



EAST AFR. PROT

11056

11056
Recd
18 MAR 15

Governor 26
Bellfield

LOAN OF £375,000

1915

15th January

States Acting General Manager of Railway has brought to notice certain circumstances in connection with expenditure which should have been reported earlier. Encloses copy letter from Mr Eastwood with Schedules showing approved expd and exd incurred or to be incurred. Submits observations. Promises despatch as to Mr Taylor's financial irregularities. Requests sanction to reappropriations.

Last previous Paper.
See 24/25
1/14

Mr Read.

11067

This is rather a tangle.

(1) Generally as to reallocation.

(a) The Ord^y contains no schedule & prescribes no limit other than the total of £375,000.

(b) Our letter to the Treasury on 19/7/04/12 expressly stated, of the £300,000 for "Expans rolling stock &c", that readjustment would be necessary but "it will be understood that such readjustment will be within the total of £300,000."

It is clear that this total has not been exceeded & we have no objection about the £35,000 set aside for air steam &c. The £40,000 for re-provements at Kilindini will naturally be required but there is no excess on this side of the account.

187 can't be made

Next subsequent Paper

See 11067 out

1915

1915

had occasion to consult them about the
 proposed share of the loan (e.g. the increased
 provision for the Kampala Port Rail
 railway) we have regarded the expenditure
 of the E.A.P. as being within the 3rd main
 head at all events, & matter for the
 C.O. See eg. minutes on 40528/12,
 where a new service (oil tanks at
 Kikindini) was approved, & especially, on 16052
 as to replication of the £300,000.

The Chairman of the
 Finance Committee
 must have been
 consulted before
 balances.

In the case? I think there is no
 necessity to refer this to the Treasury, so
 long as ^{we observe the} available balance plus that
 the £300,000 under the first head shall
 not be exceeded. As the commitments
 under this head are £290,866 & the total
 available balance is only £8697 there
 is a chance of an excess.

2. In the above I have taken the figures as put
 to the Treasury. In your deals with the Treasury
 from the point of view of the S. Off's sanction -
 papers tabbed in white.

Head I - sanctioned £300,000. Details
 were sanctioned on 16052/13 - they included
 a sum of £146,500 for credits already
 being extended & the Governor's comments
 indicate generally the nature of these
 credits.

It is not clear the variations
 between the sanctioned & the actual are
 minor reallocations & excesses which
 certainly ought to have been reported but
 are not of the first importance.
 It will, however, be noted that the
 total on 16052/13 is £300,000 but any
 surplus must be met on the annual estimate.

had occasion to consult them about the
disposal of the loan (e.g. the amount
promised for the Harbours Port Mill
scheme) we have regarded the expenditure
of the S.A.P.'s loans, within the 30th main
head, as all cost to go - matter for the

C.O. See eg. minutes on 40528/12,
where a new scheme (oil tanks at
Kilindini) was approved, & especially on 16052
as to replacement of the £300,000.

In the air? I think there is no
necessity to refer this to the Treasury, so
we observe the
loyal & available balance pledge that
the £300,000 under the first head shall
not be exceeded. As the commitments
under this head are £290,866 & the total
available balance is only £8697 there
is no chance of an excess.

2. In the above I have taken the figures as put
to the Treasury. The four debts, with the matter
from the point of view of the S.A.P.'s sanctions -
papers tabbed in white.

Head I - Sanctioned £300,000. Details
were sanctioned on 16052/13 - they included
a sum of £146,500 for credits already
being executed & the Governor's comments
indicate generally the nature of these
credits.

Further, he notes some variations
between the sanctioned & the actual and
his reallocation & expenses which
certainly ought to have been reported but
are not. It is not clear what the

will be for the loan, from that day
onwards must be met on the current estimate

The statement to
the Treasury (see
last to them have
been to pay for
balances.

and it is interesting to see how an excess
has been avoided.

