creating

Opportunities for individual workers to be posted from one Colony to another, to be allowed periods of study leave, or occasional tours of work in England, might be provided under the type of organisation which we suggest. Such opportunities would undoubtedly be stimulating, and should prove attractive to possible recruits.

creating an Imperial organisation for scientific research, with the object of securing the best possible co-ordination of effort throughout the Empire and of deriving full value from all existing organisations.

93. An important sub-division of such an enquiry would be the method of securing the best recruits for research work, and of providing adequate facilities for their training. In this connection we would call special attention to the importance of co-operation with the Universities, and of furnishing adequate endowment for such centres as the Imperial College of Tropical Agriculture at Trinidad.

94. In recommending the appointment of a special Committee we are not unmindful of the fact that the field of enquiry has already been to some extent explored by the committee appointed in 1920 under the chairmanship of Lord Chalmers. The report of this Committee (Cmd. 1472 of August 1921) contains many suggestive recommendations, but we feel that these, and particularly the suggestions made in reservation by Sir Walter Fletcher, might be converted into more effective action than has hitherto been possible.

95. We wish to make it clear that, in advocating the proper co-ordination of all research work throughout the Empire, we do not mean to suggest that all work in each branch of Research should be centralized in one place, and that no local work should be undertaken. Local work on the application of scientific discoveries to local conditions, and on the study of the effects of environment, will always be necessary.

Endowment of Research.

96. The recommendation which we have made above is based on the view that the organisation of scientific research work in the British dependencies is a matter of Imperial interest. In our opinion, this interest is sufficiently strong to justify some financial assistance in the form of an annual endowment by the Imperial Government.

97. It may perhaps be found that, as a result of the co-ordination of the work of all existing agencies which we have recommended, some existing funds may be released for expenditure on work to be carried out at African research stations like Amani. We believe also that organisations such as the Empire Cotton Growing Corporation would be more ready to make financial contributions, if they were assured that the work was to be carried out under supervision, and on a scale, likely to produce really valuable results.

98. We further strongly recommend that a liberal contribution to research work affecting the development of such countries as the East African Dependencies should be approved as a primary object for the application of some part of the funds at the disposal of the Empire Marketing Committee. Nothing appears to us to offer a better prospect of effecting a fundamental improvement in British trade than the wise development of territories which have such great potentialities for providing the raw materials required by British industries, and for consuming British manufactured goods. The knowledge which will be gained from scientific research,

101.

At the same time, we think it would be appropriate that capital raised on loan should be spent not only for the equipment of stations where research work can be permanently carried on, but also for intensive work, lasting a few years, on special enquiries or on special experimental attacks on serious pests or diseases.

102.

Recommendations on proposals already submitted.

Subject to the above general recommendations, we wish to make the following observations upon the particular proposals which have been submitted to us.

103.

A list of these has already been given in paragraph 3 of this report, but for convenience of reference it is given again below:-

	Estimated full cost.	Amount already recommended in interim report of 1922 March
<u>Kenya</u>		
Kabete Veterinary Research Station	provisionally £. 50,000	
Research into native welfare	£100,000	
<u>Uganda</u>		
Sleeping-sickness Research Station at Entebbe	No figure given	
<u>Tanganyika</u>		
Mpwapwa Veterinary Laboratory	\$5,000	
Amani	No figure given	\$4,000
Geological Survey	No figure given	\$5,000
<u>Northern Rhodesia</u>		
Central Research Station	\$30,000	

104.

This list clearly cannot be regarded as final or complete, and we understand that, as regards certain important

important items, despatches giving further explanations, are in the mail.

105.

We cannot, therefore, yet make definite recommendations, but there are certain points arising out of the list on which we think it useful to put forward immediate suggestions.

106.

Amani Institute.

It will be noted that no specific application for an allotment out of the £10,000,000 Loan has been put forward for our consideration by Government of the Tanganyika Territory, apart from the £4,000 for capital expenditure which was recommended in the Committee's interim report.

107.

