

1923

INDIA

57953

26 NOV 23

SAC

Date

London

Code
532

2-1 100, 1923

REMARKS

Mr S. Stephens
Kolkata

SUBJECT

Railway.
Draft financial estimates,

NAME

S. K. Red

CLASS

CLASS

CLASS

Desires to adopt —
subject to modification
later, from 1st Jan, 1923
Respects for approval

Previous Page

MINUTES

SAC

58873

S. K. Red

May we have your views, please?

J. H.

28.11.23

I see nothing in the proposed
with nations which calls for advance
criticism. ? ApproveS. K. Red
5.12.23The actual allocation of items to be
charged to the different funds may
be all right, but the drafting of
the part of estimates seems to be
fuzzy and defective in many ways.
See part of the foregoing.

included in the order in
and a paragraph in the
under the O.C., which
the actual allocation of different
of separate lines to the public
the second class would be
an arrangement of the
to be made.

It is essential to
get the new scheme practically
started - you think we should
and the lack of legal authority
throughout the process
approval along that - despite the
follow suggesting considerable
alterations - drafting &
writing & legislation
required

Mr
9.12.23
In H. H. H. H.
(1) a. the improvements
proposed by the order in
relation to the railway,
I agree.
(2) On the general point, the
to be done in relation to

a local jurisdiction, and in
another order of the
having all the same effect, and
I am sure of your consent
"up to" the local level to which
there is necessary to put the
with a consistent view.

I am no longer thinking of
in the order myself, but the
intention that we can look up
the approval of the working
arrangements, now suggested
could be withdrawn, have been
proposed.

Therefore,
? Take under your proposed,
but make sure the order is

B.C.S.
8/12/23
So passed. J.H. H. H. H.
to the
I agree.
at the
H. H. H.
I am happy to have discussed with
the standards of the order - have
obtained the necessary arrangements

included in the order in
issued - transmitted in book
- under the On City, while
the rest of the structure of different
kind of paper notes & the paper
in the second class would be
more or less likely of the
to the paper.

It is intended to
get the new scheme practically
started - you think we should
ask the bank of legal authority
to accept the draft provided
approval also that a draft
follows suggesting considerable
alterations in drafting &
identifying the relations
required.

No. 10-23

Dr. H. H. H.

(1) in the improvement
proposed by the paper is
to send other subject
to you.

(2) On the general point, the
the subject is more or
less of the same.

a local production of the
country under the paper for
many and for the paper gold
I am still of opinion that it is
"up to the bank" but to advise
the necessary to put the
with the conditions of the

I am not of opinion that the
in the paper is not, but the
without that we can do so
the approval of the banking
arrangement, our suggestion
could be a matter to be
proceed.

Therefore

? Take under the paper;
but the bank is not the subject.

6/28/45

Dr. H. H. H. 3d. 10. 5
to the SP
to you.

at the
to the

See a draft. It is proposed with
the subject of the paper is more
or less of the same.

Expenditure on the Kenya and Uganda
Transport Administration is classified under
two main heads, as the authority required
for such expenditure is different in each
class.

First Class (1) Local Funds. Authority for expenditure
chargeable to local funds is vested in the
local authorities of Kenya and Uganda.
Details of expenditure attached to such
authorities cannot be varied except with the
authority of local bodies therein.

(2) Parliamentary Grant. Authority for
expenditure chargeable to Parliament under the
1st Parliamentary Grant (Uganda Railway
Act 1906-1907) is given by the Secretary of
State.

Second Class. The principal authority for all other
expenditure on the Kenya and Uganda
Transport Administration is the Secretary of
State. The High Commissioner for Transport and
the approval of the Secretary of State. All
expenditure will be included in annual or
interim estimates which shall
be submitted for sanction to the

Expenditure on the Uganda and Uganda
Transport Administration is charged under
the main heads, as the authority required
for such expenditure is different in each
class.

First Class (1) Local Funds. Authority for expenditure
chargeable to Local Funds is vested in the
Local Authorities of Uganda and Uganda
Districts of expenditure attached to such
authorities cannot be varied except under the
authority laid down therein.

(2) Parliamentary Grant. Authority for
expenditure chargeable to Local Funds under the
Parliamentary Grant (Uganda Railway
Act 1911-1912) is given by the Secretary of
State.

Second Class The principal authority for all other
expenditure on the Uganda and Uganda
Transport Administration is the Secretary of
State. The Secretary of State for Transport and
the approval of the Secretary of State. All such
expenditure will be included in annual or
supplementary estimates which shall
be submitted for discussion to the

Legislative Council of Kenya and Uganda
but need not be approved by either Legislative
Council unless the Transport Administration
scheme requires to be supplemented by
a grant from other public funds of Kenya
or Uganda.