(i) It appears that only \$12,500 of the
proposed £30,000 has been put on
the estimates, in spite of the rather
short list of goods always laid on
getting more supplies. I suspect that
the extra expenses which he intended
to get out of the £30,000 are
included in the amount wanted
for rolling stock out of the new
loans. What are they?

(ii) Similarly (item 10) £6,000 for divisions
has been cut out rather than have an
excess on the £300,000. The Govt regards
it as a temporary service, but I
think we must ask whether the
divisions have been constructed
and from what source they have
been or will be paid for?

(iii) The ~~contract~~ dredger & hopper - £10,000.

No doubt this was a genuine under-estimate.
I see that £31,200 appears in the
proposals for the new loan for a dredger
& three hoppers - without any
reference to the previous provision. Probably
Mr Taylor would have regarded the
£10,000 as available for him to
reallocate - or as much of it
was set aside for the two 50-ton
lighters (see 3604) for which I think
I have no indication that the dredger was
taken out of the provision.

36128
14
not sent on

In addition the unreported 60% ...

100 ton lighter is a necessity.

II The £35,000 for new steamer etc. There are sanctioned items amounting to £33,300⁺ but the actual commitments are £42,350⁺ The excess on the "Penguin" is not very serious, as there was nearly as great an excess on the halibut vessel - the "Uloaga", & the Govt is wrong about the 3 fish head lights (£337) not having been sanctioned. See 14316/13 (green label) on which £364 was approved for this loan for this purpose.

As regards the huge excess for the halibutine tanks, Mr. Eastwood, while admitting that the excess ought to have been reported long ago, blames us roundly for giving a bad estimate for work which was on an immense scale. I attach a separate note on this. I think he is wrong.

III The £40,000 for halibutine. Sanctioned items on proposals £29,294, commitments £35,087. Taylor's only serious break on this head is the £3,133 for the Shomangi Beach affair, which the Governor seems to admit was necessary. But the proposals in 7039¹⁰ (which has been referred to C.A.) call for notice. Mr. Eastwood's the Govt wish to change to this head £8330 for Warehouse & Foreshore improvements & to avoid excess by transferring the Custom House (£5000) to the halibutine

Remember that some of the £42,350⁺ including the £485 in 1101

I + I think he should write with H

It was my fault to the amount used for the scheme under new Loan.

Yape 6-2-15

Experiment 1151/15

Yes 6-2-15. Cambridge written C.S.D. 15.2.15

I have no as to H-8

Separation of the £250,000 loan. In 7039 Mr. Eastwood put the disappropria- tions balance of £60,000 at £5,330. I do not know how he got at this amount since his present figures indicate that of both the £8333 and the £5000 are included the excess on the £20,000 would only be £87. I should prefer to allow this small excess rather than have any more shuffling between loans, but £5,000 off the ^{final} balance of £6697 leaves very little & we may want £2,000 for the Resurrex machine workshops which there is every reason to believe the Treasury will finally disallow as a charge against the 1914 Rly. Act's moneys. By the time we get the C.A.'s reply to our letter on 7039 we shall be better able to judge. They might be reminded.

Subject to this point, we might? Get receipt & express receipt at the state of things which has been done to notice by Mr. Eastwood & say that without any desire to suggest that Mr. Eastwood himself would be invited to forward to this to show the S.P. cannot but consider that the facts required to be clearly the necessity of referring to disbursements to the financial

limitation of the General Managers
position of the new allocation of the money
- 1/2 etc. as to the two points

(i) (ii) exp. 3 of the minute - explain
as briefly as possible our position in the
matter of the oil tanks - refer to 14.2.15/3
as to the pier head lights - and, with
reference to the disposable balance (if
any is left after of the £2,000 has
to be put on to this loan), say that
it would appear desirable to get to the
end of this loan before as soon
as possible so as to reduce the
number of resources from which capital
expenditure can be met and the
chances of future complications
& confusion.

x figure Rly. Co
£250,000 loan
£375,000 loan
Major's special
New Loan
Revenue

W.L.D. 12.3.15

Dft: Crown - Sir J. Fisher

to see Dft

at once

8.2.15

15/7/15

Sir J. Fisher
K.P.

