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### 'Baghdad Railway.'

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#### About this record

Printed confidential memorandum (B 160), written by Major Lindsay Sherwood Newmarch, Political Resident in Turkish Arabia, dated 18 December 1906. The memorandum addresses the associated risks and benefits to be incurred and gained from not being involved in the construction of the Baghdad railway. Newmarch refers to: imperial competition over the line and the region more broadly, chiefly from Russia, France and Germany; the alternative prospect of gaining a monopoly on river traffic south of Baghdad (on the Tigris and Euphrates) if the railway were extended to Baghdad; the prospect of negotiating a concession for a steam ship monopoly south of Baghdad with the Turks, and German competition for any such concession; the difficulties that would be faced in attempting to construct a railway line south of Baghdad, to the Persian Gulf, and the easier prospects for a line from Baghdad to Urfa [Şanlıurfa; al-Ruhā] or Mosul; economic advantages to other branches of the line, in terms of transporting pilgrims, goods; his own recommendations for British involvement and control of railway construction and steam ship routes, and his conclusion that Britain should 'secure the waterways' south of Baghdad, at the cost of involvement in construction of the railway line to the north.

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CONFIDENTIAL.

1906.

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Baghdad Railway.

If we hold ourselves aloof and take no part in the railway, the line will be completed, at any rate to Baghdad, without us. Our refusal or unwillingness to participate in the line will lead to ill-feeling against us, and to the consequent detriment of our trade in those parts. Every official connected with the railway will bring his petty feeling and his influence to bear against our trade, and when this feeling is general it will be hopeless and too late to contend against it. Our trade in those parts will be ruined. Perhaps we can afford to regard this result with equanimity or indifference, but I think the outcry against the Government that allowed this to happen would be considerable, and would result in the alienation of much sympathy. If we hold ourselves aloof, we shall occupy, to a large extent, the position of the dog in the manger; we shall be mere obstructionists without the courage and most probably without the power to hinder the construction of the line even to the sea-shore. We may be able to delay its progress and to thwart its objects to some extent, *e.g.*, by occupying and seizing all the possible termini, but that will be a very undesirable attitude to adopt, and will probably bring on us retaliation in other parts of the world. Moreover, if we do not join it, the French or the Russians, or both, may be induced to do so on exceptionally favourable terms, and that might result in a serious combination against us. With French, Russian, and German influence combined against us in those parts we should find it very hard to maintain our position, and I do not think we should succeed in doing so. That the Germans will succeed in continuing their railway as far as they wish to continue it seems to me most probable. Their only difficulty is want of money, but that is a temporary difficulty only, and, as the Kaiser and the German people—especially official Germany—seem bent on making the line there is but little doubt that means will be found for getting the money. We may, I think, take it as certain that the line will be made to Baghdad at least, and if that is so it seems to me that we shall gain far more by helping it and sharing in it than by any negative policy.

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There is only one condition, as it seems to me, that would enable us to hold aloof from a share in the line, and yet profit by it, and that is if we could secure the monopoly of the river traffic south of Baghdad on both the Tigris and the Euphrates (including the Hindia Canal). If we could do that, the railway would be a feeder to the river steamers which would then secure all the traffic between Baghdad and the Persian Gulf. The more goods the railway brought, the more would the number of steamers increase. And be it never forgotten that, especially in those parts, would the river-borne traffic eclipse and undersell the rail-borne traffic. I think that any one accustomed to compare the cost of river-borne and rail-borne traffic will bear me out in saying that river or canal-borne traffic is certainly cheaper though a little slower than traffic carried by railway. If, therefore, we secure the river-carriage we can afford to smile benevolently on the extension of the railway to Baghdad, and the greater the number of the branches to the railway the greater will be our satisfaction, for there will be the more goods for the river steamers to carry. The railway, in short, will be directly increasing our trade. I beg to be excused for dwelling on this point, for it seems to me to afford a solution of all our difficulties. If we secure the river traffic south of Baghdad, not only on the Tigris but also on the Euphrates and the Hindia Canal, we are free from all responsibility in connection with the railway, and free from all political combinations and their consequences. It is then immaterial to us whether the Arab tribes uproot the rails, destroy the stations, burn the coal stores, cut off the water supply, or do any other such mischief as upsetting the trains, robbing the mails, &c. We shall be in a position to demand compensation from the Railway Company for any such losses, and shall also be in a position to enforce our demands by raising the rates of the river steamers. This monopoly of the river traffic seems to be such a desirable consummation as to be worth a high price, and the question is what we could offer the Turks or Germans to secure this. We might build for them at our expense good custom-houses with proper wharves (badly wanted at present) both at Baghdad and Bussorah. We might build for them one or more permanent bridges (also much wanted) over the Tigris and Euphrates, at Baghdad, Musaiyib, or elsewhere. We might offer the Turks some political guarantee that the railway should not be used at any time against their interests. I am not in a position to specify what we can pay them, but I think it might be something of a high value, for the control of the river traffic would be an increasing advantage. Short of an absolute monopoly of the river traffic, we might descend to a practical monopoly under the Turkish flag, and failing that to a river-service in the name of the Sultan, taking over his steamers at a valuation and guaranteeing him a



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proportion of the profits. Lastly, it might suffice for our purposes if the rivers were thrown open to general trade. The Euphrates and Tigris Steam Navigation Company would then seize their opportunity of crushing all other competition and securing a virtual monopoly of the river traffic.

