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C. O.

Mr. Grossmith. ^{28/11}Mr. *Cliffe*

Mr.

AIR MAIL.

Mr. Parkinson.

Sir G. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

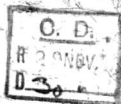
Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

DRAFT.UGANDA.NO. 633

GOVERNOR.

No 12.
3065733

Downing Street,

November, 1934.

5 DEC 1934

Sir,

I have etc. to refer to my despatch No.516 of the 5th of December 1933 and to inform you that I have approved the extension to the 31st of December, 1935, of the validity of Kenya Ordinances Nos. LVII and LVIII of 1931 entitled "The Levy on Official Salaries Ordinance, 1931" and "The Levy on Salaries (Transport Services) Ordinance, 1931" respectively.

2. I desire to convey to you my approval of the issue of a Proclamation under Section 8 of the Uganda Levy on Salaries (Transport Services) Ordinance, 1931, extending the effect of that Ordinance to the

FURTHER ACTION.

31st of December, 1935. You will
doubtless take steps to procure the
requisite concurrence of ^{the} Legislative
Council in this action.

I have, etc.

(Sgd) P. CUNLIFFE-LISTER

31st of December, 1935. You will
doubtless take steps to procure the
requisite concurrence of ²Legislative
Council in this action.

I have, etc.

(Sgd) P. CONLIFF-LISTER

C. O.

Mr. Grossmith. ^{20/11}● Mr. *Prentiss* *Ed*

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Perm. U.S. of S.

Parly. U.S. of S.

Secretary of State.

November, 1934.

No. 290

Your telegram No. 265.

~~Legy~~ Proposals approved.

secer.

DRAFT. TELEGRAM.

GOVERNOR,

NAIROBI.

7
boxed & sent
9.0 Jan
28/11/34
W.L.F.C.D
R 29 NOV
D 29

FURTHER ACTION.

C.S.D. to see

RECEIVED

27 NOV 1934

E
C. C.

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

Dated 27th November. Received at 11-35am 27th November 1934.

No 265.

Reference Ordinances Nos 57 and 58 1931 sections 9 and 9

N04
19302/2/31.
respectively. Both Budgets have been balanced on the assumption that both ordinances will be extended for 1935 at present rate(s). Please telegraph your approval.

C. O.

23295734

49

Mr. Goswami
Mr. Freeston 26
Mr.

Coded sent
5.15pm. 26/10/34
J.F.

C. D.
R 27 OCT
D 27

Mr. Parkinson.
Sir G. Tomlinson.
Sir C. Bottomley.
Sir J. Shuckburgh.
- Permt. U.S. of S.
Parly. U.S. of S.
Secretary of State.

No. 10. Confidential

DRAFT.

Tel.
(Code)

(No 1+3)

W

Highcoma
Naisiri.

Despatch of 4th October
and telegram No 150

On the information
before me I am unable
to agree to the
remission of the levy
during 1935 but
I shall be prepared
to consider the
matter further when
the final results
of the current year,
working all
available.

Secy.

Copy to Treasury (5)

FURTHER ACTION.

Copies of 1, 2
& this telegram
to Treasury
J.F. ref
No 2/23033/34

PERSONAL & CONFIDENTIAL.

AIR MAIL.

2⁰
GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.

4th October, 1934.

(Out available?)
My dear Bottomley,

No!
This is to explain a despatch from me as High Commissioner which goes to you by today's Air Mail.

In only two or three cases has my position as High Commissioner conflicted with my position as Governor of Kenya. One has now arisen, namely, the question of withdrawing the Levy on the salaries of Railway Officers with effect from the 1st January, 1935. If the Railway were an isolated unit there would be much to be said for relieving its servants of this Levy which has now been withdrawn in Uganda and in other parts of the Colonial Empire. It is true it has a deficit but the financial position and outlook is sound. On the other hand, the repercussions on the Kenya Officials will be considerable for the greater portion of the Railway Officials reside there. There is no possibility of withdrawing the Kenya Levy in 1935 and possibly for that year at any rate the Railway Levy should stand.