6th report to item 49 (Exp 7034.7) says
C.A. which tells me that the C & A have some
proposed to make. He could not say that the
total would be extra cost, but I suppose
that it will be had to be spoken as in
the report. It will report by the end
of the week, but I suggest that in
the report it will be had to be spoken as in

para: 12 of my draft memo - that the
item should overflow on to revenue
loan being used for the Customs (off
41) & the Revenue Marine shops of
necessity.

W.L.D. 17/3/15

See now Govt/12498, in which it is
proposed, as I had done, to charge the £2,000
to the £375,000 loan. Dft. altered accordingly

W.L.D. 17.3.15

H. J. R.

18/3/15

Limitation of the General Manager's
position - I refer to the two points

(i) & (ii) on p. 3 of my minute - explain
as briefly as possible our position in the
matter of the oil tanks - refer to the 2 1/2 %
as to the pier head lights - and, with
reference to the disposable balance (if
any is left after if the £2000 has
to be put on to this loan), say that
it would appear desirable to get to the
end of this loan before as soon
as possible so as to reduce the
number of sources from which capital
expenditure can be met and the
chances of future complications
& confusion.

x Agence Rly. Co
£250,000 loan
£375,000 loan
Mogad. Special
New Loan
Revenue

12.3.15

Dft: Green - Li. J. Fisher

to see Dft

about

8.3.15

15/11/15

With regard to item 49 (see
705/15), Mr. Green tells me that the C.E. have
nothing to make. He could not say that they
could resolve extra cost, but I suppose
the C.E. will report by the end
of March, but I suggest that in
the event it will be best to proceed as in

para: 12 of my draft herewith - that this
item should overflow on to revenue
loan being used for the Customs & Excise
41) & the Mexican Marine shops if
necessary.

17/3/15

See now Govt/12498, in which it is
proposed, as I had done, to charge the £20,000
to the £375,000 loan. Dft. altered accordingly

17.3.15

H. J. R.

18/3/15

Oil Tanks - Kibikini

130

60526/2

482 1/2

Estimated cost	£ 6000
Subsequently proposed for exc. vation	92
	£ 692
Actual cost	(11056/15) £ 11,580
	(11067/15) 485
	£ 120,65

Mr. Eastwood says that we ought to have known that £6000 was an impossibly low figure or that, if we didn't, the C.E. ought to have told us; & that we ought to have made it clear that the £6,000 was approved towards the cost & not as the full cost of the tanks. He thinks however that possibly we never meant it to cover these two big tanks, which are much too large for present requirements.

The question was fully considered, first by the Acting General Manager, next by the C.A. in consultation with the A.P. Division, Oil Co & the Taylor boys, & then by the Act's G.M. again before reference to the Gov. & the S.D.S. There is no room for doubt that the Sandiford knew what he wanted & knew that he was providing for the future rather than the present. The A.P. Co. had full rights as to his views & gave theirs (was committed) estimate after consulting their Consulting Engineer & allowing for the high cost of materials. Their estimate did not provide for foundations, & as Sandiford considered that he could provide for them & contingencies within £1000.