We understand that the present position as regards this Institute is as follows: At the end of 1925, following upon a refusal by His Majesty's Treasury to make a contribution from Imperial funds (as suggested by the East Africa Commission) in order to enable the Institute to be re-established on a wide basis, the Secretary of State for the Colonies proposed to the East African Governments a scheme by which they would jointly contribute £8,000 per annum for current expenses and an additional sum of £6,000 would be set aside for capital expenditure in 1926, of which £4,000 was to be found provisionally by the Government of the Tanganyika Territory, and ultimately from the £10,000,000 Loan, and £2,000 by the Colonial Research Committee; that a Director should thereupon be selected and appointed at a salary of £1,500 a year; and that detailed proposals for the organisation and duties of the Institute should form the subject of recommendations

to the Secretary of State by the Director when appointed. The several East African Governments accepted this proposal of the Secretary of State, and agreed to provide the funds required to put it into effect; and the Governor's Conference at Nairobi subsequently passed a resolution endorsing this line of action in the following terms: "That Agricultural Research should be centred at Amani, but that the exact organization of the Central Research Staff at Amani and its relationship to the various technical departments in the East African Territories could not be laid down until after the Director of Amani had been appointed". We understand that, in accordance with this policy, steps are at present being taken to invite applications for the post of Director.

108. We venture to express the doubts which we feel as to the probability of useful results being achieved along these lines. It appears to us unlikely that a first-class man will accept the post of Director, unless he can be assured in advance that he will have adequate scope and financial support to enable scientific work of real importance to be carried out. We further consider that, even if a Director can be found, his standing and position will hardly be such as to make it suitable that he alone should lay down a policy on a matter of such wide interest and significance. We consider that a better procedure in this matter would be to appoint in the first place a small commission of the best scientific experts available (one of whom, at least, should be acquainted with Amani or pay a special visit to it) to

make recommendations on the scope of the work to be carried out there. The position should then be considered on the basis of their recommendations, and, if it is found impossible to provide ^{funds} ~~them~~ to give effect to these recommendations, or any modification thereof accepted as useful by the expert commission, it would be better to face the facts and close the Institute altogether, rather than to attempt to run it with an inadequate and second-class staff. We believe that these views accord with those expressed in the report made by Sir David Prain in 1920, with which we find ourselves in complete agreement.

Human and animal Trypanosomiasis.

We note that the Governors' Conference at Nairobi expressed its agreement with the recommendations of the House Fly Sub-Committee of the Committee of Civil Research, but we have not had before us full particulars of the effect to these recommendations, as the consent of the East and West African Governments upon which the sub-committee's report are not complete.

The sub-committee classified its recommendations under the headings of Research and Control.

Under the heading of Research it recommended -

- (a) That medical research on Human Trypanosomiasis should be centred at Entebbe.
- (b) That Veterinary Research should be centred at Kampala.
- (c) That experimental attacks on cattle tsetse on a large scale - should be undertaken, and, in particular that the measures already initiated in Tanganyika should be extended, and that a beginning should also possibly

possibly be made in Nyasaland.

112.

As regards (a), we understand the position to be that an International Sleeping-Sickness Commission, under the auspices of the League of Nations, has been at work at Entebbe since the beginning of this year; that the question of providing for the continuation of its work on a permanent basis after the end of 1926 is under consideration, and that concrete proposals for this will be formulated later. We shall be glad to consider these when they are received.

113.

In the case of (b), the Governors' Conference at Nairobi appears to have decided that Kabete is a more suitable centre than Mpapwa for general veterinary research, and we have before us proposals to spend 250,000 on buildings at Kabete in addition to the expenditure of 25,000 at Mpapwa. It is not clear from the proceedings of the Conference whether the research work on Animal Trypanosomiasis recommended by the Tsetse Fly Sub-Committee is to be carried out at Kabete. If so, we think that a programme of work should be submitted by the local authorities for amplification of the decisions of the Conference, and that the views of the Tsetse Fly Sub-Committee should be invited on this programme.

114.

