

953

EAST AFR. PROT.

CO  
24659  
Recd  
Ref 25 JUN 1913

21659

Overseer  
Elfield  
1913  
June  
Last previous paper  
Yours  
21518  
29968 (32)

RAILWAY ESTIMATES 1913-14

General Manager has submitted revised estimates showing increased earnings £102,171, increased working expenses £250,955, increased extraordinary expense £10,000. Details by mail. Requests to be laid by telegram if revised estimates may be acted on. If not arrangements must be made for curtailing service and accommodating available accommodation amongst various firms and the public.

~~The~~ Dear Sir G. Fiddes

This is a definite from a quarter about which I have had some misgiving for some time - that of railway revenue expenditure after the approved expenditure for the year has been definitely fixed.

I have answered, at the bottom of the file, the papers (especially January 18868/12) about the modification of the half & half principle, whereby under which it was proposed that so far as the railway was concerned a split was inadequate but for a while. In effect, railway ordinary expenditure was removed from the application of the half & half principle.

But this concession was only sought in connexion with the 6 annual estimates, and when once the expenditure has been fixed the G. & N. of the railway is as much

This is a definite from a quarter about which I have had some misgiving for some time - that of railway revenue expenditure after the approved expenditure for the year has been definitely fixed.

Yours  
22402

found by his Estimates as anyone else. We have recently rubbed this in in connection with Staff arrangements.

But if we recognize once a year that the railway is a business concern, in which increase of business & consequent increase of profits can only be obtained by a large increase of expenditure, can we refuse to recognize the same principle in the course of the year, & still require that expenses of expenditure shall be met from revenue, either railway or other? I don't think we ought either to restrict the national progress of the railway or to stave other services to allow ~~of~~ for it.

In this case the latter alteration is impracticable - we could not possibly cut down £67,000 for other objects.

The Estimates figures are  
Revenue £ 500,000  
Expenditure 508,778

Balance (about 62% profit) £ 191,202

The Revised figures now proposed are

Revenue £ 602,171  
Ordinary Expenditure £ 375,963

Balance (about 60% profit) £ 226,408

In addition, an increase of special expenditure from £5000 to £15000 is proposed. This need not trouble us. If the new proposals had been foreseen when the Estimates were framed the additional amount in net railway revenue would have been

been ~~able~~ ample to cover (i.e. more than twice) this increase in special expenditure.

It is annoying to have to deal with a question of this sort on a telegram, and if the position has become so acute within 3 months of the beginning of the year it is hard to see why it was not foreseen some time ago. However all we can do is to send this to the Treasury (through) asking for approval of amount to the modified help & help principle as a precedent for the special treatment of railway expenditure, and show that it is impossible for unproven expansion railway of business to be dealt with within the limits of the gross authorized expenditure for the year, point out that if the expansion had been foreseen it would have meant that lower, not less, expenditure would have been permissible on other than railway services, and ask for early sanction.

Meanwhile, I think we might (to provide against Treasury requiring) ask by telegraph how much of the £67000 is to go in new personal commitments?

W.A.S. 26/8/13  
I entirely agree. H & R 26/8/13

1659

6/16 No. 2

C.O.  
21659  
REC  
JUN 23 1913

Telegram. The Governor of the East Africa Protectorate to the Secretary of State for the Colonies.

(Received, Colonial Office 7 p.m. 24th June, 1913.)

352

[Answered by Nos 21659 & 122573]

No.133 . General Manager has submitted revised estimates for Railway for current year showing increased <sup>earnings</sup> ~~( )~~ 102,171, increased working expenses ~~£~~ 66,965, increased extraordinary expenditure £10,000. Detailed estimates will follow by mail. At present, rate of expenditure original total sanctioned for working expenses will be greatly exceeded unless we close down later in the year and refuse traffic offered, thus not only surrendering considerable additional railway earnings but most seriously affecting trade of East Africa and Uganda. Shall be glad of reply by telegraph as to whether I may at once act on revised estimates, as otherwise it will be necessary to make arrangements for curtailing train service and apportioning available accommodation amongst various firms and merchants.

Belfield.

1659

6/16 No. 2

C.O.  
21659  
REC'D  
JUN 23

Telegram. The Governor of the East Africa Protectorate to the Secretary of State for the Colonies.

(Received, Colonial Office 7 p.m. 24th June, 1913.)

