

KENYA

G.O.
59521

Date

1459

19TH OCTOBER 1921

REC-11-10-21

GOVERNOR
ORTHEY

REGISTRATION :-

*Leading 5.12.21.
Marketing 5/12/21
P. M. M. M.*

SUBJECT

LOCAL PURCHASES OF STORES FOR MILITARY
REFUND OF DUTY

*Grindle
H. Lambert
H. Bond
M. H. Smith
Wood
Overhall*

Encloses memo. by Staff Officer and suggests civil Govt should refund to military amounts paid as customs duty on salvage sales and that as a set off W.O. should waive claims for refunds of duty. It is estimated former will amount to about £9000.

Previous Paper

Got 54945/20.

MINUTES

Charles appears to be a useful word for the State of military accounts up to 1916 in view of the position revealed in the enclosure, it seems we must abandon the idea of getting figures for local purchase by the military of us to that date.

It is not clear why figures should not be available for periods subsequent to '16, which might have been some guide to the amount to be forgone by the W.O. if the 'material wearing' scheme is agreed upon.

Although the Government 29603/19 said that Kenya would lose by the suggested arrangement, figures will through Kenya

Subsequent Paper

*W.O. 25355
22*

*14 Jan 20
28 Feb 22
4 April 2
19 May 2
20 June 20
20 July 20
20 August 20
20 Sept 20
20 Oct 20
20 Nov 20
20 Dec 20*

the afford it) is not a very vast sum, and adjustment on any other basis seems to be past praying for.

Such a settlement presumes that the principle of refund on which Treasury insist in 4885/8/17.

? To W.O. of 29/1/19 say that after consultation with the Govt. it has been found impracticable to arrive at a satisfactory figure for

amounts due to local purchasers during the campaign. Refer to the difficulties explained in 4 and 5 of the Govt. despatch of 2 copy shall not go to W.O. in 4 records in very unsatisfactory state of things.]

and say that in the midst the 3 of 3 figures as at A of para 1 and B of para 3 of the despatch. Given that accuracy of similar nature for

Mykland and T.T. should be dealt with in connection with rest of the military expenditure, as figure in question are uncertainly (see 6175/18 17 and 57562/18 9/19)

I don't think it matters. W.O. must know all about the state of his accounts. P.W.

Send long copy of our despatch to P.W. in 57945 & of his reply of 29/1/19 asking them to give further answer to the matter & to inform whether any revision has been made to agree to the course proposed

Em 5/2/19

W.O. 6/12/19

Remind W.O. to Allp 11.1.22 above

Remind W.O. again by letter

Em 28/2/22 above

A
1459.



GOVERNMENT HOUSE,
NAIROBI,
KENYA.

59521

19th October, 1921.

Sir,

With reference to Colonel Amery's despatch No.468 of the 24th March on the subject of claims by the War Office for refund of Duty on stores purchased locally by the Military, I have the honour to forward to you a memorandum received from the Staff Officer, War Records, dated 31st May/4th June, 1921, together with relative correspondence which, I would urge, is a strong argument in favour of the suggestion made in paragraph 3 of the despatch quoted above, viz: that the War Office and this Government should waive their respective claims for refund of Duty paid on stores purchased locally, and payment of Duty on stores imported duty free and since sold locally. In connection I would invite your attention to my telegram No.292 dated 3rd April, 1919.

2. The arrangement made with the Salvage authorities was that on sales of Salvage goods by Military auction, 10% was to be collected by the Auctioneers on account of Customs. When military sales of salvage were carried out by private treaty no Customs Duties were raised.

3.

THE RIGHT HONOURABLE

WINSTON CHURCHILL, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON, S.W.

54945/30
Memorandum
1.5/4.6.21.

21960/19

3. I regret that I must agree with Major Patterson that it is impossible to arrive at any sort of figure as to the amount expended on local purchases by the military authorities prior to 1916 owing to the confusion in the military accounts. I suggest therefore that the civil Government should refund to the military authorities the amounts paid as Customs Duty on the Salvage sales, and that as a set off the War Office should waive their claims for refunds of Duty. It is estimated that the former sum will amount to between £2500 and £3000.

4. I am drawn to this conclusion, not only by the consideration of the great clerical cost of a thorough investigation into the local purchases of stores by the military, in the course of which an attempt would have to be made to separate purchases from local merchants and from Government Departments, but also, as I am convinced after reading the enclosures, that no results other than fallacious could be obtained by such a re-survey.

5. Apart from the deficiencies in Accounting before 1916, which alone would prevent any accurate calculation, there exist such difficulties as the ascertainment of the Duty paid by the actual importer on goods bought

by

by the military after these had changed hands several times, or the discovery of such articles as were originally bought locally after Duty had been paid upon them and thereafter sold by Salvage and a further 10% returned upon them.

6. I trust therefore that you, and the Army Council, will agree to the suggestion contained in the third paragraph above.

I have the honour to be,

Sir,

Your humble, obedient servant,

Edward M. Kelly

GOVERNOR.