In the case of (c), we have had no proposals submitted to us, but we understand that the Government of the Tanganyika Territory have intimated, after consideration of the Tsetse Fly Sub-Committee's report, that, while prepared to continue the experimental attacks on the tsetse fly on the same scale as they have done for the last few years, they find it impossible

impossible to provide funds from the Territory's own resources for the fuller scheme of sanitation work, estimated to cost £9,900 ^{for five years} a year, with an initial capital outlay of £1,500, which was recommended by the Tsetse Fly Sub-Committee. We recommend that the Government of the Tanganyika Territory should be asked whether it wishes to carry out this fuller scheme, if the necessary funds can be made available from the £10,000,000 Loan.

115.

We further consider that if Research work is to be undertaken on this subject, it should be supplemented by measures of control on the lines recommended by the Tsetse Fly Sub-Committee. In most cases expenditure on control would be continuous and should be undertaken as part of the current cost of administration by the Government concerned. We note, however, that in many cases the Sub-Committee has recommended surveys as a necessary preliminary, and we think that the cost of such surveys could be regarded as capital expenditure properly payable out of Loan funds. We consider that the local Governments should be asked whether they wish to put forward proposals under this head for inclusion in the Loan.

116.

Research into Native Welfare.

The Governor of Kenya has telegraphed asking that a sum of £100,000 may be provisionally reserved from the £10,000,000 Loan for a scheme for organised and independent research into a wide range of East African problems connected with native welfare, which he has prepared after careful deliberation. A despatch from

from him, in which he gives a full explanation of these proposals, is now, we understand, on its way to this country, and our consideration of them must necessarily be deferred until after its receipt.

Northern Rhodesia: Central Research Station.

Estimated Cost £30,000.

117. Proposals have been put forward by the Government of Northern Rhodesia for the expenditure of £30,000 from the Loan in order to establish a Central Research Station for the Protectorate at Mazabuka. We have discussed this proposal with Sir Herbert Stanley, the Governor of the Protectorate, and we understand that the Station is intended to serve purely local needs, and that both demonstrational and research work would be included in its activities, and that it would also undertake the bacteriological side of agricultural research. It has been represented to us that the Station would be of great practical value to the native population of the Protectorate and that it could also serve as a training-centre for prospective European settlers. We have also been satisfied that it would not overlap the activities of the proposed central agricultural research station at Amani, and that the Government of Northern Rhodesia is in a position to provide, on its Current Estimates, the expenditure required for its annual upkeep. In these circumstances, we recommend that the sum asked for should be allocated for this purpose.

Mechanical

been possible owing to the nature of the country in Uganda, but, so far as our information goes, it would not be possible in countries such as the Tanganyika Territory or Nyasaland. We understand that the Empire Cotton Growing Corporation has constituted a special committee to deal with this question, and has carried out trials in Nigeria with two types of track vehicle. We consider, however, that more effective progress could be made if all Governments interested in this problem were to work out a programme in concert. For example, no practical trial has yet been instituted for producing a large unit in the form of a tractor capable of hauling a load, in trailers, of 10 to 20 tons on earth roads. We believe that, while for many purposes smaller vehicles may prove adequate, conditions in many localities are such that full development will be possible only if the cost can be reduced by working with large units. Experiments, however, with such large units will necessarily be costly, so that it must be difficult for any one Government or organisation alone to provide sufficient funds for this purpose. On the other hand, the necessary capital might be raised if all interested parties, including the manufacturing interests, contributed. We suggest for consideration that advantage might be taken of the committee formed by the Empire Cotton Growing Corporation, and that the conduct of trials might be placed under its supervision, the necessary funds being provided by contributions from the interested Governments and other parties.

as to the nature of the problems to be dealt with in each country, i.e. as to what are the practical requirements regards traffic to be handled, and what special local conditions as to roads etc., have to be provided for. We believe that it would be a most useful practical step if a suitable expert could travel through the various interested countries, so as to obtain a comprehensive survey of these factors. The advice of the Committee of the Empire Cotton Growing Corporation would be most valuable on this point.

123.

General observation as to Research.