(1) Botswana Road (Kilobenge & Mwanza)

(2) Luwero Road (Mwanza)

(3) Ruaha Road (Kilobenge and Mwanza)

(4) Kilobenge Road

I.L.C. should be asked to consider
if they can supply anything. As the only
road at Kilobenge has not yet been completed
(1) & (2)?

This project should be put before
Govt. They are dealing with
existing funds, but I agree that
certain other things are
desirable.

W.S.P.

Legislative Council of Kenya and Uganda
It shall not be approved by either Legislative
Council unless the Transfer Administration
scheme requires to be supplemented by
a grant from other public funds of Kenya
or Uganda.

(1) Budgetary 2nd (Kenya & Uganda)

(2) Finance 2nd (Kenya)

(3) Revenue 2nd (Kenya & Uganda)

(4) Finance 2nd (Kenya)

I shall be glad to see at the end of the year
if they were anything more. I shall be glad
to see at the end of the year if they were
anything more. I shall be glad to see at the
end of the year if they were anything more.
(N 4 (1))

This kind of thing is not
good. They are dealing with
country funds, but I am not
sure the matter is

serious

W. G. P.



57953

GOVERNMENT HOUSE,

NAIROBI,

KENYA.

2nd November, 1923.

MY LORD (228)

With reference to paragraph 7 of Your Grace's Confidential despatch of the 19th June, I have the honour to transmit for consideration draft instructions, prepared by the General Manager, relative to the allocation of expenditure between Capital, Betterment, Renewals and Insurance Funds and working expenditure.

1. These instructions will be submitted to the new Inter-Colonial Railway Council at its first meeting in compliance with Your Grace's directions. In the meantime the General Manager is anxious to adopt the accompanying rules as from the 1st of January next pending further consideration by that Council.

2. The instructions appear to me to conform to accepted procedure and I trust that Your Grace will concur in their adoption as a working arrangement from the date mentioned on the understanding that modifications may be necessary from time to time as local experience is obtained.

3. I shall be glad to receive telegraphic advice as to whether Your Grace is prepared to approve of my proposal.

I have the honour to be,
My Lord Duke,
Your Grace's most devoted and
most obedient servant,

R. J. Courton

GOVERNOR.

KENYA

No. 154.

CONFIDENTIAL



57953

GOVERNMENT HOUSE,

NAIROBI,

KENYA.

2nd November, 1923.

MY LORD DUKE,

With reference to paragraph 7 of Your Grace's Confidential despatch of the 19th June, I have the honour to transmit for consideration draft instructions, prepared by the General Manager, relative to the allocation of expenditure between Capital, Betterment, Renewals and Insurance Funds and working expenditure.

1. These instructions will be submitted to the new Inter-Colonial Railway Council at its first session in compliance with Your Grace's directions. In the meantime the General Manager is anxious to adopt the accompanying rules as from the 1st of January next pending further consideration by that Council.

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3. I shall be glad to receive telegraphic advice as to whether Your Grace is prepared to approve of my proposal.

I have the honour to be,
My Lord Duke,
Your Grace's most devoted and
most obedient servant,

R. J. Coundon

GOVERNOR.

UGANDA RAILWAY.

(INCLUDING BRANCH LINES AND MARINE SERVICES).

INSTRUCTIONS GOVERNING THE ALLOCATION OF EXPENDITURE
IN CONNECTION WITH NEW AND ADDITIONAL WORK,
REPLACEMENTS, VITERRAFALS, ETC.

The various funds and accounts to which
expenditure may be charged and the authority
necessary in each case are:-

I. LOAN FUNDS.

Expenditure against loan funds is governed
by loan Ordinances. Schedules of expenditure
attached to such Ordinances cannot be varied
except under the authorities laid down therein.

II. PARLIAMENTARY GRANT.

Expenditure against balances under the old
Parliamentary Grant (Uganda Railway Acts 1896,
1902) cannot be incurred without the sanction of
the Secretary of State.

III. INTEREST-FREE FUNDS RAILWAY AND MARINE.

These funds are established by credits from
net revenue with the object of providing means
for effecting improvements in capital assets or,
when justified by financial considerations,
requiring additional assets, without the necessity
for using interest-bearing loan funds.

Expenditure from these funds may be
subsequently capitalised, as, for example, in
respect of capital additions and improvements made
to increase revenue or decrease expenditure.

2.

or left as a final charge against the Settlement Fund, and therefore uncapitalized.

~~Expenditures~~ for expenditure from the Settlement Funds will be contained in estimates sanctioned by the Legislature and the Secretary of State, but the Management may approve of

reallocations in respect of individual items within the limit of the total expenditure sanctioned.

REVENUE FUND (MARINE).