If we do not secure the river traffic somehow, the Germans will do it (under their concession) when the railway reaches Baghdad or its vicinity. They will use their steamers to bring up material for the line, and once there the steamers will continue as trading steamers, and then the Germans and not the English will have the monopoly of the rail and the river. This combination would first destroy the Euphrates and Tigris Steam Navigation Company and then the other English firms. The Germans have already started a service to the Persian Gulf, which shows that they are alive to the importance of this subject. Therefore if we do not share in the railway, we must secure all or nearly all the river traffic as compensation.

I may note here that there is a certain amount of traffic even now on the Euphrates and the Hindia Canal; the latter from Musaiyib to Samawa is navigable for boats of not more than 3 feet draught, and the Euphrates could be made as navigable though not quite as safe as the Tigris. Indeed, the river navigation is capable of much development. The rivers would require a little training, a little blasting, and in places and at times a little dredging, but all this combined would not be nearly so expensive or so troublesome as the construction of a railway from Baghdad to the sea. The rivers exist, and are in daily use. The railway has yet to be made.

The advantages of securing the river traffic seem to me to be overwhelming compared with the difficulties and consequences of joining in the railway; but on the other hand the difficulties in securing the river traffic are also considerable. The Turks are jealous and suspicious of us; I have heard it said that we are *malvus* at Constantinople. They would probably be alarmed at and object to the idea of our controlling the river traffic, they would foresee annexation, or a protectorate, and another Egypt. But provided we are willing to pay the price, I believe Sir N. O'Connor could arrange a bargain. To give us a concession for the navigation of the rivers south of Baghdad is, after all, not more serious than to give the Germans the concession for a railway through the whole Turkish Empire; perhaps not so serious. We were given this very concession in about 1841 or 1842, but unfortunately it was not then seized, because we were hardly ready for it. It was, in fact, premature then, but might it not be secured now with the additional stimulant of a price or a consideration? I do not think this is outside the limits of practical politics. The railway will certainly be made to Baghdad, and after that the goods will be carried by river to the sea. Now

what is to become of the river traffic? The Turks may wish to manage it themselves. They are incapable of doing so without European aid or supervision. At present they are mismanaging it, making little, if any, profit for themselves, but hindering the Euphrates and Tigris Steam Navigation Company from making *their* full profits. If we do not take charge of it the Germans will, and then we shall gradually disappear from the scene. Therefore, I suggest that we should cast about for some price wherewith to buy the control of the river traffic south of Baghdad and Masaiyib.

2. *The Railway from Baghdad to the Sea.*—I strongly believe that it will not pay to make this portion of the line, because it will not be able to compete with the river traffic, at any rate not until there is so much trade that the river cannot carry any more, *i.e.*, until the Tigris is like the Thames, and Baghdad like London. That the line can be made as a piece of engineering is certain, because engineers will make a line anywhere if you give them enough money, but I think it will be costly whatever the alignment taken. From Baghdad to Nejf the line would be easy, and I would recommend that it should roughly follow the pilgrim route *via* Masaiyib and Kerbala, with a bridge at Masaiyib, or better still at the junction of the Euphrates and the Hindia Canal. From Nejf onwards the line, in my opinion, must go out to the west, because the country to the east is so extremely marshy and liable to inundation. I speak from personal knowledge. The country to the west is almost a pure desert, without timber or habitations, without supplies, and with but little water. It contains wandering Arabs who practically own no master, and they would probably give trouble to the construction and the upkeep of the line. They might be bought off and employed as line guards, like the levies in Baluchistan, but they are not nearly so tractable as the Baluchis, and would probably want far more money to keep them quiet. Still this could be arranged, and the line could be made to Bussorah, Koweit, or the sea. But it would not pay beyond Nejf.

3. *From Urfa or Mosul to Baghdad.*—This portion of the line would be quite easy to make, and I think it would pay. It would be certainly more profitable than the line from Nejf to the sea, or from Baghdad to the sea, because there would be no river competition (except on rafts for three months in the year), and it would be practically the only route for merchandise. The river is unsafe north of Mosul, and rafts are sometimes plundered on that portion of the river by the tribes on the banks. It is also somewhat but much less unsafe south of Mosul. In any case the rafts are slow and uncertain, and cannot compare with steamers as rivals to the railway. I think the line from Urfa or Mosul to Baghdad might pay after



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10 years, by which time the railway would have become established and familiar, and the *local* trade would have developed. Still 10 years is a long time to wait for interest on your money.

4. *The portions that would pay* are the branches from Baghdad to Khanakin (on the Persian border) and from Baghdad to Nejf, *via* Kerbala. The pilgrim traffic alone would make these pay, and that traffic would bring merchandise in its train. There is already a considerable transit trade from Baghdad eastwards into Persia, *via* Khanakin, and southwards to Kerbala and Nejf, and with these routes there is no river to compete.