It will be seen from the foregoing observations that we are not yet in a position to make full and final recommendations as to the funds which should be allocated to Research. For the present the only possible course appears to be to set aside a portion of the total Loan funds to be available for allotment against the demands already received, and to meet any further proposals that may be forthcoming as a result of the enquiries which we have advocated. We therefore, recommend that a sum of £1,000,000 should be provisionally reserved to cover expenditure on objects other than Railways and Ports, i.e. Research, Roads, and Waterways.

General Summary of recommendations.

The recommendations which we have made are summarised in the following table. We recognise that, when the more detailed estimates of cost and other information for which we have asked are available, it may prove necessary to allow substantial variations in the projects or in the amounts allotted to each, and we do not intend our provisional recommendations to hamper the local authorities

authorities in proposing such modifications as they may eventually wish to adopt when they are in the possession of the full evidence necessary for passing a final judgment.

The position in this respect illustrates the difficulties which we have felt in dealing simultaneously with a number of propositions in widely different stages of maturity with a view to settling a complete allocation of a fixed sum of money. It appears to us that the provision of a fixed sum for distribution in this way must have an inevitable tendency to force attending borrowers to put forward immature propositions in order not to miss an opportunity which may not recur, while on the other hand it may result in the distribution of the amounts allotted to each proposition according to what is available, rather than what is required. We venture to express the view that it might prove a wiser method for encouraging development within the Empire to create machinery which would provide for the continuous study of new developments and afford to the various dependencies an assurance that they would have the means at all times to raise money for really sound and carefully prepared projects.

SUMMARY OF RECOMMENDATIONS CONTAINED IN PRESENT AND PREVIOUS INTERIM REPORT

<u>A. RAILWAYS</u>	<u>RECOMMENDATION</u>	<u>Estimated amount required.</u>
(a) <u>Kenya-Uganda.</u>		
Seroti-Lira Extension	Economic report and survey of route to be prepared pending completion of these. Recommended provisional reservation of.....	X 700,000
Busambatia-Jinja-Kampala Extension	ditto ditto ditto	X 700,000
General Improvements to Main Line in Kenya: Rolling Stock and workshops for existing and proposed new lines	Final decision under this head to be decided in the light of more detailed estimates etc. For the present, recommend provisional reservation of	X 1,400,000
(b) <u>Tanzania Railway</u> Completion of Tabora-Mwanza line	Recommended, subject to agreement with Kenya-Uganda Railway as to Railway rates	700,000
Moshi-Arusha	Recommended	280,000
Iti - Abacha line	Survey of route and Economic report to be prepared pending completion. Recommended provisional reservation of	X 660,000
Dodoma - Fife line	Not recommended as immediately practicable; but reconnaissance work etc. to be carried out from funds allocated to Surveys	
Dodoma - Arusha line	Not recommended as immediately practicable; but surveys etc. to be carried out from funds allocated to Surveys	
Surveys		16,000

General

Recommendation.

Estimated amount required

(b) Tanganika Territory (Continued)

General improvements on existing lines

Recommended provision subject to detailed estimates and to the review of the financial position of the Territory at the end of the current financial year.

£534,708

(c) Uganda.

Zambesi Bridge and Coal Railway from Shiroke to the Western frontier.

Investigation of various factors recommended as a preliminary step, a sum of £1,500,000 being reserved provisionally.

£1,500,000

Railway extension, Blantyre towards Fort Jameson; including dredging of Shire River.

Recommended that this proposal should be dependent on completion of enquiries in connection with the Zambesi Bridge and, as mentioned, should be met from borrowing powers of Nyasaland Government under the East African (Protectorates) Loans Act, 1914.

Total

£6,620,708

B. PORT AND HARBOUR IMPROVEMENTS.

(a) ADEN.

Milindish Harbour.

Recommended that a sum of £1,800,000 should be provisionally reserved for the purpose of Port improvements. Final decision to be taken after consideration of the reports on the scheme which are to be made by the Imperial Shipping Committee and Mr. H.H.G. Mitchell as consulting engineer.