Under....

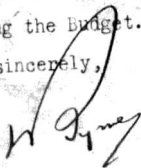
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GOVERNMENT HOUSE,
KENYA,
EAST AFRICA.

2.

Under the circumstances I have thought it right merely to transmit without comment a copy of a Memorandum received from the Acting General Manager. I notice that the matter has not been considered by the Railway Advisory Council but there is no time now to do so in view of the urgency of preparing the Budget.

Yours sincerely,

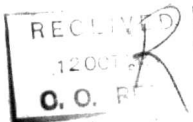


Sir W. C. Rottensley, K.C.M.G., C.B., G.B.E.
The Colonial Office,
London. S.W.1.



OFFICE OF THE HIGH COMMISSIONER FOR TRANSPORT,
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

TRANSPORT
KENYA-UGANDA
CONFIDENTIAL



4th October, 1934

Sir,

I have the honour to refer to the final paragraph of Lord Plymouth's despatch Transport, Kenya-Uganda, Confidential dated 14th February, 1934, and to No 5
23033, 34
enclose a copy of a memorandum dated 22nd September which I have received from the Acting General Manager of the Kenya and Uganda Railways and Harbours Administration. I feel some difficulty in expressing any views upon the arguments therein advanced in favour of the removal of the levy on salaries, as this is one of the few occasions during my tenure of office when I have found my position as High Commissioner for Transport in conflict with my position as Governor of Kenya. In the circumstances I have refrained from making any recommendation.

I have the honour to be,

Sir,

Your most obedient,
humble servant,


HIGH COMMISSIONER.

Kenya and Uganda Railways and Harbours

K.U.R. 764.
Revised 3/1930.

Telegraphic Address:
RAILWAYS NAIROBI.

P. O. Box No. 121.
TELEPHONE No. 600.

GENERAL MANAGER'S OFFICE,

NAIROBI, 22nd September 1934
KENYA COLONY.

Ref. No. E.F. 58.

THE HIGH COMMISSIONER FOR TRANSPORT.

SUBJECT ESTIMATES - 1935.

HIGH COMMISSIONER'S
DECISION.

MINUTE.

I attach, for His Excellency's information, copies of the following drafts:-

- (i) Railway Revenue Account
- (ii) Railway Net Revenue Account
- (iii) Port Revenue Account
- (iv) Port Net Revenue Account
- (v) Combined Net Revenue,

for 1935.

REVENUE ESTIMATES:-

2. The Railway Revenue estimate of £2,007,000 compares with the actual revenue for 1933 of £2,088,162. It can now reasonably be expected that the revenue for 1934 will exceed £2,100,000.

3. The Port estimate of £384,000 compares with the actual of £336,022 for 1933 and with the latest revised estimate for this year of £380,000.

4. There is every indication that Railway earnings during 1935 should exceed the current year's revenue and that Port earnings should not be less than those for 1933. It is desirable, however, that conservative estimates of Revenue should be adopted.

ESTIMATED EXPENDITURE:

5. The increase in the provision being made for Working Expenditure is mainly in Engineering Expenses, Maintenance of Rolling Stock and Steamer Services. This additional provision is in respect of arrears of Maintenance work.

Kenya and Uganda Railways and Harbours

K.U.R. 764
Revised 5/1930

Telegraphic Address:
RAILWAYS NAIROBI.

P. O. Box No. 121.

TELEPHONE No. 600.

GENERAL MANAGER'S OFFICE,

NAIROBI,
KENYA COLONY.

19__

THE HIGH COMMISSIONER FOR TRANSPORT.

SUBJECT: _____

-2-

HIGH COMMISSIONER'S
DECISION.

MINUTE.