If certain things had appeared, that the C.A.

part the matter to the C.E., probably they thought
 that it was unnecessary as they had the
 benefit of expert advice on the
 cost of constructing big works on the
 other

Table of items:

	Estimate	Actual	Excess %
Cost of Tanks at Akhadin	£ 3,450	4,046	26 ^(u)
" " Section	1,476	2,419	64 ^(u)
" " Pipe fittings &c	180	1,320	7 ^(o)
" " Section of do	-	206	
" " Foundations	500	900	80
" " Excavations, &c.	921	2,464	27 ^(u)
" " paving & stone slab	for contingencies	310	
	£ 6,900	£ 12,065	74 ^(u)

- (1) This is the point on which the P.C. might have been expected to make a better shot
- (2) Now I think the Standard was to blame. We were very generous - but a cost of erection, & the Uganda Rly. have much experience. In accepting the estimate the Standard knew that it was intended that the C.E. should check so that such points as passages were necessarily worked.
- (3) The scope of the work was much extended beyond any they suggested to the C.E., who could hardly have been expected to go beyond what was put before them. Still the C.E. would have recommended extra work, can hardly be judged now.

para. 2 of Mr. Eastwood's letter

The matter came to the C.E. notice on Dec 11th 1911
 we got the Govt's views on Dec 21st & the
 contract was signed by Dec 31st. It came
 for an agreed scheme considered by
 the committee, and was approved accordingly
 without any reservation.

paper
 14. 2. 1912

We might of course ask C.E. for the
 above, but I see little use in going
 further into the matter. The Oil Co. are
 only primarily responsible for the estimate
 for the cost of the tanks, & this is the
 item which shows the least economy.
 As regards the £921 (or £920) for
 excavations please see 482^(u); it
 must surely have been obvious by then
 that £921 would not be nearly enough

All we said was that the money
 could not be changed to U.R. Acts, & being
 - it is distinctly a "Capital" charge
 & comes properly under this head

Eastwood
 12. 3. 15

132

11056
MAR 15

GOVERNMENT HOUSE,
NAIROBI,
BRITISH EAST AFRICA

AFRICA PROTECTORATE

No. 26



January 15th 1915.

4729-20

Sir,

I have the honour to address you on the subject of the £375,000 loan from Imperial Funds to this Protectorate and to inform you that the Acting Manager of the Uganda Railway has brought to my notice a number of circumstances in connexion with expenditure chargeable thereto which I regret to state should have been reported to you at an earlier date.

Schedules A & B

Ag. General
Mngr. Ug. Ry.
12. 14.

2. The original general allocation of the funds made available by the loan as notified in your despatch No. 408 of July 16th, 1912, was as follows:-

Sums
21808
1/2

- (1) Engines, rolling stock, and other improvements on the Uganda Railway and at the Lake Victoria Ports..... £300,000
- (2) Additional Cargo steamer or extension of shipping facilities at Lake Ports..... 35,000
- (3) Improvements in terminal facilities at Kilindini .. 40,000

£375,000

RIGHT HONOURABLE

LEWIS HARCOURT, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON, S.W.

For convenience in reference I attach two schedules one of which shows the details of the expenditure sanctioned by you against the loan funds and the other the expenditure actually incurred or in respect of which liabilities will arise.

3. You will observe that there should be an available balance of £12,406, viz: £1,700 of the £35,000 earmarked for the new cargo steamer or for shipping facilities at the Lake Ports and £10,706 of the £40,000 provided for improvements to terminal facilities at the Port of Kilindini. There is actually an available balance of £7,182 but the provision under the £35,000 is exceeded by £6,865, whilst savings against the £300,000 for Engines, rolling stock and improvements to the line are available to the extent of £9,134 and against the £40,000 for terminal facilities to the extent of £4,913.

4. Although the total available balance is only £6,224 less than it should be, considerable differences in the details of the expenditure as sanctioned and incurred respectively are disclosed in Schedule B. In some cases these differences are due to natural minor savings or excesses on the estimated cost of works and material but in others I regret to state they are due to unauthorised works having been undertaken by the late Manager and to considerable, and hitherto unreported,

variations

variations between the estimated and actual cost of some of the approved services. To meet the charges which have thus arisen or will shortly arise the late Manager proposed to abandon certain works which had received your sanction. In fact I now find that Mr. Taylor, on his own initiative and without reference, prepared a complete redistribution of the whole of the £375,000. I do not wish to enlarge on the irregularity of these proceedings and I am sure that Mr. Taylor acted as he considered best in the interests of Government. I am further satisfied that the whole of the expenditure contained in the revised programme is necessary and that the works which it is proposed to abandon can be postponed without serious inconvenience.

