



EAST AFR. PROT  
37146

57146  
REC'D  
12 AUG 15

Governor 521  
Belfield

LOAN OF £375,000

1915

30th June

Gives information as to expenditure. Can now only request sanction to charge the £5,000 for the Customs Office to the appropriation of £100,000 for Kilindini Deep Water Pier suggested in his despatch NO. 1049 of 1914.

Last previous Paper.  
out Gov 29802  
Despatch 14549

Ans. 627 was 25th June 1915

Sir G. S. P. ...

The first four paragraphs do not call for action. As regards the Kilindini Deep Water Pier & Reclamation item, the matter at the top of p. 3 of the despatch is not quite clear, but it can hardly mean that the Committee Enquiry proposed to add 25% to the proposed sidings accommodation ... estimate of £3,000. The alternative explanation is that, although a proposal of the G. M. S. letter - 7039 ... was recommended that "part of the fore-dock shall be filled in ... to provide more sidings accommodation..."; the provision of £3,000 for reclamation contained nothing for the sidings - i.e. that the additional £3,000 is for the whole sidings scheme.

Next subsequent Paper.  
for 59403

But as that has an additional ... in one despatch of 13940 ...

the adoption of the C.E.'s "extended scheme" and said with regard to cost that any excess due to its adoption should, like any excess arising from the £3000, be met from revenue.

~~The proposition is that although~~

The balance to 7039 certainly reads as if the ridings were part of the scheme - great emphasis is laid on the necessity for them & there is not a word to show where the money was to come from if not from the £3000.

As regards the Custom House, which they add on to and from the £100,000 loan which ~~is~~ was allotted out of the £250,000 loan for a deep-water pier at Kilmacdunda. I feel very doubtful. Such a service is not covered by the Finance Act, 1911 I think, and I find nothing in the Committee with the Treasury about the £250,000 loan which contemplates any such work. We need the balance of the deep water pier money for the new harbour scheme under the new loan. On the other hand, the Custom House loan from the first allocation of the £375,000 loan has been regarded as sufficiently a "terminal facility" & it should be withdrawn to leave it in the list.

Extract added

This would mean that £4503 would have to be provided from revenue under "Special Railway Expenditure" to subsidize the loan - that is -

Finance Act 1911

115

The Treasury may advance by way of loan to the Govt. of the I. A. C. for the purpose of providing improved railway communication and harbours in the Protectorate and improved water supply at Bombay any sum not exceeding in the whole £250,000.

See page 10  
11056

Other items	£ 359,970
de Trains, boats, humanity,	2,000
Customs House	5,000
Warehouse, R. Lindsay,	5,333
Reclamation seedings	7,000
	<hr/>
	£ 379,303
Amount of loan	£ 375,000
Balance	<hr/>
	£ 44,303

116

If the debt is to be the cost of the  
 railway, to be repaid by the loan, they  
 cannot object to it. If they did not  
 intend, then we must have an  
 explanation of the difference between  
 the £ 100 and the £ 7,000

To Governor, Auckland

21 22 815

21 22 815

22 8 15



37146  
Recd  
Perd 12 AUG 15

GOVERNMENT HOUSE,  
NAIROBI,  
BRITISH EAST AFRICA.

117

June 30th, 1915.

No. 521  
5914-12

Sir,

I have the honour to acknowledge the receipt of Mr. Harcourt's despatch No. 181 of March 19th, on the subject of the allocation of expenditure under the £375,000 loan from Imperial Funds to this Protectorate and to reply to the various points raised therein as follows:-

2. Paragraph 3. Item I. The number of engines originally provided for in the £30,000 was seven. These have all arrived and been erected, but only three have been charged against the loan, the cost of the remaining four have been charged against revenue as replacements.

In compliance with Mr. Harcourt's request for a statement respecting the arrangements for the supply of engines during the last four years I append a list of the engines purchased during that period.

Yours  
Items

THE RIGHT HONOURABLE

ANDREW BONAN LAW, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON, S.W.

Items 5 and 7 of this list represent the seven engines referred to above, while items 3 and 4 represent 5 Tank and 10 Mallet engines included in the sum of £146,500 for "Indents already placed" shown in Schedule A to my despatch No.26 of January 15th.†

3. Paragraph 3. Item 10. The original amount allocated to "Regrading" out of the £157,000 Magadi Grant was £24,000. On this amount being found to be insufficient, a further sum of £6,000 was earmarked for the completion of the work from the £375,000 loan as shown in Schedule B to my despatch of January 15th above quoted. This amount was subsequently deleted and a sum of £7,000 provided as Special Expenditure for Magadi during 1914-15. In December last the work was discontinued in order to curtail expenditure, as far as possible, during the War, but by that time the original £24,000 had been fully expended. The £7,000 was not touched but it will be required for completion of the work when we are in a position to resume it.