6. These arrears represent, as His Excellency will have observed from the memorandum presented to Railway Council at its last meeting, an expenditure of:-

For Rolling Stock	£ 97,560
For other Railway Assets ...	<u>22,756</u>

£120,316

and the provision made in the 1935 Estimates will enable at least one-third of the arrears to be made good during next year.

7. I am satisfied that it would not be economical to endeavour to overtake these arrears at a greater rate.

8. Provision has been made in the Draft Estimates for a contribution to the Railway Renewals at the same rate as in 1934, viz: 2½%. If, however, the Secretary of State's decision in regard to this matter is as indicated in the private letter to Mr. Menck-Mason Moore from the Colonial Office, then the effect would be slightly to reduce the provision I have made for Depreciation in the Draft Estimates.

9. It will be seen from the annexure hereto that, after making proper provision towards overtaking the arrears of Maintenance, and even with the conservative Revenue Estimates, I am proposing for adoption, there would be an estimated surplus on all the services of £57,025 without recourse to a Salary Levy.

Kenya and Uganda Railways and Harbours

K.U.R. 764.
Revised 5/1930

Telegraphic Address:
RAILWAYS NAIROBI.

P. O. Box No. 121.

TELEPHONE No. 909.

GENERAL MANAGER'S OFFICE.

NAIROBI.
KENYA COLONY.

THE HIGH COMMISSIONER FOR TRANSPORT.

SUBJECT.

-5-

HIGH COMMISSIONER'S
DECISION.

MINUTE

10. The Secretary of State, in his despatch of the 14th February, 1934, referred to this question in the following terms:-

No 20031/4
"5. As regards the question of the levy on salaries, I should be glad to have timely warning of any change which may be proposed, and I must reserve the right to defer any remission of the levy pending a complete extinction of the Deficit Account."

11. His Excellency, in his minute of the 10th April, 1934, stated that he would consider the question of the abolition of the Salary Levy when the first forecast of the 1935 Estimates was prepared.

12. This forecast I have now furnished to the High Commissioner and it only remains for the question of the Deficit Account to be dealt with.

13. In paragraph 26 of the Report on the Audit of the Administration's Accounts for the year 1933, the Auditor draws attention to the fact that, as against our Deficit Account of £217,948 at the end of last year, we have under the heading "Working Capital - Stores" what is really a fixed Reserve of £442,847, so that in actual fact no true deficit exists, but that the Administration actually had at the 31st December, 1933, a reserve of £124,401.

14. This sum, according to present indications, will be increased by not less than £200,000 at the end of 1934, making the reserve £324,401. If the draft Estimates for 1935 are realized - and I consider them to be very conservative - this figure would be increased to £524,400.

15. The position of this Reserve is fully explained in Sir Edward Grigg's despatch to the Secretary of State - Transport No. 87 of the 23rd May, 1930.

16. Particular attention is invited to paragraph 10 thereof, because, although it is undesirable to draw public attention to this reserve, it is necessary, when re-considering the proposed abolition of the Levy, as visualised by the Secretary of State, that it should be borne in mind, in order to assess the real financial position of the Transport Services.

17. Moreover, the position has materially improved since the date of Sir Edward Grigg's despatch (May, 1930), because other funds, particularly the Renewals Funds, have been built up to a point where they are capable of meeting all the Administration's requirements for Working Capital. On this point I have the definite assurance of the Chief Accountant.

18. In view of the foregoing, I trust that the High Commissioner will be prepared to seek the Secretary of State's approval of the Draft Estimates for 1935 being submitted to Railway Council without any provision for a Salary Levy.

(sd). A. E. HAMP

ACTING GENERAL MANAGER.

KENYA AND UGANDA RAILWAYS AND HARBOURS.

ESTIMATES, 1935.

RAILWAYS - REVENUE ACCOUNT.