5. I will now refer to the principal items in Schedule B which call for comment and I trust that you will be able to accord your sanction to the reappropriation of the loan funds as indicated in Column IV of that schedule. Such sanction will necessitate a redistribution of funds between the ^{three} general heads quoted in your despatch of July 16th, 1918 as well as a reconsideration of the detailed sanctions which you have intimated from time to time.

6. Item 1. The figure of £165,745 shown in Column III is made up of the £30,000 for "additional engines" and £135,745 of the £146,500 for "indenta already placed" in Schedule A. When the advices were received from the Crown Agents of the cost

Treas
21878
12

X No 56

no 923

cost of these indents, it became apparent that the complete cost of the works concerned would be, not £146,500, but approximately £164,500, and it was at this stage that the late Manager prepared his redistribution. Instead of the full £30,000 approved in your telegram of May 15th 1913 for "additional engines" being spent, only £12,500 was expended for locomotives, £14,496 being diverted to the cost of 30 covered goods bogie wagons of the Magadi type which it had originally been intended to charge to the special Magadi Grant but which, owing partly to underestimating and partly to the reduction of that Grant from £350,000 to £157,000, could no longer be so charged. There is further included in this sum of £14,496 an excess on the estimated cost of 60 other wagons which remained as a charge against the Magadi loan.

Yours
16052
TB

7. Item 8. The £13,105 in Column III represents, in addition to the £10,000 specifically sanctioned in your telegram of May 15th, 1913, £3,105 of the "Indents already placed". There is a total of £4,605 available for reallocation from this item.

Yours
16052
TB

Item 10. The £6,000 provided for the completion of diversions was cut out altogether when the necessity for reappropriation became apparent. As a matter of fact this work is really more in connexion with the improvements for the Magadi Traffic than for the general work of the Railway.

Item 12.

X 16052/13

Item 12. The increased provision includes a new station at mile 333 which was not included in the original programme.

Items 13 and 14. The cost of the material was overestimated in both cases.

Item 17. The late Manager diverted £2,097 of the original provision to Items 18 (the whole) and Item 12 (£1,600).

Item 19. This is the largest abandoned work. The original provision of £10,000 was after enquiry found to be quite inadequate and it is now estimated that good and efficient plant would cost at least £30,000.

Item 20. This is the purchase reported to you in my despatches No. 742 of August 10th and No. 876 of October 7th last and in your despatch No. 874 of September 25th you approved the necessary reallocation from item 19.

Items 21 and 22. In these two cases the late Manager was made aware that the provision was inadequate but without reference to higher authority he instructed the Crown Agents to proceed with the order.

Item 24. It now appears that the previous provision was inadequate.

Item 26. Not more than £5,000 can be expended on the Mjanji Pier until more effective plant is made available. £2,500 can therefore be reappropriated.

Item 27. The figure of £4,632 in Column III is made up of £2,632 of the £146,500 for "Indents already

Handwritten notes: 36041/14, 4499 3/14, 36041/14

Large area of heavy scribbles and illegible handwriting at the bottom of the page.

5.50
16052/13

already placed" and £2,000 specifically mentioned in the enclosure to my despatch No. 27 April 8th, 1913. It is, however, now proposed to expend only £2,000 in all leaving £2,632 available for reallocation.

Items 28 and 29. The figures in Column III also represent a portion of the "Indents already placed". In both cases the material from England cost more than was estimated. Further, more extensive additions than were originally contemplated were undertaken (without reference or sanction), especially in the case of the wharf itself.

Item 30. This was a minor alteration to the existing sheds to provide greater facilities in working.

Item 31. £965 was included in the "Indents already placed". This sum was inadequate and an excess of £1,413 occurred. The excess is covered by savings on item 13.