£1,800,000

Recommendation.

Estimated
amount required

(b) Tanganyika Territory.

Dar-es-Salaam Harbour Improvement Scheme.

Recommended that a Survey should in the first instance be undertaken and that a sum of £475,000 should be provisionally reserved pending the completion of the survey and the preparation of a detailed scheme, final approval being subject to the recommendations of the Imperial Shipping Committee as to the future of the port as a whole.

£475,000

Dar-es-Salaam; Improvements to existing wharfrage.

Recommended.

85,000

Mwanza; Port improvements.

Recommended.

5,000

(c) Northern Rhodesia.

Msems Port Improvement.

Recommended.

2,500

Total

£2,365,000

£2,365,000

C. ROADS AND WATERWAYS.

Recommendation.

Estimated
Amount required

(I) Kenya.

Roads. Mombasa-Tanganyika Border
Mombasa-Nairobi-Uganda
Nairobi-Arusha.

Not recommended: alternative proposals invited.

(II) Tanganyika Territory.

Various roads proposed.

Recommended, except as regards roads from Iringa to
Tukuyu (Life) and Dodoma to Arusha, in the case of
which further information is requisite, and for
which £150,000 should be reserved provisionally.

{ 75,128
£150,000

(VII) Northern Rhodesia.

Miscellaneous Roads.
Survey of Zambezi River.

Recommended.
Recommended.

185,000
5,000

(IV) Ugaland.

Not recommended, to be reconsidered after the completion of the
paper work, unless recommended, when it will be possible
to consider the programme can be financed by borrowing
under the Protectorates (Loans) Act of 1914.

For the reasons explained above, no definite allocation
under this head, with the exceptions of the £24,000 for
Amazi and £5,000 for Geological Survey in Tanganyika
already recommended and £30,000 for the Northern Rhodesia
Research Station at Masabuku, can at present be made.

39,000

Total

£452,128

D. RESEARCH.

On the assumption that £1,000,000 should be set aside for possible expenditure under the two last heads C and D,
there remains a balance of £547,872 available for any expenditure under these heads which may subsequently be sanctioned.

To

125. To sum up, our recommendations, on the provisional basis which we have found to be may be expressed in figures as follows

Railways

Harbours

Roads & Waterways

Balances

We have

Your

3rd July, 1926.

MEMORANDUM FOR EAST AFRICAN LOAN COMMITTEE.

London,

12th May, 1926.

GENERAL IMPROVEMENTS ON EXISTING MAINLINE - £500,000.

As requested by the Committee, I submit further information regarding Item (ii) in Kenya Government telegram of the 27th February, 1926, to the Secretary of State for the Colonies.

My figures are based on such estimates as I am able to form with the limited information available here. They must therefore be regarded as approximate.

Early in 1923 it became apparent that the Uganda Railway would soon be required to carry substantially increased traffic over its main line, not only between the Port and Uganda and Tanganyika via the Lake Victoria Shipping Services, but also between the Port and Kenya stations in consequence of the rapidly increasing development and production inland. These anticipations of substantially increased traffic have been more than realised since.

It was felt that with so large an increased traffic in sight, and with the further development which would result from the building of branch feeder lines in Kenya and main line extensions into Uganda, it would be wise to take action without delay to increase steadily the capacity of the main line between Nakuru and the Coast, which section of trunk line might be described as the "neck of the bottle", through which all traffic to and from the interior would have to pass.

After consideration it was decided to embark immediately on a programme of replacing the light (50 lb.) material

material on the main line by heavier (50 lb) material; realigning and improving grades and curves; strengthening bridges; lengthening crossing loops and station sidings; enlarging depot station accommodation, including marshalling yards and running sheds; increasing the number of stations; building additional staff quarters; installing interlocking appliances; and providing generally for all extra facilities required to increase the carrying capacity of the main line.

The object of putting down heavier rails, strengthening bridges, improved grades, etc., is, of course, to enable the running of heavier locomotives capable of taking long trains.

