

1924
1923

KENYA

92

2485
16 JAN 24

Treasury

Date
15th Jan 1924

CIRCULATION:—

Uae K and Railway

U.S. of S.

[Signature]
7/17/24

U.S. of S.

U.S. of S.

Secretary of State

Send copy letter for
Disposal & liquidation
Commission, and
such a provision has
authority for sale at
£2000 per acre & co. cons.

Previous Paper

3975

MINUTES

We shall probably soon have
the report of the general settlement
of the U.K. Railway. If it
will be a success, we need
not count on the £10,000,
this. If it does not, we may have
to consider other means of raising
the £10,000,000. It is
a matter of £80,000,000 & £100,000,000
is not a small sum and
is very speculative.

I want
at once
H. J. R.
17/17/24

Attachment Paper

[Signature]
17/17/24

[Vertical handwritten notes]
26 Jan 24
20 Jan 24

MINUTES.

MINUTES NOT TO BE WRITTEN
ON THIS SIDE.

Any reply to this letter should be addressed to—
THE SECRETARY,
TREASURY,
WHITEHALL, LONDON, S.W.1
and the following number quoted.
S.14781/2

Early
TREASURY CHAMBERS. 93

15 January, 1924.



~~3~~ 2485
15 JAN 24

Sir,

Secretary
703
Kenya

I am directed by the Lords Commissioners of His Majesty's Treasury to advert to the letter from this Department of the 5th instant (S.14781/2) on the subject of the purchase of the Voi Kaha railway and to enclose a copy of a letter of the 12th instant from the Disposal and Liquidation Commission on this subject.

In view of the definite opinion of the Commission that the price for the railway in situ should be £70,000 Their Lordships provisional authority for the sale at a price of £50,000 must be suspended pending any further observations which the Secretary of State may desire to offer.

I am,

Sir,

Your obedient servant.

Fin. Secy. to Gov.

Under Secretary of State.
Colonial Office.

DISPOSAL AND LIQUIDATION COMMISSION,

Caxton House,

Tottenham Street,

LONDON, S.W.1.

12th January, 1924.

Sir,

Voi Kahu Railway.

I am directed by the Disposal and Liquidation Commission to advert to Treasury letter of the 5th inst. No.S.14781/2, addressed to the Colonial Office, copy of which has been forwarded to this Department.

Having regard to the fact that a price of 270,000 was agreed to for this Railway in situ, and that the reduction to 250,000 was only made on the basis that the material was to be removed for the repair of the Tanga Railway, the Commission are definitely of opinion that, as the Railway is now to be taken over in situ, the price to be paid for it should be 270,000.

I am to add that in the ordinary course of its business with commercial firms, the Commission has had to deal with a large number of cases involving questions

of

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Tottenham Street,

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of

of in-situ value as against removal value, and if a case similar to that of the Vol Kabe Railway had arisen with a commercial firm the Department would have had no hesitation in taking the necessary steps to enforce the payment of the in-situ value.

I am, Sir,

Your obedient Servant,

(Signed) D. NEYLAN.

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I am, Sir,

Your obedient Servant,

(Signed) D. NEYLAN.

~~lot~~

Goodman Key
24 85

C. D.
R 22 JAN
D 73

cooled tank
1-57
22-1-24
AD

22 January

DRAFT.

Minutes

Minutes

MINUTE.

Mr. Bostwick 24/1/24

Mr.

Mr.

Mr C. Davis.

Mr G. Griggs.

+ Mr H. Bond 21

Mr J. Masterton

X Mr. Ormiston

Duke

at 21-1-24

Your telegram of 8 January
five hundred for £70,000 has
been passed and various of
facts and of general
arrangements for meeting
development I am not intended
to carry these further @
£70,000 being paid to
Federal Council
definite power.

8/6

to the Commission, you
should visit, as a
reference, this letter
to the C.O. of the 18th
of January, Sec. / Dep. / 4556.

8

(Signed) H. J. READ

Downing Street.

23. January, 1924.

Sir:

In confirmation of my telegram of the ²²X January I have etc. to transmit to you the accompanying copy of correspondence with the Treasury regarding the amount to be paid to the Disposal and Liquidation Commission in respect of the Voi-Kahe Railway.

2. I regret the misunderstanding which occurred on this subject when the matter was discussed with you in this country. I am informed that, when you first raised the question and mentioned the price to be paid as being 250,000, enquiry was made as to this departure from the originally agreed figure of 270,000, and that when the sum which you had mentioned was confirmed, no further enquiry was made as to the reason

DRAFT.

KENYA

NO. 119

GOV. S. B. CORYNDON.

MINUTE.

Mr. Bottomley 19. 1. 24.

Mr.

Mr.

Sir C. Davis

Sir G. Grindle.

Sir H. Ross. 21/2/24

Sir J. Masterton Smith.

Mr. Ormsby-Gore. 21.1.24. 189

Duke of Devonshire.

To Trans. 21 Jan (58029)

To Trans. 5 Jan. (703)

To Trans. 15 Jan (2085)

To Trans. 20 Jan (2085)

5376

for the reduction.

3. The discussion which took place in February 1922 took no account of the question, *then* still outstanding, as to which Govt. would be the purchaser of the material and there is no doubt that, if the line had then be acquired by the Govt. of ~~Tanganyika~~ ^{Kenya} and had been taken up in order that the material might be used elsewhere, the purchase price would have stood at 270,000. The reduction to 250,000 ^{in 1923} was a definite

concession to the Govt. of Tanganyika, ^{on the information} ~~but assuming~~ *of the 250,000 to be the same amount as the removal of the material to the end of* material will, under present plans, be used by the

Uganda Railway in its existing position, it was difficult for me, when the misunderstanding came to my notice, to press for an extension, in favour of the Uganda Railway, of the concession which had been allowed in the different circumstances previously contemplated.