8. Item 32. The excess on the provision for the S.S. "Rusinga" appears at £2,188 and as the vessel was not to have cost more than S.S. "Usoga" it is convenient to compare the cost of the two ships. The contract price at home was the same but higher freight charges brought the cost in Kilindini of the "Rusinga" to £357 more than that of the "Usoga". A hitch in the launching of the "Rusinga" was responsible for another £198 and cessation of work during the strike for £120.

X 16052/13

A slight rearrangement of the cabin accommodation is also recommended at a cost of £100. The total cost of this vessel £29,448, is only £761 more than that of the "Usoga" in spite of the special circumstances noted above and the Marine Superintendent reports that delays due to abnormal sickness and to defence measures, which had to be undertaken at Kisumu during the past half year, also contributed to the increased cost of the work.

9. Item 33. This item represents perhaps the most serious underestimate and I enclose a copy of a letter from the Acting General Manager on the subject.

10. Item 34. This is another example of unauthorised expenditure undertaken by the late Manager though the lighting of the Lake is a policy approved by you.

Items 35, 36 and 37. These are charges contingent to the construction of the "Rusinga" and are properly debitable to the £35,000.

Item 39. The estimate for the cranes at Kilindini was inadequate.

Item 40. The amount approved for the new baggage room was excessive.

Items 41 and 49. These are the items referred to in my despatch No. 1049 of December 23rd.

Item 43. The original provision of £300 contemplated the reconstruction of the shed as well as its removal. It, however, became clear that the old shed was quite inadequate both as regards capacity

and arrangements so that its re-erection would not be profitable.

Item 45. The timber and coal stacking ground at Shimanzi beach, Kilindini harbour, was a work which was carried out by the late Manager without reference to me. The expenditure incurred is mostly on account of material for laying a short line from the existing wharf to the Shimanzi Beach in order to relieve the congestion which is so seriously felt at present.

Item 46. The Yacht Club House interfered with the plans for the new Pier. The building is being utilised as a Post Office on the wharf premises.

Item 47 was necessitated by the increase in ~~traffic~~.

11. As regards the "unallocated balances" to which I have already alluded in paragraph 3 supra, you will observe that there is £9,134 available from the mainhead "Engines", rolling stock and Improvements to the line" but on the other hand £8,565 more has been allocated to the head "Cargo Steamer and facilities at Lake Ports" than has hitherto been sanctioned by you £5,793 more to "Terminal Facilities at Kilindini". The available balance out of the loan is £7,182 and I will approach you at a later date as to its disposal.

I am addressing you in a separate despatch on the subject of the financial irregularities committed by Mr. Taylor and in the meantime I can only again express my regret that these irregularities

occurred

Nov 26 1897
800/11067

secured and request your sanction to the reappropriation now submitted for approval.

I have the honour to be,

Sir,

Your humble, obedient servant,

W. Conway
Alway Beyard

GOVERNOR.

18th December 1914

To,

The Honourable
The Chief Secretary
to the Government,
N A I R O B I.

Sir,

Oil Storage Installation at
Kilindini for the steamers
on Lake Victoria.

When it was decided that oil fuel should be used on the steamers on Lake Victoria the question arose as to the provision of oil storage accommodation. The negotiations in the first place were with the Asiatic Petroleum Company, who offered to erect storage accommodation at Kilindini at a charge of three shillings per ton of oil fuel supplied. The negotiations with the Asiatic Petroleum Co. ultimately fell through and arrangements were finally made with the Anglo-Persian Oil Company to supply the Railway with what oil fuel we required, the Railway to provide storage accommodation at Kilindini, which the Anglo-Persian Oil Company would erect for us at cost price.

2. It was decided to erect two tanks of 4,000 tons (equal to 1,000,000 gallons) each, the best erected at Kilindini being estimated approximately at £5,100, exclusive of foundations, also exclusive of earthwork in excavation

excavation and bunds, pipes, valves, pumps, air locks, etc. etc. necessary for the purpose of filling the travelling oil tanks, or transferring oil from one tank to the other.