It is estimated that by the use of heavier locomotives which would haul loads at least three times what the small engines now on the line are capable of hauling and by providing for additional stations and crossing places and other improved facilities, it should be possible to increase steadily the capacity of the line between Nairobi and the Coast up to from 10,000 to 12,000 tons per diem without the need for extensive doubling.

The programme of relaying and general improvements has been followed continuously since the latter half of 1923, and hitherto all the expenditure required for the actual relaying, strengthening of bridges, and realignments, and large expenditure on other capital improvements, has been met by transfers from the Renewals and Betterment Funds of the Uganda Railway.

These funds were established at the commencement of the year 1923. The Renewals Fund, which is intended for replacing or renewing wasting capital assets, is accumulated

accumulated by transfers from revenue account arrived at on the basis of a fixed percentage on the capital value of assets. The Betterment Fund is maintained by transfer from net revenue account of the whole of the balance available after interest and all other charges have been met. In other words, the whole of the profit of the railway.

Assuming that the estimates of earnings for the year 1926 will be realised, that the working expenditure can be kept within the limits of the estimates, and that the expenditure authorised on renewals and betterments is actually incurred, then 100% of the net revenue contributions to, and operations of, the Railway sections of the Renewals and Betterment Fund should in the year of 1926 be approximately as follows:-

	Renewals Fund	Betterment Fund
Contributions from 1st Jan. 1925 to 31st December 1926.	2750,000	2,125,000
Expenditure to 31st December 1926.	650,000	950,000

There is now, however, every indication that with the increasing expenditure of the Railway and Marine Services, more especially in connection with imported fuel and the needs of the Lake Services, and with rapidly increasing interest charges, it will be impossible to continue making contributions to Betterment Fund at the 1923-1925 rate.

The estimates for 1926 anticipate an expenditure against Renewals and Betterment Funds of £700,000 whereas the contributions for 1926 to both Funds are estimated at only £400,000. Reserves are therefore already being heavily drawn upon.

the section between Kilindini and Nairobi to be available for the use of heavy engines throughout not later than the end of 1928 but it fears that unless provision can be made from Loan for a substantial portion of the expenditure involved it may be unable to carry the programme through without interrupting or slowing down the work.

The amount which it is recommended should be set aside for the purpose from the £10,000,000 Loan is £300,000. This figure must be taken as a maximum round figure estimate. The intention is to continue to meet the cost of the improvements as far as possible from the Renewals and Betterments Funds and to draw on the Loan provision only as, and when, it becomes essential to obtain additional capital funds.

It is not only possible, but likely, if earnings continue to increase as in recent years, that a smaller sum than £300,000 will suffice, but railway earnings in East Africa depend largely on weather conditions, native production, world's cotton prices, and other equally uncertain factors, and any reduction of the amount asked for would involve risk. It would be safer to make ample provision and to allow ultimate re-allocation of any balance not drawn upon over other Loan items.

The present programme in so far as relaying is concerned is confined to the section Kilindini to Nairobi, but it must be understood that a considerable expenditure is also being incurred necessarily above Nairobi on larger station yards, additional crossing stations and improved traffic working facilities generally.

The relaying of the section from Nairobi to Nakuru is not in contemplation at present, and in any case could not be embarked upon until the section from the

accumulated by transfers from revenue account arrived at on the basis of a fixed percentage on the capital value of assets. The Betterment Fund is maintained by transfer from net revenue account of the whole of the balance available after interest and all other charges have been met - in other words, the whole of the profit of the railway.

Assuming that the estimates of earnings for the year 1926 will be realised, that the working expenditure can be kept within the limits of the estimates, and that the expenditure authorised on renewals and betterments is actually incurred, then the position in the matter of contributions to, and operations on, the Railway sections of the Renewals and Betterment Fund should by the end of 1926 be approximately as follows:-

	Renewals Fund	Betterment Fund
Contributions from 1st Jan. 1923, to 31st December 1926,	£750,000	£1,110,000
Expenditure to 31st December 1926.	650,000	980,000

There is now, however, every indication that with the increasing expenditure of the Railway and Marine Services, more especially in connection with imported fuel and the needs of the Lake Services, and with rapidly increasing interest charges, it will be impossible to continue making contributions to Betterment Fund at the 1923-1925 rate.