352

983  
[Answered by Nos 21659 & 22573]

No.133 . General Manager has submitted revised estimates for Railway for current year showing increased <sup>estimated</sup> ~~(to be)~~ 102,171, increased working expenses ~~£~~ 66,965, increased extraordinary expenditure 210,000. Detailed estimates will follow by mail. At present rate of expenditure original total sanctioned for working expenses will be greatly exceeded unless we close down later in the year and refuse traffic offered, thus not only surrendering considerable additional railway earnings but most seriously affecting trade of East Africa and Uganda. Shall be glad of reply by telegraph as to whether I may at once act on revised estimates, as otherwise it will be necessary to make arrangements for curtailing train service and apportioning available accommodation amongst various firms and merchants.

Belfield.

Telegraphic Address  
"SIGNALLY STOCK"  
LONDON.

# TELEGRAM

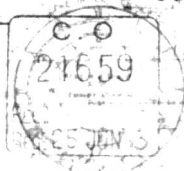
Telephone  
3622 LONDON WALL  
(4 Lines)

333

ISSUED FROM ELECTRA HOUSE, FINSBURY PAVEMENT

REPLIES SHOULD BE ORDERED

*Via Eastern*



*Double words should be left out of the message*  
*Do not use 'the' or 'and' in telegrams*  
*Do not use 'I' or 'you' in telegrams*

No.	Clk's Name and Dist.	Time Received	Receiver
		<i>10:10</i>	

2A 59 NAIROBI 91/09 09 GOVT -

JUN 24 1918

CHAPELIER LN -

*General manager*

*revised estimate for*

*present year*

~~33 MALTHUSIT HAS SUBMITTED ENGAGEMENT RAILWAY TUCKING SHOWING~~

*(2)*

*working capital*

INCREASED EARNINGS 402174

INCREASED EXPENDITURE L 66965

*extraordinary expenditure* £ 1000

*not detailed estimate will follow*

INCREASED ECONOMIC (PINLOCK SILVERLY EMPLOYIST FIRM)

# STATIONS IN LONDON.

TELEPHONE NO.	TELEGRAPHIC ADDRESS: "SIGNALLY, LONDON."	TELEPHONE NO.	TELEGRAPHIC ADDRESS: "SIGNALLY, LONDON."
3633 London Wall (4 Lines.)	Electra House, Finsbury Pavement, E.C.	1848 London Wall	"The Baltic," Bury St. Entrance, E.C.
3632 London Wall	11, Old Broad Street, E.C.	2942 Hop	6, Deodar Street, Borough, S.E.
2528 Gerard	49, Strand, W.C. (Charing Cross.)	2516 Gerard	41 & 42, Parliament Street, S.W.
851 Avenue	8, Leadenhall Street, E.C.	1014 Holborn	37 Holborn Viaduct, E.C.
852 Avenue	Market Buildings, 29, Mitling Lane—26, Mark Lane, E.C.		Foreign Auction Mart, Covent Garden, W.C.

## Head Office:—

Electra House, Finsbury Pavement, E.C.

Telephone:—1127 LONDON WALL      Telegraphic Address:—"EASTERN AVE," LONDON.

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3632 London Wall	11, Old Broad Street, E.C.	2942 Hop	6, Dedman Street, Wapping, S.E.
2528 Gerrard	440, Strand, W.C. (Charing Cross)	2516 Gerrard	41 & 43, Parliament Street, S.W.
851 Avenue	8, Leadenhall Street, E.C.	1014 Holborn	37 Holborn Viaduct, E.C.
852 Avenue	Market Buildings, 39, Mincing Lane—26, Mark Lane, E.C.		Foreign Auction Mart, Lombard Street, W.C.

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- (4 Lines.)
- 3632 London Wall - 11, Old Broad Street, E.C.
- 2528 Gerard - 449, Strand, W.C. (Charing Cross)
- 851 Avenue - 8, Leadenhall Street, E.C.
- 852 Avenue - Market Buildings, 39, Mincing Lane - 26, Mark Lane, E.C.

- 1848 London Wall - The Baltic, Bury St. Entrance, E.C.
- 2942 Hop - 6, Deodar Street, Borough, S.E.
- 2516 Gerard - 41 & 42, Parliament Street, S.W.
- 1014 Holborn - 17, Holborn Viaduct, E.C.  
Foreign Auction Mart, Covent Garden, W.C.