This fund has been established by credits from Revenue Account for the purpose of replacing, or making good losses or damage to, steamers, tugs, lighters, etc., by shipwreck, fire, collisions or other risks. Expenditure against this fund is included in estimates for sanction by the Legislature and the Secretary of State.

REVENUE FUNDS (MARINE).

These funds are established by credits from Revenue Account for the purpose of replacing or renewing wasting assets.

Expenditure against these funds is included in estimates for sanction by the Legislature and the Secretary of State, but the Management may approve of re-allocations in respect of individual items within the limits of the total expenditure sanctioned.

WORKING ACCOUNTS.

To the ordinary working accounts are

3.

comprisable the maintenance, minor replacements and renewals of existing assets. Expenditure against these heads is included in Estimates for sanction by the ^{Finance} ~~Legislature~~ and the Secretary of State, ^{will be continued annual} ~~by the Government~~ ^{at the disposal of the Government} ~~and the Secretary of State.~~ ^{of allocation etc} [see p. 2]

PRINCIPLES GOVERNING THE ALLOCATION OF EXPENDITURE AS BETWEEN THE ABOVE FUNDS.

(i) LOAN FUNDS.

Expenditure against loan funds is on Capital Account and includes the following to the extent to which provision is made in Loan Ordinances:-

- (a) Cost of New lines and rolling stock therefor.
- (b) Cost of New and additional works and improvements.
- (c) Cost of New rolling stock, steamers, tugs, lighters, etc., for increased traffic requirements.
- (d) Cost of other additional assets.

(ii) PARLIAMENTARY GRANT.

Expenditure against the Parliamentary Grant (Uganda Railway Acts 1896 and 1902) is on Capital Account and must be limited to such additional buildings, rolling stock or other assets to the Uganda Railway main line as have been approved by the Secretary of State.

Land Class

(1)

Expenditure on betterments to be capitalized when the cost of any work exceeds \$250 includes:-

(1) Capital alterations and additions to existing assets, e.g:

Extensions of platforms.

Extensions of existing sidings.

Additional accommodation in quarters, etc.

Additions to station yards.

Extensions of cabin accommodation on steamers.

Enlargement of piers, docks, wharves, etc.

(2) Additional capital assets not provided for under 1 (b).

(3) Proportion of cost of material in relaying track with heavier rails.

(4) Proportion of cost of replacing vessels with an improved type.

(5) Landing berths at stations.

(6) Replacing earth ballast with stone - additional cost involved.

(7) Cost of triangles, turntables, engine pits, etc.

(8) Cost of material utilized in strengthening track, bridges, etc.

(9) Extensions of water supplies.

(10) Installation of tyre tables.

(11) Other capital expenditure on improvements or additions which will increase earnings or reduce working expenses.

ART. 121. EXPENDITURE AGAINST IMPROVEMENTS TO
THE RAILWAY.

Expenditure against final betterment (i.e., not to be capitalised when the cost of any work exceeds Rs50) includes:-

- (1) Deviations of track: the full expenditure, except when the cost of the new section exceeds that of the abandoned section, when the additional cost will be charged to betterment to be capitalised.
- (2) Marine surveys: the full expenditure except when new harbours, piers, etc., are built when the cost may be capitalised.
- (3) Regrading, i.e., lowering or raising track and improving curves.
- (4) Improvements to engines and rolling stock already in service.
- (5) Improvement to steamers and other craft already in service, e.g., installation of apparatus for burning oil fuel instead of coal or wood.
- (6) Protection works at a site where a washway has occurred.
- (7) Drainage and coverage connections to existing properties.
- (8) Surveys of projected lines and diversions not proceeded with.
- (9) Sinking of boreholes or wells.
- (10) Remodelling station yards.

- (11) Additional culverts put in existing trunk
- (12) Concrete flooring replacing earth floors.
- (13) Additional docking or slips.
- (14) Converting engines and rolling stock
from one type to another.
- (15) Widening carriages.
- (16) Additional roads in Railway areas.
- (17) Labour charges incurred in strengthening
track, bridges, etc., when the
additional capital value of the
material is capitalized.

IV. (7) INSURANCE FUND (MARINE).

Expenditure against the Marine Insurance Fund is limited to making good losses of or damage to steamers, tugs, lighters and other marine craft arising through wreck, fire, collision or other marine risks.

V. (1) RENEWALS FUND.

Expenditure against the renewals fund includes the total cost of labour and materials used in the replacement of assets as shown hereunder when such cost exceeds £200. Where additional value results from replacement by increased weight, size, improved type or quality of material, a proportion of the total cost of materials will be charged to betterment (to be capitalized):-

7.