War Records, Accounts &
 Military Pensions Dept... 149
 P.O. Box 261
 Nairobi
 East Africa.

3rd May
 4th, June 1921.

From:-

The Staff Officer,
 War Records.

To:-

The Acting Colonial Secretary,
 The Secretariat,
 Nairobi.

MEMORANDUM.

Refund of Customs Duty.

Referring to your letters Nos. S.18758/103 and 18758/109 with enclosures.

2. It is practically an impossibility to prepare a statement of all past transactions, viz:- local purchases by Military, with a view to refund of Customs Duty to the Protectorate the War Department. However, I would like to invite your further attention to the enclosed copies of letters on this subject.

3. No proper records were kept of local purchases made in 1914, and I would refer you to my report, a copy of which I enclose for ready reference. The only information that could be obtained from the records would be an account of payments made by this Office, and it would mean a considerable amount of research work and every voucher being carefully scrutinised, as the majority of the goods purchased locally have changed hands many times before final purchase by Military, and it would, therefore, be an impossibility to arrive at the C.I.F. cost of goods at Mombasa on which amount of rebate could be assessed.

4. To arrive at this information would mean the engagement of a special staff of clerks and the details obtained could not be considered in any way accurate in order to permit of a satisfactory claim being put forward to the Protectorate Customs.

5. Regarding customs duties on goods sold by the Military as salvage. The Chief of Customs instructed the Auctioneers to charge customs duties on Military stores sold by them, please see my letter No. S. 68/962/18, of 19th, February 1919, copy of which is attached for ready reference, and the customs duties collected have from time to time, been forwarded to the Chief of Customs.

6. Through/

6. Through these instructions being issued by the Chief of Customs, duty has been raised twice on certain items sold.

Firstly.

When the goods were imported into the country by Merchants and subsequently sold to the Military.

Secondly.

When the goods were sold by Military Auction, & 10% collected by the Auctioneers.

7. Of course there have been Military Sales- on account of Salvage- carried out by "Private Treaty" but no customs duty raised, and to compile details of all such sales from the Salvage Records is more or less an impossibility, as the majority of the records have been sent home. also, a special staff of clerks would be required to carry out this work.

8. In conclusion, I beg to suggest that the Military should waive the claim for a refund of duty on locally purchased goods, and that all monies received by the Protectorate Customs, on account of Auction Sales, be allowed to stand as Revenue to the Protectorate, but that a proportion of the increase in the Protectorate Customs Revenue throughout the period of the War be refunded to the credit of the "Common Charges Account", as it would appear that the increase of the Imports was due in order to meet the Military requirements.

Copies of Correspondence

(Sd) J. PATTERSON.

MAJOR,
Staff Officer War Records.

Copy/TOC.

Ref. No. S.68/962/19.

East Africa Pay Corps.

P.O. Box 222.

Nairobi, 19th February, 1919.

From:-

Chief Paymaster,
E.A.P.C.

To:-

The Hon'ble The Chief Secretary,
Nairobi.

Through:-

The Hon'ble The Treasurer,
Nairobi.

Sir,

I have the honour to refer to my No. S.68/5733/18 dated 10th November, 1915, and also to my No. S.68/49/19 of the 6th January 1918 in regard to Customs Duty.

2. I enclose for your further information and instructions copy of a memo from Messrs Mogg & Maynagh, Military Auctioneers, enclosing copy of a telegram received from the Chief of Customs.

3. The position is rather complicated as the Secretary of State for the Colonies, who has been in communication with the Lords Commissioners of the Treasury, has stated that it will be necessary for an account to be made so far as may be reasonably practicable, of all past transactions, namely, local purchases by Military, with a view to refund of Customs duty by the Protectorate to the War Department. On the other hand the Chief of Customs has repeatedly issued instructions to various Military officers direct and also to the local Military Auctioneers, to the effect/

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East Africa Pay Corps,
P.O. Box 243,
Nairobi, 19th. February, 1919.

From:-

Chief Paymaster,
E.A.P.C.

To:-

The Hon'ble The Chief Secretary,
Nairobi.

Through:-

The Hon'ble The Treasurer,
Nairobi.

Sir,

I have the honour to refer to my No. S.68/5732/18 dated 14th. November, 1918, and also to my No. S.68/49/19 of the 6th. January 1919 in regard to Customs Duty.

I enclose for your further information and instructions copy of a memo from Messrs Hoag & Maynagh, Military Auctioneers, enclosing copy of letters received from the Chief of Customs.

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-2-

effect as described in the telegram, copy of which is attached.

4. Therefore await your further instructions.

I have the honor to be,
Sir,
Your obedient servant,

Sgd. J. PATTERSON,

Major.
Chief Paymaster, E.A.F.C.

Copy sent -

Assistant Quartermaster General,
General Headquarters,
Dar-es-Salaam,

(b) Director of Military Audit,
Nairobi.

MKO.

W. G. ... & Valence,

11-2-18

Chief Engineer, R.A.F.C.,
Egypt.