4. The remarks with regard to item 33 have been noted and communicated to Mr. Eastwood as directed in paragraph 9 of the despatch under reply.

5. With regard to item 49 which is dealt with in paragraph 11, I would remark that the amount of £8,333 allocated to Warehouses and Foreshore improvements was based on the following figures:-

(a) Improvements to Warehouses	£5,333
(b) Reclamation of Foreshore	3,000
	<u>£8,333</u>

and

† No. 11056

and with regard to (b) I would refer to the Acting General Manager's letter of December 14th, a copy of which was enclosed with my despatch No. 1046 of 23rd idem<sup>†</sup> in which the estimate given for the reclamation of the foreshore was £3,000 which, however did not include, provision for the laying out of the sidings on the reclaimed ground, in accordance with the suggestion now made by the Consulting Engineers and approved by your predecessor.

As anticipated in paragraph 11 of Mr. Harcourt's despatch the estimate for this item (49) has required revision to a very considerable extent. The extra cost involved is estimated by the Acting General Manager to be no less than £4,000, so that the revised figures for item 49 will be

(a) Warehouse Improvements	£5,333
(b) Reclamation of Foreshore and Yard	7,000
	<u>£12,333</u>

thus reducing the unallocated balance of £4,697 referred to in paragraph 11 of Mr. Harcourt's despatch to £297.

6. In Mr. Harcourt's despatch No. 217 of March 31st he signified his approval of the scheme for re-arrangement and extension of the present warehouses at Kilindini, but stipulated that any excess due to the adoption of the Consulting Engineers' recommendations should be a charge against revenue, while the cost of the new Customs Office should, at the same time, be retained against the appropriation of the £375,000 loan.

7. In paragraph 12 of Mr. Harcourt's despatch

he

4  
 £ 7000  
 2-5

6  
 £ 12940

he refers to item 41 - New Customs Office, £5,000 - and intimates his reluctance to agree to the proposal to transfer this amount to the £250,000 loan, and suggests that the £375,000 loan might conveniently be closed by the retention of the £5,000 and the reduction of item 49 by £303 to meet the excess caused by so doing.

4  
29802

I agree that this would have been the simplest method of closing the loan, but the proposals of the Consulting Engineers approved of in Mr. Harcourt's despatch of 21st March and homologated in my despatch No. 439 of 31st ultimo have considerably altered the situation, and if these proposals are adopted the unallocated balance will be reduced to such an extent that, leaving the cost of the Customs Office out of account, the loan account may be locked upon as already closed.

4  
297009  
14-5

8. I can, therefore, only request that sanction may now be given to charge the £5,000 for the Customs Office to the appropriation of the £100,000 for the Deep Water Pier at Kilindini as suggested in my despatch No. 1049 of December 23rd.

I have the honour to be,

Sir,

Your humble, obedient servant,

*H. K. B. B. B.*

GOVERNOR.

2 No. 7 No.



Encls. w/ no

INCLOSURE

121

IN REPLY TO 521 of June 30 1915

Statement of Locomotives ordered and received during the past four years.

57146  
RECORDED  
SERIALIZED  
JUN 12 1915

Locomotives	Cost	Character of
2 Ballist Engines	12,700	{ Expenditure against Hagadi Works.
6 do.	31,020	do.
10 do.	29,997	Loan of 2,375,000
5 Tank Engines	17,279	do.
3 do.	10,414	{ Advances New Loan "Estimated Cost".
3 Loco Engines	12,997	{ Loan of 2,375,000 "Estimated Cost".
4 do.	10,600	{ Charged to Revenue. "Estimated Cost".
3 Steam Engines	1,909	{ 23,000 received from Pauling & Co for sale of Engines. Balance of 24,909 charged to Revenue.
<u>TOTAL 236,730.</u>		

37146

37146/15 E.A.P.

5913-12



25 August 1918



Sir

Sir,

DRAFT

E.A.P. (no. 627)

For

Belfield

MINUTE.

- Mr. [illegible]
- Mr. [illegible]
- Mr. [illegible]
- Mr. [illegible]
- Sir G. Fiddes
- Sir H. Just
- Sir J. Anderson
- Mr. Steel-Madison
- Mr. Bonar Law

5913-12

I have the honor to acknowledge the receipt of your despatch no. 500 of the 30th of June in the subject of the allocation of expenditure under the Imperial Loan of £375,000.