The estimates for 1926 anticipate an expenditure against Renewals and Betterment Funds of £700,000 whereas the contributions for 1926 to both Funds are estimated at only £400,000. Reserves are therefore already being heavily drawn upon.

The total expenditure of £1,600,000, which I estimate may be incurred against transfers from the Funds by the end of the present financial year (1926) may be divided up very approximately as follows:-

Replacement of 50 lb. rails by 80 lb. rails from the Coast to Makiadu,.....	£750,000
Realignments and improved grades.....	70,000
Strengthening of bridges and culverts.....	50,000
Extensions to turning sheds and re-arrangement of yards and depots.....	60,000
Additions to buildings, machinery and equipment, staff quarters, extensions and improvements of piers and wharves, docks and labour saving appliances, improved signalling and inter-locking, water supplies, stores, depots, and sundry improvements and renewals.....	
TOTAL	

at K... ..

It is possible to give only a very rough description of the £1,600,000 which will be provided out of Renewals and Betterment Funds respectively. Each item of expenditure is in accordance with fixed principles of allocation. The basis is that to the extent of the replacement of an existing asset the debit is met from the Renewals Fund, but in so far as there is a definite net or enhanced capital value, capital is debited and fed per contra by corresponding transfers from the Betterment Fund.

The position is that the Uganda Railway is most anxious to proceed as rapidly as traffic requirements permit with the general improvement and strengthening of the main line, and, if at all possible wishes to arrange for the

the section between Kilindini and Nairobi to be available for the use of heavy engines throughout not later than the end of 1928 but it fears that unless provision can be made from Loan for a substantial portion of the expenditure involved it may be unable to carry the programme through without interrupting or slowing down the work.

The amount which it is recommended should be set aside for the purpose from the £10,000,000 Loan is £300,000. This figure must be taken as a maximum round figure estimate. The intention is to continue to meet the cost of the improvements as far as possible from the Renewals and Betterments Funds and to draw on the Loan provision only as, and when, it becomes essential to obtain additional capital funds.

It is not only possible, but likely, if earnings continue to increase as in recent years, that a smaller sum than £300,000 will suffice, but railway earnings in East Africa depend largely on weather conditions, native production, world's cotton prices, and other equally uncertain factors, and any reduction of the amount asked for would involve risk. It would be safer to make ample provision and to allow ultimate re-allocation of any balance not drawn upon over other Loan items.

The present programme in so far as relaying is concerned is confined to the section Kilindini to Nairobi, but it must be understood that a considerable expenditure is also being incurred necessarily above Nairobi on larger station yards, additional crossing stations and improved traffic working facilities generally.

The relaying of the section from Nairobi to Nakuru is not in contemplation at present, and in any case could not be embarked upon until the section from the Coast

Coast to Nairobi is completed. In the meantime articulated locomotives of the latest type have been ordered for the Nakindu to Nairobi section. With these locomotives it is hoped to double the loads at present possible, but it may become apparent in the course of the next two or three years that either the Nairobi-Nakuru section (which for a considerable portion of its length is a mountain section) will also have to be relaid or that a loop line with easier grades should be built from Nairobi, via Ngong, to a point in the Rift Valley.

The possibility of requiring money for this purpose should also be borne in mind in connection with the request that ample provision should be made in the Loan to be drawn on in case of necessity.

I suggest that in order to make the position clearer the words "General improvements of the existing Main Line" might be replaced by the following in the Loan allocation:-

Part capital cost (over and above provision from Betterment Funds) of relaying main line loops and sidings with heavier rails, strengthening bridges and culverts, improving grades and curves, enlarging depots, running sheds and stations, building additional stations, staff quarters, and other capital expenditure on sundry improved facilities necessary to increase the traffic carrying capacity of the main line.

(sd) C.N. Pelling

General Manager,

Uganda Railway.