...
...
...
...
...

Yours obedient servant,

W. G. ... & Valence

W.G.

10th. 3.10 p.m.

W. G. ... & Valence, Cairo.

...
...
...
...
...

W. G. ...

b. 314/2000
b. 515/2000

20-11-1915

General Headquarters,
Railways.

(No.) - 10-11-15
For Action, 20-11-15.

The Assistant Secretary,
General Headquarters,
Railways.

Sir,

I have the honour to inform you that an attempt has recently been made by the Officer concerned to reconcile the Ordnance Ledgers (including clothing) for the period from the outbreak of hostilities to February, 1915, i.e. the date of handing over the balances to the Indian Ordnance Department.

A scrutiny of these reconciled accounts by this Department reveals the fact that they are obviously inaccurate and it would seem to be useless to continue auditing them.

Very few of the items balance to the quantities handed over to the Indian Authorities, and in numerous cases the issues have no supporting documents or evidence of receipt by units or individuals, and consequently cannot be accepted.

It is also certain from the large surpluses in some items that many purchases have not been brought to credit and it is probable that if a detail check could be applied between the purchase vouchers and the ledger receipts, many of the surpluses would be accounted for. It is however,
Sincerely,
[Signature]

difficult to ascertain which purchases have been or are supposed to have been passed through the Ordnance Ledger as indicated by the following:-

Blankets - Barracks & Native.

Purchases Aug. to Nov. under requisitions by various services including Ordnance	2088
Requisitions by Ordnance only	24
Receipts in Ordnance ledger	60
Receipt vouchers submitted in support of	19

Blankets - Barracks & Native.

Purchases Aug. to Nov. under requisitions by various services including Ordnance	29687.
Requisitions by Ordnance only	11742
Receipts in Ordnance ledger	13305
Receipt vouchers submitted in support of	6154

Tents - Barracks & Native.

Purchases Aug. to Nov. under requisitions by various services including Ordnance.	3744
Requisitions by Ordnance only	2500
Receipts in Ordnance Ledger	3317
Receipt vouchers submitted in support of	1637

Purchases Aug. to Nov. under requisitions by various services including Ordnance	687
Requisitions by Ordnance only	650
Receipts in Ordnance ledger	544
Receipt vouchers submitted in support of	114.

difficult to ascertain which purchases have been or are supposed to have been passed through the Ordnance ledger as instanced by the following:-

Manilla 1914.

Purchases Aug. to Nov. under requisitions by various services including Ordnance	1925
Requisitions by Ordnance only	24
Receipts in Ordnance ledger	60
Receipt vouchers submitted in support of	19

Blankets - European & Native.

Purchases Aug. to Nov. under requisitions by various services including Ordnance	29687.
Requisitions by Ordnance only	11255
Receipts in Ordnance ledger	13365
Receipt vouchers submitted in support of	6154

Tea - European & Native.

Purchases Aug. to Nov. under requisitions by various services including Ordnance.	3746
Requisitions by Ordnance only	2800
Receipts in Ordnance Ledger	3319
Receipt vouchers submitted in support of	1637

Purchases Aug. to Nov. under requisitions by various services including Ordnance	77
Requisitions by Ordnance only	680
Receipts in Ordnance ledger	544
Receipt vouchers submitted in support of	114.

Alaska.

Purchases Aug. to Nov. under requisitions by various Services including Ordnance	6687
Requisitions by Ordnance only	3880
Receipts in Ordnance ledger	6666
Receipt vouchers submitted in support of	2271

Alaska.

Purchases Aug. to Nov. under requisitions by various Services including Ordnance	1641
Requisitions by Ordnance only	609
Receipts in Ordnance ledger	1111
Receipt vouchers submitted in support of	768

Alaska.

Purchases Aug. to Nov. under requisitions by various Services including Ordnance	6366
Requisitions by Ordnance only	1315
Receipts in Ordnance ledger	1749
Receipt vouchers submitted in support of	602

Alaska.

Purchases Aug. to Nov. under requisitions by various Services including Ordnance	368
Requisitions by Ordnance only	3
Receipts in Ordnance ledger	21
Receipt vouchers submitted in support of	1

Alaska.

Purchases Aug. to Nov. under requisitions by various Services including Ordnance	324 rolls.
Requisitions by Ordnance only	148 "
Receipts in Ordnance ledger	168 "
Receipt vouchers submitted in support of	22 "

The following examples of inaccuracies are submitted as evidence of the futility of further attempting to audit the accounts:-

1. The issues have been written up from various sources and the probability is that these are unaccounted for, as a concrete instance:-

Waterbottles native 3000 are posted as issued on 31st. December, 1914, on the order from the office to the Storekeeper to issue, while 3000 are again posted from the stores issue voucher when the issue was actually made (voucher 548 d/27-1-1915).