4. I have not felt able to press on the L.C. of the Treasury the suggestion in your telegram of the 8th of January, that if your Govt. did not take over the line, no other purchaser was likely to be found. This factor was fully taken into consideration

for the reduction.

3. The discussion which took place in February 1922 took no account of the question, *then* still outstanding, as to which Govt. would be the purchaser of the material and there is no doubt that if the line had then be acquired by the Govt. of ~~Tanganyika~~ ^{Kenya} and had been taken up in order that the material might be used elsewhere, the purchase price would have stood at £70,000. The reduction to £50,000 ^{in 1923} was a definite concession to the Govt. of Tanganyika, ^{on the information} but ^{as the} material will, under present plans, be used by the Uganda Railway in its existing position, it was difficult for me, when the misunderstanding came to my notice, to press for an extension in favour of the Uganda Railway, of the concession which had been allowed in the different circumstances previously contemplated.

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consideration in the original discussion as to the price at which the line might be acquired, and the amount arrived at was in the nature of a compromise between the amount which the Disposal Commission might hope to obtain for the material outside East Africa and the amount which an East African Govt. would have to pay if new material had been acquired.

5. I have been specially reluctant to press for the retention of the ^{figure of} 250,000 in view of the negotiations now completed for the grant of very substantial assistance by the Imperial Govt. for the ~~Railway~~ ^{Railway development} ~~works~~ in Eastern Africa. I am of opinion that the purchase price of 270,000 should be accepted, and you were informed accordingly in my telegram of the 12 January.

6. The G.A. for the Gov. have

been instructed to pay £70,000 to the
Disposal and Liquidation Commission and
to charge that sum against Uganda Railway
Funds.

I have etc.

(Signed) DEVONSHIRE

*All papers (re. m.
6239/20) sent to
G. H. W. has it temp
to the Comptroller
1973*

Downing Street,

23 January, 1924

Sir,

I am etc. to acknowledge the receipt of your letters S.14781/ of the 5th and 15th of January, regarding the cost of acquisition by the Uganda Rly. of the Voi - Kaka Railway.

2. The plans of the Gov of Kenya and the General Manager of the Uganda Rly. have been made on the basis of the information that the cost of the material would be £50,000 and the extra cost in a project of this kind must be a material factor in considering the desirability of otherwise of the scheme.

3. At the same time the Gov. of S. recognises that nothing has passed which would justify him in claiming the reduction of

£50,000

DRAFT.

THE SECRETARY

TREASURY.

MINUTE.

Mr. Bottomley, 4.1.24.

Mr.

Mr.

Sir C. Davis.

Sir G. Grenville.

→ Sir H. Road. 21/2/24

Sir J. Masterton Smith.

Mr. Oswald Gurney. 21.1.24

Duke of Devonshire.

Answer 4948

*23 JAN 1924
copy to Gen Kya 119*

5-586

250,000 offered to the Govt. of Tanganyika, applied to any scheme which contemplated the retention of the line in its existing position, and he feels a special hesitation in pressing for the reduced figure in view of the arrangements recently agreed upon for Imperial assistance to ^{development} Railway ~~Works~~ in Kenya and Uganda.

4. In spite, therefore, of the fact that the Uganda Railway will shortly have at its disposal second-hand track which would make it independent of the existing Voi Kaha Rly. material ^{and that that material} which would thereby become practically speaking unsaleable, he has decided that the purchase price of £70,000 should be accepted and the necessary instructions are being given to the G.A. for the Cold.

I am etc

(Signed) H. J. READ

Downing Street,

24 January, 1924.

My dear Coryndon,

A despatch goes to you by this mail about the Voi Kaha Railway

I am sorry for my share in the misunderstanding. I do not know who gave you the figure of 250,000, but

I distinctly remember that you mentioned it in conversation with me,

that I said it was £70,000, that you adhered to your figure, and that I then

made enquiry of the Tanganyika Dept. here and found that you were right.

Where I slipped up was in not enquiring into the reason for the reduction of £70,000.

As a matter of fact, if the interdepartmental discussion had taken place a few months later when the price of material had fallen very considerably

*Q5 for my
Cas
[Signature]*

DRAFT. ~~SECRET~~

SIR R.T. CORYNDON K.C.M.G.

MINUTE.

Mr. Bottomley, 7/1/24.

Mr.

Mr.

Sir C. Duns.

Sir G. Grindle.

+ Sir H. Reed. 21/2/24

Sir J. Masteron Smith

Mr. Crawley-Gore. [Signature]

Desk of Devonshire

56/15

considerably, I think ^{not} even for the line in situ,
we should have got off at less than £70,000;
but at the time of the discussion we were
inclined to congratulate ourselves on the
result and Colonel Hammond who was present
thought that we had been ~~very~~ fortunate.

I hope that the extra £20,000 will
not alter ~~the~~ Mr. Felling's
attitude towards the project. On receiving
the Treasury letter of the 5th of January,
we were quite prepared to swallow their rather
extreme expressions ^{for the sake of} the saving of the
£20,000, but on receiving their letter of the
15th (at a time when the negotiations for the
big scheme were nearing completion) it was
felt that we really must stand by the original
arrangement made two years ago.

Yours sincerely,

(31) W. C. Bottonley

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