### Head Office:

Electra House, Finsbury Pavement, E.C.

Telephone: - 1127 LONDON WALL      Telegraphic Address: "EASTERN AVE," LONDON.



Telegraphic Address  
"SIGNALLY STOCK"  
LONDON

# TELEGRAM

Telephone  
8552 LONDON WALL  
(4 Lines)



ISSUED FROM ELECTRA HOUSE, FINCH ST. E.C. 2

REPLIES SHOULD BE ORDERED

*via telegraph*

To	Via	By	Remarks
			<i>via telegraph</i>

*by mail*  
**WAGNER SILVERHAY "RAFTEST" OF CELEBRITIES**  
**EUDYNAHESE ORIGINAL**

*looking a breeze will be*  
**TOTAL SANCTIONED FOR EVINGENENT TOUCHPIECE GREATLY EXCEEDED**

*in the year*  
**MIRASPORE CLOSE DOWN LATER TURFER AND REFUSE TRAFFIC OFFERED**

*considerable*  
**NOT ONLY SURRENDERING CONCEALED ADDITIONAL RAILWAY**  
*most seriously*  
**EARNINGS BUT SALDABLE AFFECTING SYMPASMA EARBORED AND**

# STATIONS IN LONDON.

TELEPHONE NO.	TELEGRAPHIC ADDRESS	SIGNALLY LONDON	TELEPHONE NO.	TELEGRAPHIC ADDRESS	SIGNALLY LONDON
3632 London Wall (4 Lines.)	<u>Electra House, Finsbury Pavement, E.C.</u>		1848 London Wall	The Bells	Bury St. Edmunds, E.C.
3632 London Wall	<u>17, Old Broad Street, E.C.</u>		2942 Hop	Deacon Street	Barnsbury, N.E.
2528 Gerrard	<u>49, Strand, W.C. (Charing Cross)</u>		2516 Gerrard	A 22, Pall Mall	St. James's, W.
851 Avenue	A, Leadenhall Street, E.C.		1014 Holborn	22, Holborn Viaduct	E.C.
852 Avenue	Market Buildings, 20 Abchurch Lane at Mark Lane, E.C.			Forego Auction Mart, Cornhill	London, W.C.

### Head Office:

Electra House, Finsbury Pavement, E.C.

Telephone: LONDON WALL. Telegraphic Address: EASTERN WAVE LONDON

Telegraphic Address  
"SIGNALLY STOCK"  
LONDON

# TELEGRAM

Telephone:  
3592 LONDON W.1  
(4 Lines)

ISSUED FROM ELECTRA HOUSE FINCHBURY LANE

REPLIES SHOULD BE ORDERED

*Via Eastern*



Name and Date	Time Received	Priority

*Stg*

*Should be*

*glad of*

*by telegram*

UGANDA SILVERGRAY SARGOGARY GENOPANES REPLY STRIDULOUS

*whether I*

*at once*

*at once*

*revised or twice a day*

MOLETTT TOSCAEJAR MAY APOASTER ABOLISILE ENCASINGS ANNOYFUL

*it will be necessary to make arrangements for*

TOUCHPIECE NATURPOST ANELLATO CURTAILING TRAIN SERVICES AND

*provisionary accommodations*

BARY AVAILABLE ADDICENT AMONGST VARIOUS FIRMS AND MERCHANTS

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2516 Gerrard	41 & 43, Parliament Street, S.W.	
1014 Holborn	17, Holborn Viaduct, E.C. Foreign Auction Mart, Covent Garden, W.C.	

## Head Office:

Electra House, Finsbury Pavement, E.C.

Telephone: 1127 LONDON WALL    Telegraphic Address: "EASTERN AVE." LONDON.

21659

Government of 21659 E.A.P.

350

983

PRESSING

DRAFT

The Sec. to the Treasury

MINUTE

- Mr. [unclear]
- Mr. [unclear] 28/6/05
- Mr. G. Fidler
- Mr. H. [unclear]
- Mr. V. [unclear]
- Lord [unclear]
- Mr. [unclear]

22 June 1905.  
 Sir,  
 I am directed by the Sec. of the Treasury to transmit to you, for the Council of the E.A.P. of the Treasury, a copy of a telegram from the Gov. of the E.A.P. <sup>submitting</sup> ~~relating to~~ revised estimates of the earnings, working expenses and extra-ordinary expenditures of the Uganda Railway for the current financial year.