2. Many of the issues were posted from requisitions by the following, extracted from one file of requisitions, cannot be traced in any of the ledgers:-

Req. Serial No.	Date	Quantity	Issued
12	14-8-14	50 revolvers	"
	"	40 rifles	"
10	17-8-14	50 rifles	"
4	14-8-14	50 saddles	"
	"	50 bridles	"
	"	150 neck straps	"
9	15-8-14	50 ground sheets	"
20	17-8-14	3 pra. field compasses	"
37	22-8-14	2 European tents	"

3. Great Coats There is an error of 10 in the addition of the issues, and also an error of 10 in the receipts. A minus balance of 7 is shown at December 31st. and yet with no further receipts, issues of 34 are recorded and 52 are found surplus at opening over in Feb.

4. Shells. Balance 31-12-14, 24 issues in 1915, 220 balance handed over 2. No further receipts are recorded in 1915 to cover those issued.

5. Shells. Receipts 1900, issues 1915, balance handed over 3021.

6. Shells. 33 shells, 21 shells, 20 shells and 70 hanks, are issued from a mixed balance while 6764 lbs are shown as surplus.

7. Many items are posted under the same heading in varying units, viz:-

Timber. Pieces running feet, cart-loads and sq. ft.

Nails & Barren. In units, pounds and packets.

Corrugated Iron. In sheets and square feet.

Oil. Kerosene, varnish, cocconut, linseed, kumron and kerosene, all posted under the one heading and in varying units - cans, bottles, gallons and drums.

Shells & Balls. In shells, feet and pounds.

It appears to be impossible at this date to prepare a satisfactory account of an accurate statement of surpluses and shortages, and as the present accounts can only be described as chaotic, I submit there is no other course open but to disregard them in toto and to commence my audit from the balances as taken into the Indian Ordnance ledgers.

I am of opinion, however, that the Officers responsible should be called upon for some explanation.

I have etc.,

(Sd) -- [Name]

and Gen.

IDENTICAL

Command Headquarters,
Nairobi, 21st. January, 1915.

From. J. Patterson,
Assistant Treasurer, attached, on special duty,
to General Officer Commanding, Headquarter Staff,
Nairobi, E.E.A. and Uganda.

To D. A. A. and Q. M. G.,
Headquarter Staff,
Nairobi, E.E.A.

In accordance with instructions, I have the honour to report as follows in regard to my inspection at the Ordnance Depot, Nairobi House, on the 14th, 15th, and 16th. instant.

Local Purchases.

2.

The system would appear to be a most unwholesome factory one. When indents or requisitions come from the various units, telephonic enquiries are made with most of the Local Merchants, prices are ascertained, and orders are placed for what is required. In other cases tenders invited by advertisement. I am informed by Captain Braithwaite that tenders are considered by a Board, called by and composed of Capt. Braithwaite, and any other Officer he may care to call in, and usually a clerk in the office. The tenders are not always open in the presence of the above mentioned Board at the same time, but on some occasions are opened by Capt. Braithwaite prior to the meeting of the Board, if urgent. In my opinion this appears to be quite irregular, and is apt to be looked upon with disfavour, by those concerned, and is contrary

-2-

to my experience of Government Tender Boards. I should have thought that the officers appointed for a Board of this nature should have been selected, and duly authorised by the General Officer Commanding or his Staff Officer, and the proceedings of the Board recorded, and all tenders opened at the same time in the presence of the Board. I asked to be shown the minutes and proceedings of the Board meetings, but this could not be complied with, as no record was available.

3. There are one or two files in the Office, which contain quotations, and price-lists from the various local firms, and their terms, and those I presume are kept for reference, and as a guide to the local market rates in vogue at the time.

Receipts.

4. The only form of receipts or record of receipts, so far as I can ascertain is a book called the Journal, which may be or may not be a list of all local purchases. This book shows the Merchants name, the items bought, and the requisition numbers, no prices are shown and it would be of little or no use as an accurate record of what has actually been taken into store or passed through the hands of the Depot.

5. An attempt was made at the start to post receipts into King's African Rifles store ledgers, but appears

-3-

appears to have been discontinued about October, those entries which do appear have been entered by so many different parties, and in such a manner, that I could not understand them.

6. On receipt of stores I can find no evidence to show that such stores have been inspected by any Officer of the Ordnance Depot, Nairobi House.

Issues.

7. Up to quite recently there has been no system of recording the many issues, so far as I can see.

8. An attempt was apparently made at the start to post the issue notes into various P.A.R. ledgers, but discontinued about October. What posting there is, appears to have been done in a very careless and unrecorded manner by various irresponsible parties, and a great many changes appear to have taken place on the staff, and those responsible for the upkeep of the stores ledgers. Since October no posting of issues appears to have taken place at all. These issue notes are not allocated to the respective units concerned, and consequently it will be an extremely difficult task to ascertain later on what items of equipment and stores etc. have been issued to the various units, and on the cessation of hostilities I am of the opinion that it will be almost next to impossible to ascertain the total number of each item of equipment etc. the description of same and identify what should be returned to the proper authorities.