I know this country well, and can say confidently that both these branches would be easy and cheap to make, and remunerative when made. Baghdad is commercially a strategical centre, and for imports it is the sea-port of that part of the world.

Bussorah is to a large extent the sea-port for exports, especially dates, but imports only change steamers at Bussorah.

At Baghdad, however, imports break bulk and change carriage. They are repacked in bales on mules or camels, and sent off literally in all directions, by far the larger part going eastwards into Persia *via* Khanakin.

The Baghdad-Khanakin route is practically the only trade route into Persia. Some goods go from Baghdad *via* Balad-ruz and Mendali, but comparatively a small proportion of the whole.

These branches of the railway, eastwards to Khanakin and westwards to Kerbala and Nejf would pay, and are in my opinion the only parts certainly worth securing, if we are to take any part in the line.

5. If we cannot secure the river traffic from Baghdad, I think we must take part in the line, and if so, what part?

Our trade and influence and prestige at present extend well up to Mosul. Therefore, I suggest that we should take the whole of the line (including all branches) south of Mosul. If we can get the exclusive construction, control, and management of this part so much the better, if not, let us get as much as we can. What are the best terms we can get?

I would bring this portion of the line down the east side of the Tigris, through the fertile country of Birtella, Karakush, across the greater Zab (easily bridged), the lesser Zab (more easily bridged), to Altun Keupri, Kirkuk, Tez Khurmati, Kifri, Kara Tepe, Khanakin to Baghdad. All these towns are of considerable size with the exception of Tez Khurmati and Kara Tepe.

6. *Summary.*—I would try for (1) the exclusive, (2) the partial, control and construction of the line

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south of Mosal with all branches. I would also try for the exclusive control or partial control or, lastly, the free navigation of the Tigris, Euphrates, and Hindia south of Musaiyib and Baghdad.

And for these advantages I would offer a high price, *e.g.* I would put down now enough money to complete the railway and its branches as far as Baghdad, with, of course, the additional stipulation that we should get the same interest on our money as the other shareholders, and that our control should at least be proportionate to our investment.

8. *Details.*—If we have the construction of the line we could use the opportunity to improve the custom houses at Baghdad and Bussorah, to build bridges over the rivers, and develop the communication generally. This would increase agriculture and tend to promote the settlement of the wandering Arabs. These might be given facilities for settling near the line and for guarding it.

As regards guarding the line I would adopt or adapt the levy system of Baluchistan. This would bring the tribes into our pay and largely under our influence. The Resident at Baghdad should be given the payment of these levies, and in this way he would establish friendly relations with the tribes, and ultimately get much information and assistance from them in case of need.

9. *Conclusion.*—I have felt it necessary to be very brief, but I shall be glad to re-consider or amplify any part of what I have written, if I can be of any assistance by doing so.

My proposals are—

(a) To secure the waterways, as far as may be, south of Baghdad and Musaiyib, and to leave the land line alone, because I feel sure the railway or land line will entail many difficulties which, though not insuperable, will be constantly troublesome. For example, if we take part in the land line, we may be involved in political complications with Russia, or Turkey, or Germany. Russia may object to our extensions, Turkey may be jealous of her internal sovereignty, and Germany may prove a greedy and intractable partner. Again, there would probably be difficulties in controlling the tribes in the neighbourhood of the railway, although we might pay them for guarding it. They might, and probably would, demand larger and larger payments, and if they failed to get them might destroy or injure the line. How to punish them for such conduct would be difficult, even if Turkey allowed us a free hand in dealing with them; it might be still more difficult if Turkey were to join us in coercing them. To employ military force, as seems to be contemplated by the Concession, would, in my opinion, be merely provocative, and I think, in that case, we should soon be engaged in a serious campaign against a general Arab rising. The situation would be full of difficulties, and therefore I prefer limiting ourselves to the water-



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ways, for the use of which I would pay both Germany and Turkey a high price according to the extent of the control they would give us.

I suggest that we should enter into partnership with the Concessionaires, leaving to them the land-line, and securing to ourselves the waterways, with, if possible, a separate concession from Turkey for our portion. I propose that the river steamers should be merely a continuation of the land line from Baghdad to the sea or to Bussorah, that they should work in conjunction with the railway, and for this I suggest that we might advance to the Concessionaires enough money to complete their railway to Baghdad, including branches to Khanakin and Nejf.

I would do this, if unavoidable, without guarantee and without raising import duties, but with the stipulation that on our total investment we should get the same interest as any other participator in the land line. If possible, I would keep the accounts of the water line separate, unless obliged to amalgamate with the land line in order to avoid being shut out altogether.

(b) If we cannot secure the waterways or can only secure them to a much limited extent, and must in that case take part in the land line, I suggest that we should go as far north as Mosal, in spite of all difficulties, rather than lose all.

L. S. N

18th December 1906.



'Baghdad Railway.' [4v] (8/8)