- (1) Bridges or culverts.
- (2) Permanent way, relaying, resleepering and rebalancing of track in lengths of one-half mile and over.
- (3) Fencing.
- (4) Level crossings.
- (5) Signals.
- (6) Telegraph lines.
- (7) Buildings, fixtures, engine sheds, turntables, water supplies, fuelling plant, electric light and power plant, workshops and machinery, steamers, tugs, lighters, etc., (except when covered by IV).
- (8) Replacing deck and engine room machinery
- (9) New boilers for locomotives and steamers.
- (10) Renewing decking in vessels.
- (11) Rolling stock to the extent of the accrued depreciation of rolling stock in service as certified by the Mechanical Engineer.

NOTE: (a) The value of old material returned to stores in connection with the above works is to be credited to the Renewals Fund.

(b) To avoid raising loans, new rolling stock required to meet additional traffic requirements may be purchased from the Renewals Fund to the extent to which funds are available, provided the relevant

8.

Engineer can give a certificate under (ii). No adjustment of capital account is to be made in respect of such purchases but all credits in respect of stock withdrawn from service are to be passed to the Renewals Fund.

VI (4) WORKING ACCOUNT.

Expenditure against working account includes the cost of maintaining all assets in good working order and condition. To this also will be charged (a) the cost of new works, minor additions and improvements not exceeding £250 in any one case, (b) the cost of renewals and replacements not exceeding £200 in any one case and (c) any urgent and necessary work even if it exceeds £250 in cost when no provision has been made for the work under Funds I to V and Funds are available from savings in Working Votes.

Kings
Wanda
New

For
049

I have the 6 copies to
the Cashier & Co

As in Copy of P.A. for
last at District in Aug. 1944
the question of the restriction
of inter-territorial movement
& Cable in discussion

John G. B. Mc
1944

Charles
Crawley

Range
Wanda
No. 10

for
009

I have etc to refer to
the Cuckoo

As in Copy of EA for
last at this in part of
the parts of the restriction
of inter-territorial movement
of cattle in this country

for S. D. [unclear]
[unclear] [unclear] [unclear]

James
Crawley

1221

has to be done
- has to be done for
last reference
G.O. 57953/25
P6

December 1953

DRAFT.

Kenya
Conf.
Gov. Langford
MINUTE.

- Mr. Leitch 11-22
- Mr. Calder 11-12
- Mr. Buxton
- Mr. B. B. B.
- Mr. G. G.
- Mr. H. H.
- Mr. J. J.
- Mr. K. K.
- Mr. L. L.
- Mr. M. M.
- Mr. N. N.
- Mr. O. O.
- Mr. P. P.
- Mr. Q. Q.
- Mr. R. R.
- Mr. S. S.
- Mr. T. T.
- Mr. U. U.
- Mr. V. V.
- Mr. W. W.
- Mr. X. X.
- Mr. Y. Y.
- Mr. Z. Z.

I have at 6.00. The receipt
of your Confidential draft of the 24th of November, 1953, in connection with the draft instructions relative to the allocation of expenditure incurred in connection with the Uganda Railway, and in connection with the draft instructions of the 14th of December, in which I indicated my provisional approval of the draft instructions

~~2. The wording of the earlier portion of the draft instructions appears to be unsatisfactory~~

copy of enclosure to Govt. draft of 2. 11. 53 - as amended - present by Mr. Calder. 12. 11. 53 - draft of 12. 11. 53 - Mr. Calder

2. A certain amount

of amendments appeared,
 or examination, to be desirable
 in the wording of the earlier
 portion of the draft instructions,
 and I now enclose an amended
 copy. The terms of which I
 have approved

3 It is necessary, however
 to point out that in para 15 of
 my Confidential despatch of the 19th of
 June, I invited you to consider
 what legal instruments would
 be necessary to give effect to the
 changes approved in that
 despatch. Until such instruments
 have been prepared and put
 in force, it appears to me that
 it is impossible to regard the
 Kenya and Uganda Transport
 Administration as properly

24399/10

DRAFT.

MINUTE.

- Mr. ...
- Mr. ...
- Mr. ...
- Mr. C. ...
- Mr. G. ...
- Mr. B. ...
- Mr. J. ...
- Mr. ...
- ... of ...

and carefully considered.
 4. You regard
 a despatch ~~and~~ ^{and} therefore
~~will~~ undertake the
 preparation of the necessary
 documents at an early
 date, in order that the
 draft may be submitted
 soon. The documents which
 should be submitted are
 those which should be
 considered by the
 Board of Directors. Council will
 be necessary, in addition
 to the minutes of the
Board of Directors
 creating the Office of
 "Mgt. Comm." for Transport
 Administration and
 of General Manager of the
 Administration, and
 defining their powers,
 and also creating
 the Director-General