9. An Officer Commanding a unit who wishes to know

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exactly what equipment etc. has been issued to that particular unit, and who asks for this information from the Ordnance Officer, Protectorate Forces will experience difficulty in getting it, if he wants it for the purpose of comparing the Ordnance issues with his Regimental Quartermaster's receipts. In fact I doubt very much if it is possible to give this information according to the state of affairs, which exists at present, or rather I should say which has existed in the past.

10. Issue notes so far as I can observe or what are termed issue notes are nothing more or less than pieces of paper in many cases in the form of statements, and in some cases very difficult to read or understand, they are unnumbered, and do not follow consecutively. They lie in more or less disorder in the general store, where they are apt to be lost, and as a matter of fact they are at this stage, of considerable value as records, especially as they are not yet posted into ledgers.

11. It would appear to be impossible to arrive at any other conclusion than that the state of affairs revealed, and that the condition of everything in general can only be termed as "Chaotic", and it will be extremely difficult, if possible, for the most able expert or audit to draw up a balance of stores, and agree with the items, and amounts, as shown by payments actually passed through the Treasury as representing the purchase of the many items locally or to correspond with the total number of items as they stand at present undebited or unallocated to any particular Officer or unit.

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-5.

Stationery.

12. Orders for considerable quantities of printing and Stationery appear to have been placed with the Standard Printing Press, The Leader Office, Stationers, Ltd. and Messrs. Braithwaite and Company (Capt. Braithwaite, Ordnance Officer, is I believe the representative of Messrs. Braithwaite & Co.). Why these orders were not placed in the hands of the Government Press I can not quite understand. Over and above the Government Press, there exists the Uganda Railway Printing Press which combined with the Government Printing Press would in my opinion have been quite able to cope with all orders. I placed this matter before Capt. Braithwaite and he informed me that he had often telephoned the Government Press or written to that Department making enquiries, but that the usual reply was either that it could not be done or executed in time, and that as the orders were urgently required the local printing and stationery firms were asked to execute the orders. As a rule quotations were asked for but not in every case.

13. I discussed the matter with Mr. Thomas at the Secretariat and informed him of my conversation with Capt. Braithwaite. Mr. Thomas did not see his way to agree with this, and informed me that he could not see no reason why the Government Press could not have executed all the orders. He could only recollect one case where he informed Capt. Braithwaite that he could not execute the order and that was for a large number of fancy and expensive pocket note-books. Mr. Thomas stated that he was quite prepared to turn out any number of ordinary note-books, but that the class of work asked for was of too expensive a nature.

-6-

I returned to Capt. Braithwaite's Office, and requested that I might be shown the correspondence which had passed between the Government Press and that office in order that I might arrive at the number of enquiries sent to the Government Press, and the replies thereto, but I was only shown one letter signed by Mr. Thomas, in which he stated he could not undertake the work, and that was the case I have already mentioned viz. the expensive pocket note-books.

I was informed by Capt. Braithwaite's clerk that the enquiries were usually made by telephone.

14. Capt. Braithwaite also stated that he had applied personally to the Treasury, Bombay, and could only get one case of mixed stationery, and nothing like what his requirements demanded.

15. The following are few of the irregularities and some of the points which appear to me to be irregular and not in order.

16. I observed an entry of "1 rope". No one could inform me whether this referred to one coil of rope, one ton of rope, or one cwt. of rope or whether it consisted of so many yards of rope. There was no description of what kind of rope it was, of whether it was $\frac{1}{2}$ inch, one inch or two inches.

17. I observed that stock had been taken on the 8th. September, 1914, and again on the 9th. January, 1915. I fail to understand the reason for this, as the result was of no use to anyone. No one at the Ordnance Depot, could inform me whether there was a surplus or a deficit

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17. I observed that stock had been taken on the 8th. September, 1914, and again on the 9th. January, 1915. I fail to understand the reason for this, as the result was of no use to anyone. No one at the Ordnance Depot. could inform me whether there was a surplus or a deficit

on either of these dates. I asked Captain Braithwaite if he would accompany me to the store for the purpose of making one or two test balances of different items and show me the result or true balance to correspond with the store ledger for whatever items of equipment we might select to count. Captain Braithwaite informed me this could not be done at present as the store ledgers were not yet posted up to date.

18. I observe that many Officers indent who are not authorized, but who are supplied and furnished with equipment and personal kit nevertheless, and in many cases not even on payment. In such cases I can observe no attempt to receive payment from any Officer, or any debit against any Officer who has been furnished or supplied with personal equipment for instance anything from Starks to Balakets. I was always under the impression that Officers found their own equipment in such items.

19. I observed that one man has been granted Rs. 4 50 for a pair of boots on or about the same time that another man has been granted Rs. 11 50 for a similar purchase. I may add that latter hold locally a lower rank than the former, that the latter is a clerk in the Office, appointed locally, on a consolidated pay of £. 25. per mensem and in my opinion not entitled to boots, while the former holds the rank of a warrant Officer in the British Army. The name of the former is Sergt. Major Chynoweth. The name of the latter is Staff Sergt. Major G. Simmons.