In reply to the letter (no. 49) for "Wardham and Reclamation of Forreshire" had been advised that the cost of the construction of railways, which was an integral part of the scheme

forwarded with your despatch no. 1099 of the 23rd of July, was included in the sum of £833 proposed to be allocated. I gather from your despatch copy under reply that the amount for was assumed

+ No (7039 1/2)

The General Manager intended the construction of a single 6th Floor up later as a separate work, and that the sum of £4000 represents the cost of the whole of the proposed works. I am not aware for what reason the General Manager originally intended that the cost of the works should be ~~contemplated~~ ~~should be met~~, but ~~his intention~~ ~~of~~ ~~judging~~ ~~his~~ ~~decision~~ ~~that~~ ~~the~~ ~~entire~~ ~~cost~~ ~~of~~ ~~these~~ ~~works~~, ~~with~~ ~~the~~ ~~additional~~ ~~accommodations~~ ~~proposed~~ ~~by~~ ~~the~~ ~~C.C.S.~~, ~~should~~ ~~be~~ ~~met~~ ~~as~~ ~~far~~ ~~as~~ ~~possible~~ ~~from~~ ~~the~~ ~~loan~~ ~~was~~ ~~taken~~ ~~under~~ ~~a~~ ~~misapprehension~~ ~~and~~ ~~is~~ ~~open~~ ~~to~~ ~~reconsideration~~.

3. I am sure that the Hon. Member was that the Custom House should be included as an item of the £375,000 Loan. Whether the sum can be regarded as covered by the terms of the Finance Act, 1911, and whether

the provision of £250,000 was authorized, and was 123  
look of the kind, submitting to the ship water pier scheme, was contemplated with confidence with the <sup>honourable member</sup> ~~honourable member~~ ~~Mr. J. F. F. F.~~, the whole of the provision of £100,000 for the scheme, so far as it has not yet been spent, had to be applied to supplement the sum allotted under the Special Loan, Dec. 9, 1915, for the larger harbour scheme. On the other hand, the Custom House has for the first time included in the approved allocation of the sum of £40,000 for terminal facilities at Kildare.  
4. After deducting the cost of the Custom House, a sum of £2,697 will remain towards the cost of construction (£3,500) and sinking (£4,000)

The General Manager  
intended the Construction  
of Sidings like Fikru up  
later as a separate work,  
and that the sum of £2000  
represented the cost of the  
whole of the proposed sidings.  
I am not aware from what  
source the General Manager  
originally intended that the  
cost of the sidings should be  
contemplated should be met,  
but it is clear from the  
President's decision that  
the cost of the sidings, with  
the additional accommodation  
proposed by the C.E.S., should  
be met as far as possible  
from the loan was taken  
into a misapprehension and  
is open to reconsideration.

3. I am sure the Honorable  
Member that the Custom House  
should be retained as an  
item of the £2,750,000 loan.  
Whether the amount can  
be regarded as covered  
by the terms of the Finance  
Bill will be decided

The previous Loan of £2,500,000  
was authorized, and was 123  
Loan of this kind, subsidiary  
to the deep water pier scheme,  
was contemplated with  
confidence with the  
Government at the time.  
Further, the whole  
of the provision of £100,000  
for this scheme, so far as  
it has not yet been  
spent, will be required  
to supplement the sum  
allotted under the proposed  
Loan, Dec 9, 1915, for the  
large harbor scheme.  
On the other hand, the  
Custom House has for  
the first time included  
in the approved allocation  
of the sum of £20,000 for  
terminal facilities at  
Kilindini.  
4. After including the cost  
of the Custom House, a sum  
of £22,697 will remain  
towards the cost of reconstruction  
(1900) and...

The previous loan of £250,000

was authorized, and no 123

work of this kind, contributing  
to the deep water pier scheme,

was contemplated with

confidence with the

Government <sup>in connection with the loan</sup>,  
Meaning further, the whole

of the provision of £100,000

for this scheme, so far as

it has not yet been

spent, will be regarded

to supplement the sum

allotted under the Imperial

Loan, Dec. 1915, for the

larger harbour scheme.

On the other hand, the

Custom House has from

the first been included

in the approved allocation

of the sum of £60,000 for

terminal facilities at

Kilindini.

4. After including the cost

of the Custom House, a sum

of £2,697 will remain

towards the cost of reclamation

(£3,000) and moorings (£4,000)

and I am of opinion that  
the deficiency of £303 for  
the the former and the whole  
of the cost of the latter item  
should be brought <sup>net from</sup> ~~from~~ revenue  
as "Special Railway Expenditure."

5. In the above, as I have explained,  
I have assumed that no part of the  
cost of sidings was included in the  
original estimate of £3,000, but have  
if you departed is perhaps due  
to the interpretation that the £3,000  
while including the cost of <sup>Sidings</sup> ~~sidings~~ <sup>generally</sup>  
proposed, did not cover  
the laying out of sidings in the <sup>places</sup>  
of the Country Engineer's recommendation.  
This interpretation is supported by the  
Engineer's laid on the necessity for  
increased accommodation in his  
letter <sup>of the 10<sup>th</sup> of Oct.</sup> of the 10<sup>th</sup> of Oct.,  
but if it is correct the very  
large excess of £4,000 due to a  
20 percent increase in accommodation  
calls for some further explanation.

I have, &c.  
A. Pomeroy