E x p e n d i t u r e.	Abstract.	1935.		1934.		E A R N I N G S.	1935.		1934.	
		£.	£.	In-crease.	De-crease.		£.	£.	In-crease.	De-crease.
Engineering Expenses.	A.	195,504.	179,886.	15,618.		Passengers.	156,000.	154,000.	2,000.	
Locomotive Running Expenses.	B.	232,395.	231,072.	1,323.		Parcels and Luggage.	36,000.	37,000.		1,000.
Maintenance of Engines and Rolling Stock.	C.	186,832.	161,855.	24,977.		Live Stock.	18,000.	17,000.	1,000.	
Traffic Expenses.	D.	222,853.	218,527.	4,326.		Goods.	1,827,800.	1,717,800.	110,000.	
General Charges.	E.	98,302.	101,543.		3,241.	Telegraphs.	1,200.	1,200.		
Steamer Services.	F.	63,025.	60,889.	2,136.		Miscellaneous.	48,000.	60,000.		12,000.
Motor Services.	G.	11,481.	10,643.	838.						
Miscellaneous Expenditure.	H.	59,040.	60,825.		1,785.					
Total Ordinary Working Expenditure.		1,057,450.	1,025,043.	44,587.						
Depreciation.		336,057.	335,895.	172.						
TOTAL.		1,403,497.	1,358,938.	44,559.						
Balance Net Earnings carried to Net Revenue Account.		685,505.	528,052.	157,453.						
TOTAL.		22,087,000.	1,987,000.	100,000.		TOTAL.	22,087,000.	1,987,000.	100,000.	

RAILWAYS - NET REVENUE ACCOUNT.

Interest Charges. ...	£.	534,557.	Balance from Revenue Account (Railways). ...	£.	685,505.
Loan Redemption Charges. ...	100,905.	Miscellaneous Receipts. ...	40,000.		
Write-off of Dead Assets. ...	1,000.				
Write-off of Obsolete Stores. ...	1,000.				
Balance transferred to Combined Net Revenue Account. ...	95,941.				
TOTAL. ...	2,725,505.	TOTAL. ...	2,725,505.		

KENYA AND UGANDA RAILWAYS AND HARBOURS.

COMBINED NET REVENUE ACCOUNT.

	£
Balance from Net Revenue Account (Harbours)	58,916
Balance (Surplus) transferred to Deficit Account	37,025
	<u>95,941</u>
	<u>95,941</u>

	£
Balance from Net Revenue Account (Railways)	95,941
	<u>95,941</u>
	<u>95,941</u>

KENYA AND UGANDA RAILWAYS AND HARBOURS.

ESTIMATES, 1935.

HARBOURS - REVENUE ACCOUNT.

EXPENDITURE.	1935.	1934.	In-crease.	De-crease.	EARNINGS.	1935.	1934.	In-crease.	De-crease.
	£	£	£	£		£	£	£	£
Working Account -					Deepwater and Bulk Oil Berths -				
(i) Departmental Expenditure £88,912					Imports.	107,363	106,252	1,111	
(ii) Payment to Contractors } 48,893					Exports.	117,292	103,221	14,071	
(Shore Handling and Lighterage).	137,805	124,771	13,034		Lightered Cargo - (including Coal)				
Depreciation.	30,324	30,337		15	Imports.	4,147	4,208		61
					Exports.	584	519	65	
TOTAL £	168,129	155,108	13,021		Port Dues.	58,800	60,000		1,200
Balance Net Earnings carried to Net Revenue Account (Harbours).	156,807	161,092		4,285	Miscellaneous	36,750	42,000		5,250
	£ 324,936	316,200	8,736			£ 324,936	316,200	8,736	

HARBOURS - NET REVENUE ACCOUNT.

Interest Charges	£ 180,714	Balance from Revenue Account	£ 156,807
Loan Redemption Charges ..	55,009	Balance carried to Combined (Railways and Harbours) Net Revenue Account	58,916
	£ 215,723		£ 215,723