20. Staff Sergt. Major Simmons is the clerk above referred to and appointed locally to this rank.

In this connection I may add that I am informed that Mr. Siemens has been or is still connected with Stationers Ltd., but I cannot vouch for this. In cases like this the idea of a scale of issue appears to have been completely lost sight of. As a matter of fact I can find no record of a scale of issue, either under the British or Indian Army Regulations.

21. On cross-questioning Sergt. Chynoweth in regard to the checking and counting of stores I was informed that natives were employed to count and check stores, when receiving and issuing, and in one case the native in question could not count beyond five, and consequently arrived at his totals in fives. One can imagine the result of a tally of this sort, especially when executed mentally.

22. I am of opinion that a very considerable saving could have been effected if purchases in such cases had been placed direct in the hands of the local manufacturers and importers.

For instance take the case of sanitary cisterns purchased from the Dustpan at Rs. 12/50 each. These I understand were made by Messrs. Isherwood and Sons for the Dustpan at Rs. 12/50 each, less 10% discount. Another thing which must be taken into account is the fact that the Dustpan have in many cases charged 15 per cent as extra war price as will be observed from the undermentioned statement which I consider an unfair charge on Government, especially as the manufacturer in some cases apparently sold to the Dustpan in the first instance at a profit and the Dustpan therefore appears in the light of a middleman or agent. I fail to understand why the Ordnance did not deal direct with the manufacturer in such cases.

In this connection I may add that I am informed that Mr. Simons has been or is still connected with Stationers Ltd., but I cannot vouch for this. In cases like this the idea of a scale of issue appears to have been completely lost sight of. As a matter of fact I can find no record of a scale of issue, either under the British or Indian Army Regulations.

21. On cross-questioning Sergt. Chynoweth in regard to the checking and counting of stores I was informed that natives were employed to count and check stores, when receiving and issuing, and in one case the native in question could not count beyond five, and consequently arrived at his totals in fives. One can imagine the result of a tally of this sort, especially when executed mentally.

22. I am of opinion that a very considerable saving could have been effected if purchases in many cases had been placed direct in the hands of the local manufacturers and importers.

For instance take the case of sanitary dust-bins, purchased from the Dustpan at Rs. 12/50 each. These I understand were made by Messrs. Isherwood and Sons for the Dustpan at Rs. 12/50 each, less 10% discount. Another thing which must be taken into account is the fact that the Dustpan have in many cases charged 15 per cent as extra was price as will be observed from the undermentioned statement which I consider an unfair charge on Government, especially as the manufacturer in some cases apparently sold to the Dustpan in the first instance at a profit and the Dustpan therefore appears in the light of a middleman or agent. I fail to understand why the Ordnance did not deal direct with the manufacturer in such cases.

Again take the case of water-bottles, for instance, and examine the following list of purchases in connection with this item for the month of August, 1914.

No.	From whom purchased.	Price.
-14 100	Boma Trading Coy.	Rs. 100 per 100 nett.
-14 5	Whiteaway Laidlaw.	" 6/90 each "
... 3	-do-	" 5/50 each "
-14 12	Alibhai Ahamed.	" 5/50 each "
... 144	-do-	" 2/00 each "
-14 1000	The Dustpan (plus 15%)	" 57/50 per 100
... 1000	Haarts and Bell	" 57/50 " " nett.
-14 230	-do-	" 60/00 " " "
-14 500	-do-	" 60/00 " " "
-14 270	-do-	" 60/00 " " "
-14 500	Isherwood and Sons.	1/00 " " "
-14 120	The Dustpan (plus 15%)	" 60/00 " " "
-14 10	(Officers) -do- -do-	" 11/50 each
-14 600	The Dustpan -do-	" 55/00 per 100
-14 20	-do- -do-	" 65/00 per 100
-14 6	-do- -do-	" 60/00 per 100
-14 50	Newland & Tarlton.	" 1/50 each nett.
-14 24	-do-	" 1'00 " "
-14 150	-do-	" 1/50 " "
-14 1000	-do-	" 1/50 " "

(@ Above noted by Messrs. Newland & Tarlton)
 (& Co. as an enamel waterbottle, felt covered)
 (with leather strap, and purchased from)
 (discarded Army supplies at London.)

It may be interesting to know that during August, Messrs. Isherwood & Sons manufactured and delivered to the Dustpan the following waterbottles at 50 cents each or Rs. 50 per 100.

-10-

20-8-14	200	waterbottles.)	
21-8-14	200	-do-)
22-8-14	225	-do-)
24-8-14	6	-do-)
29-8-14	150	-do-)
31-8-14	350	-do-)

It is presumed that these bottles were resold by the Dustpan to the Ordnance.

I am also under the impression that Messrs. Haartz & Bell have manufactured waterbottles for the Dustpan.

