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EAST AFR. PROT
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REC'D
REF 15 AUG 19

Box
Beliefs 379

Railway Estimates - Abstracts A.B.C.D. and G.

1916
22 June

Reports that provision will be insufficient to meet working exp^t under present conditions. States reasons, & submits revised est of £478,169, being an increase of £80,772. Anticipates that estimates net profit will however be exceeded & until Railway returns own control, Gen. Man. will continue to meet paper exp^t at present. Promises detailed revised est when normal conditions return.

Last previous Paper
for 32798

also 38691 2 papers

Mr. Butler.

This is one of our little complications.

May need to send any more.

You will see from $\frac{CO}{30841/15}$ & $\frac{Exp}{31254/15}$ that the extra cost of the railway (which is under military administration) is borne by the Prot^{ts} which pay it from the increased revenue, any deficit being carried to the Protectorates' "War Expenses" account.

[Incidentally, the capital expenditure on additional rolling stock has been borne on the Common Charges Account, but we shall ultimately have a rough overside & over the profit which the Prot^{ts} make out of military traffic - see Treas/4709/16]

Ans: 600 cars 25 Aug 16

Next subsequent Paper
for 54262

It is actually, therefore, that the provision in the Estimates (which are on a peace basis) should be exceeded, and this despatch shows that the

excess is far more than covered by increased
earnings. We are all right, therefore, until
we are called upon to show that our profits have
not been abnormal.

Yardstick notice (para. 3) that the Exch.
force has seized the bag of the engineering
stuff transferred to the Railway. This is
a point to bear in mind, but hardly a
dispute at present.

Para. 4 does not give much info. The
General was given indefinite leave at the
instance of the military authorities because
he had not enough "push", but he has never
been afraid to draw attention to the deplorable
state of the engines he had to patch up.

? ask for more info. as to this, in
ack. direct of report.

W.S.B. 21.5.16

2/2/16

22 8 16

at once

Room 3

EAST AFRICA PROTECTORATE
No. 379.

616
~~613~~
GOVERNMENT HOUSE,
NAIROBI,
BRITISH EAST AFRICA.

June 22nd 1916.

38632
REC.
REG. 15 AUG 16

Sir,

The General Manager of the Uganda Railway has recently reported that the provision in the estimates under Abstracts A, B, C and D, "Maintenance of Way and Works", "Locomotive Carriage and Wagon Expenses, and "Traffic Expenses" will not be sufficient to meet the working expenditure under the conditions that exist at the present time.

2. The estimates were based on the supposition that a normal state of affairs would continue during the whole of the financial year, and the most rigid economy was observed in submitting proposals for expenditure under the various main heads.

3. When the administration of the railway was

THE RIGHT HONOURABLE

ANDREW BONAR LAW, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON, S. W.

was taken over by the military authorities. ~~011~~
The Locomotive and Traffic Departments were strengthened throughout, all additional charges being borne by the railway. For example, salaries of Indian officers on the supervising staff amount to £2,300 per annum and, though this expenditure is of course only temporary, it is not possible for the General Manager to say when these gentlemen will be transferred from the Uganda Railway service to that of the Indian Expeditionary Force "B". Similarly, artificers and engine drivers brought out to meet the military requirements as a whole are, with the exception of those employed on the Voi-Maktau Railway, all paid by the Uganda Railway; while the cost of erection of additional locomotives and rolling stock, irrespective of the locality in which they are used, is at present a charge against the railway vote and the necessary adjustments will not be made till later.

4. Another point requiring serious consideration is that the provision for the "Maintenance and Renewal of Engines and Rolling Stock" Abstract B VII is insufficient. It is unfortunate that this should be so, but the opinion expressed by Lieutenant-Colonel Smellie, who is now in charge of the Chief Mechanical Engineer's

Engineer's Division, is so totally at variance with the estimate submitted by Mr. W. E. Nevill, and the improvement in the condition of the locomotives since the departure of the latter officer is so marked that the judgment of his successor must be accepted as being the more correct.

5. In the Locomotive and Traffic Departments the expenditure increases in direct proportion to the quantity of traffic hauled, and additional receipts are therefore available to place against any excess in expenditure. The case is however different as regards Abstract G, "Special and Miscellaneous Expenditure" which increases in proportion to the expenditure under other heads, and as regards engineering works carried out under Abstract A, and I have authorized the General Manager to exceed this latter provision by £10,000 to be met from general increased revenue.

6. The present cost of working the Railway works out at a total amount of £478,169, including the above sum of £10,000. The particulars are as follows :-

Abstract

	Abstract	Original Estimate £.	Revised Estimate £.
Maintenance of Way and Works	A	68,478	78,478
Locomotive, Carriage and Wagon Expenses	B and C	130,438	190,336
Traffic Expenses	D	66,895	78,169
General Charges	E	43,949	43,949
Steamboat Service	F	59,754	59,754
Special and Miscellaneous Expenditure	G	22,483	27,483
Total		£391,997	£478,169

7. Our receipts are at present in the neighbourhood of £350,000 per annum, and if the very conservative estimate of £300,000 is taken, the nett profit is still considerably in excess of the estimate, namely £321,831 as against £300,503. Until therefore the Uganda Railway re-assumes its own control the General Manager will continue to meet expenditure as at present, and I will furnish you with a revised estimate in detail when normal conditions again exist.

I have the honour to be,

Sir,

Your humble, obedient servant,

Alansay Bayard

GOVERNOR.

Inv. 38632/1916
E.A.P.

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C.F.
R. 25 AUG.
D.S.

div'd 54262

25 August 1916

DRAFT.

Sir,

I have the honour to acknowledge
the receipt of your despatch
No 379 of the 22^d of June
~~to inform you that~~ relating to
the provision in Abstracts
A, B, C, and D of the
Railway Estimates.

E.A.P.
No. 600

Jr. W. H. C. Belfield

MINUTE.

Mr. Harper 23/8/16

Mr. Butler 24 f. 3.

Mr.

Mr.

Mr. Read.

Sir H. Jost.

Sir G. Fiddes.

Mr. Steel-Maitland.

Mr. Bonar Law.

2. With ref^{ce} to para
4 of your despatch I shall
be glad to receive
further info as to
the probable requirements
for the maintenance and
renewal engines and