Details as to which will follow by mail in due course.

Estimates

18009-22\* No 21659

2

2. The figures of railway  
Revenue, etc. given in  
the approved estimates for  
this year are -

Revenue	500,000
Ordinary expenditure	308,298
Special expenditure	15,000

The revised figures  
which the Govern<sup>r</sup> now  
furnishes are:-

Revenue	602,571
Ordinary expenditure	375,763
Special expenditure	15,000

3. It is necessary to decide at  
once whether the revised  
estimate may be adopted,  
as at the present rate of  
expenditure the original  
total sanctioned for working  
& expenses will be greatly

greatly exceeded and if  
the original totals are not  
to be varied arrangements  
will have to be made without  
delay for curtailing the train  
service & apportioning the  
available accommodation  
amongst various firms &  
merchants. The prospect  
indicated in the Govern<sup>r</sup>'s telegram  
of closing down later in the  
year & refusing traffic  
with consequent stop of  
railway earnings & the  
location of 2 African traffic  
is not one which wd. His Excellency  
can view with satisfaction.  
He does not hesitate  
to recommend to the Govern<sup>r</sup> very  
strongly that the railway  
estimates should be revised  
and

and the Government authorized to act accordingly.

As the L.C. are aware, railway exp<sup>n</sup> in the E.A. is treated differently from the ordinary exp<sup>n</sup> of other services inasmuch as it has been <sup>agreed</sup> ~~recognized~~ that the half-half principle should be applied to it, but in a modified form, & it seems clear that this principle of special treatment must be somewhat extended in order to afford sufficient elasticity to allow of the railway being worked in an efficient manner. Under present arrangements, so long as the railway exp<sup>n</sup> for the year has been <sup>fixed</sup> ~~ascertained~~, the General Manager is bound to keep it strictly

strictly to the estimate as left them the Head of any other Dept. But if, as is now the case, it is recognized ~~that~~ when the annual Estimates are being prepared, that the railway is a business concern in which increase of working & consequent profit can only be obtained by a large increase in exp<sup>n</sup>, it wd. in ~~the~~ <sup>the</sup> opinion be ~~absolutely~~ <sup>unreasonable</sup> to refuse to recognize the same principle in the course of the year & to require an increase of exp<sup>n</sup> to be met from savings either in the railway Dept. or other Head of the Estimates. The railway, in which the

DRAFT

MINUTE.

- Mr.
- Mr.
- Sir G. Fiddes.
- Sir H. Just.
- Sir J. Anderson.
- Lord Emmott.
- Mr. Harcourt.

which is necessary to deal with <sup>an</sup> ~~an~~ <sup>increased</sup> traffic

the ~~the~~ depend to a large  
an extent on its prosperity,  
and not be fettered by a  
financial restriction which  
will check its natural  
progress, nor should other  
services be starved to  
allow the railway to  
develop to the full extent  
of its capacity. Indeed,

in the particular case under  
consideration, it is shown that  
a sum of £67,000 could not  
be found for railway exp<sup>ts</sup>  
from savings on other approved  
services. In short, it may  
be said that it is  
~~absolutely~~ impossible for  
an increase expansion of  
railway business to be dealt  
with within the limits

of the authorised gross exp<sup>ts</sup>  
for the year and it cannot  
be said that the Board  
will agree to any other  
view of the matter. 339

5. It is <sup>important, but</sup> ~~unfortunate~~  
~~to be~~ <sup>is</sup> ~~unfortunate~~  
~~to be~~ <sup>is</sup> ~~unfortunate~~  
~~to be~~ <sup>is</sup> ~~unfortunate~~  
that this expansion  
of railway business ~~is~~ <sup>is</sup> not  
freedom when the IPT. Est<sup>s</sup>  
were under consideration, but I am  
to believe that if it had been  
freedom, the effect would have  
been to increase the sum  
available for <sup>to</sup> ~~the~~ <sup>both</sup>  
~~the~~ <sup>to</sup> ~~the~~ <sup>both</sup>  
special railway exp<sup>ts</sup>  
& other services, for the  
additional increase in  
the net revenue from the  
railway, viz, £85206,  
would have been significant.