23. I could if necessary, and provided I had the time to spare investigate and enumerate many other similar cases, but I consider that I have sufficiently invited attention to the un-business-like, and from a Government point of view, most irregular method which has existed in regard to the purchase of local stores by the Ordnance, Nairobi House.

24. If I may venture to suggest I would advocate a strict detailed audit from the beginning of August at the earliest possible opportunity, the report and result of which I feel sure necessitate the formation of a Board of Enquiry. I consider an audit should be arranged as soon as possible, as those responsible may not be found at the inevitable enquiry after the war.

25. I am informed by Capt. Fraithwaite that the reason for the past state of affairs was owing to want of sufficient staff during the earlier stages of the war, and his inability to secure competent and reliable and trustworthy clerks, and I also the extreme urgency for all indents.

11.

26. From personal observation I consider that two Ordnance Depots, one at the Military siding under the Indian Army system, and the other at Nairobi House, under no particular system is extremely apt to lead to confusion, and that the Ordnance Depot at Nairobi House, should be abolished, and that the stores there should be handed over to the Officer Commanding at the Military siding, and also that the Sergt. Major, and one or two of his staff (store) should be taken over with the stores and the whole amalgamated under the Indian Army rules and regulations.

27. It will be no light task for the Ordnance Officer in command at the military siding if amalgamated should be arranged and decided upon. The work of unweaving the past of affairs in conjunction with current Ordnance duties will be of an exceptionally difficult and heavy nature.

(Sgd.) J. Patterson.

507

Mem. No. 8,10868/92

Post Office Box 5000,
P.O. Box 511,
Nairobi.

14/18th November, 1918.

From:-

Chief Paymaster,
E.A.P.C.

To:-

The Hon'ble The Acting Chief Secretary
to the Government,
The Secretariat,
Nairobi.

Sir,

I have the honour to acknowledge receipt of your Memo No. 8,10868/10 dated 18th. October 1918 with reference to my No. 234/491/18 of the 29th. January 1918.

There would appear to be a misunderstanding in regard to the subject matter.

I am not aware of any question in connection with exemption of Customs duty on Parcels received through the Post Office for Troops, and if you will refer to my No. 236/491/18 of the 29th of January of this year, you will further observe that your attention was invited to the heading of your Memo No. 8,10868/92 dated 10th January 1917, at that time, as conflicting with another subject altogether, namely, on the subject of refund of customs duty on Military Stores purchased locally, and I take it that this is the subject matter to which you really wish to refer.

In regard to your enquiry as to the cost of the extra Staff which will be required to compile the necessary information for the Secretary of State

For the Colonies in regard to the refund of Customs duty on account of local purchases made by the various Military Departments from the commencement of hostilities in August 1914, I have to state that, in all probability, this work will require the services of one Officer and four Non-Commissioned Officers (Staff Sergeants), and roughly estimated will amount to £250 for a period of six months or at the rate of £1,500 per annum.

Although I have, as you will observe, given you the information asked for and which I have arrived at after careful consideration and consultation with two of my Senior Officers, I hold a strong consensus of opinion that the result, after a period of six months work by this special staff, will not give the desired information with sufficient degree of accuracy to permit of a claim being put forward for refund by the East Africa Protectorate Command, and I consider it is my duty to invite your attention to all concerned to the facts of the case, although it may appear rather lengthy and voluminous.

I contend that the information arrived at by this Staff after six months work, would be of little or no value, as they could simply schedule for ready reference the Requisition Notes paid by this Department to which would be attached the last Invoice of Sale by the last local Merchant handling the goods. This Invoice would not furnish any information as to the previous owners of the items in question or how many times they had changed hands, or at what value they had been imported.

I am still of the opinion that the
Commander/

3.

Commander-in-Chief's suggestion as requested in my No. 236/491/18 of the 20th January, 1918, is the only feasible way out of the difficulty, namely, that the Protectorate Customs waive all claim on us and we on them, or if on the contrary the Lords Commissioners of His Majesty's Treasury insist on a refund being made by the East Africa Protectorate Government to the Common Charges Account, I suggest that a portion of the increase in East Africa Protectorate Customs Revenue throughout the period of the War be recorded as due to the increase of imports to meet Military requirements.

For ready reference I request telegrams passed between General, Dar-es-salaam, and the War Office, London: Copy of telegram from General, Dar, to War Office, London:-

"Q. 474. 6/8/17. Reference your telegram of 26/7. 35220. Have to report that Government of East Africa Protectorate refuse rebate of Customs Duties on stores and supplies purchased locally. They are demanding duty on Military Stores sold as unserviceable which originally entered Protectorate duty free use of "Expeditionary Force".

Copy of telegram from General, Dar, to War Office, London:-

"Q. 1- 8/10/18. Reference my Q. 474 of Aug. 6th. 1917. re Customs Rebate. Has any decision been come to".

Copy of telegram from War Office, London, to General, Dar:-

"43193. P.I.A. 7th. Oct. Your telegram 8th. Oct. "Q. 149 Rebate of Customs Duties. It has been decided that no immediate refund of duty should be made by Protectorate, conditions of principle refund will be taken into account when total of common charges account comes to be divided between Imperial and Protectorate Governments, and that meanwhile such records kept as will enable sufficiently accurate claim to be made against Protectorate at final settlement."

You will observe from the last cable from the War

War Office to General, No. 43193, F.I.A. dated 27th. October 1917, and that no immediate refund of duty should be made by the Protectorate concerned and that the conditions of principle and refund will be taken into account when the total of the common charges account comes to be divided between Imperial & Protectorate Governments and that meanwhile such records should be kept as will enable a sufficiently accurate claim to be made against the Protectorate at final settlement. As these would appear final instructions so far as this Department is concerned and as emanating from the War Office and Commander-in-Chief, I shall be glad if the attention of all concerned could be drawn to the fact, that the only information I could compile would be a statement compiled showing the local purchases as from the 4th. August, 1914, to the termination of hostilities and as passed through the local Treasury East Africa, in some the first instance, and subsequently submitted and paid by this Department as date with vouchers added thereto, and on the other side, a statement compiled showing a record of all sales, whether by auction or private treaty, including sales to various Governments, Protectorate.

I would strongly urge that representations be made to the Secretary of State for the Colonies pointing out the work involved in preparing the account contemplated in his No. 776 dated 11th. Oct. 1917, and the fact that such an account as could be prepared at this date would be of no practical value for the purpose aimed at, and requesting that therefund should be based on the board lines of the increases in the Protectorate Revenue.

I have etc.

(Sgd). J. Patterson.
Esq. or.

Chief Paymaster,
W.A. Pay Corps.

Gen / 57521/21



9 December 1921

Amount
25335
22

With reference to your letter

DRAFT.

No 0165/8939 (F.I.) of the 14th of

Secretary
Via Office
MINUTE

May, 1921, regarding the question

of a refund of customs duties

charged on goods purchased

locally for the use of the

military forces in East Africa

I am to transmit to you,

to be laid before the Council,

the accompanying copies

of correspondence with the

Government of Kenya in this

matter. P.T.D.

- Mr. Lambing 6.12.21
- Mr. Mackay 6.12.21
- Mr. Grindis
- Mr. H. Lambert
- Mr. H. Bond
- Mr. J. Masterton Smith
- Mr. Wood
- Mr. Churchill

24 March (57945/20)

14/10/21 (57521/21)

encl

2. Mr. Churchill will be glad of
the Council will give further consideration
to the matter in the light of the
correspondence, and to learn
whether on reconsideration they are
able to agree to the ^{which Sir E. Herbert} proposed.

minutes

For 595 2.1/21 Kenya

175



27

DRAFT

Feb 1922

Copy, Sir

W.D.

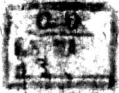
MINUTE

- Mr. Burt Feb
- Mr. Birtles
- Mr. Keating 28/2
- Mr. Grindle

- Sir H. Lambert
- Sir H. Road
- Sir J. Masterton Smith
- Mr. Wool
- Mr. Churchill

I am to request you
to inform the -4th that he
would be glad if they could
now cause a reply to be
returned to the letter from
this Dept of the 9th of Dec,
numbered as above, of
which a reminding letter
was sent on the 19th of Jan

59521/31 Kempa



anmol. July
25335
/22

DRAFT.

4 April, 1922

The Secretary,
your office.

So

MINUTE.

Mr. Special 2/12/22
Mr. Tracking 3/13/22
Mr.

- Mr. Grindie.
- Sir H. Lambert.
- Sir R. Bood.
- Sir G. Puddles.
- Col. Amery
- Lord Milner

Sir,

With reference to the letters from this Dept. numbered as above of the 9th of December, 1921, the 19th of January, 1922, & the 28th of February, 1922, I am to ^{again} request that an ~~early~~ early reply may be returned regarding the question of a refund of Customs duties charged on food purchased locally, on the use of the military forces in East Africa.

Yours faithfully,
James H. J. HEN

concerning the proposal of the Govt of Kenya with regard to the claim of the Govt for a refund of the Customs duties charged on goods purchased locally for the use of the military forces in E. Africa

JH

(Signed) M. & S. H. H.

505 3/4 Kenya

18
20
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SE

DRAFT.

Amount
25335

17 May 1922.

Secy,

W.O.

MINUTE.

I am to request you
in view reference
to draw the attention of the

- Mr. [unclear] May 16
- Mr. [unclear] 17/5/22
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]

to the letters from this
Dept of the 9th of Dec, 19
of Jan, 28th of Feb & 4th
of April, relative to the
question of a refund of the
customs duties charged on
goods purchased locally

for the use of the military
forces in Edifice, and
to enquire whether they ^{think}
~~can~~ could now direct a
reply to be returned.

Yrs

Edmund H. d. 1844

for the use of the military
forces in Edifice, and

to enquire whether they ^{there}

can
could now direct a

reply to be returned.

Yours

Edmund H. ...