3. It was considered desirable that the Railway should have its own storage accommodation, otherwise we would be in the hands of the Company owing the tanks, and could not take advantage of market fluctuations when they offered favourable conditions of purchase from sources other than the owners of the tanks, and in his despatch No. 908 dated the 31st December 1912^x the Secretary of State approved of the cost of the installation being met from the balance left after providing for the New Cargo Steamer out of the appropriation of £35,000 reserved for that purpose, and £6,000 was earmarked for the "Oil Installation".

4. I regret that I must now inform you that the provision of £6,000 has proved wholly inadequate and insufficient for this purpose, and with the experience we have gained and the knowledge we now possess of all of the requirements and work necessary for and forming part of an installation of ~~such~~ nature I would most respectfully submit that with the knowledge at their disposal and at the disposal of the Consulting Engineers the Colonial Office should have been aware that it was not possible to ~~do~~ out the work that was proposed for the amount ~~of~~ £6,000, and also should have ~~known~~ that there was ~~an~~ £6,000 was given "towards" ~~the~~ cost of the installation. The excess on the appropriation is £3,580, and I would ask ^{that} the Secretary's ~~attention~~.

x 40528/12

Gov
40528
12

sanction be obtained to this expenditure.

5. I do not in any way wish to put the foregoing paragraph forward as a reason for having incurred expenditure without the proper sanction having been obtained for it, as I have to admit that there is no satisfactory explanation that can be offered on the part of the Railway in this matter. The greater cost should have been brought to your notice in May or June 1913, but unfortunately the proper procedure was not followed. As I have before stated I can give no satisfactory explanation concerning this.

6. The Anglo-Persian Oil Company gave the following estimate of the approximate cost.

2/88'-6" dia: tanks delivered at Glasgow	£	3,050
Freight, dues, insurance etc. plus 10 tons of erection tools		400
Erection at £6/- per ton ..		1,476
300 yards 5" pipes } ..		180
100'-5" flexible hose }		
Total		£. 5,106

and on these figures the £6,000 was apportioned as follows:-

Cost of tanks erected ..	5,106
Foundations	500
Contingencies	394
<hr/>	
£. 6,000	

7. Against these two estimates I give the actual expenditure.

3-

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Erection at £6/- per ton	1,476
300 yards 5" pipes	}	180
100'-5" flexible hose		
Total		£ 5,106

and on these figures the £6,000 was apportioned as follows:-

Cost of tanks erected	£ 3,106
Foundations	500
Contingencies	394
		£ 6,000

7. Against these two estimates I give the actual expenditure.

(1)

(1)	Cost of Tanks landed at Kilindini	4,446	
	* Labour in erecting, passages, etc. etc.	<u>1,934</u>	6,380
(2)	Cost of pipe fittings, pumps, boiler, etc. etc.	1,320	
	* Erection ..	<u>206</u>	1,526
(3)	Cost of Concrete in foundations		900
	Laying sand do.		
(4)	Cost of Excavation, making bunds and general work.		2,464
(5)	Cost of fencing and store shed (not yet expended).		<u>310</u>
			<u>Total £. 11,580</u>

8. The cost of the tanks is as per our invoices, and the cost of erection the amount (Rs.29,000) given by the Agents of the Anglo-Persian Oil Company as the total amount of their expenditure in connection with the erection, and the importation and repatriation of labour. It will be seen, therefore, that the cost of the tanks alone is more than the appropriation for the complete installation.

It should be stated that the estimate given by the Anglo-Persian Oil Company was an approximate one, for which they accepted no responsibility, and that they carried out the work for us at actual cost with no charge for either profit or Consulting Engineers' fees.

9. Item 2. This is no appropriation or provision for this expenditure, unless it comes under the amount of £394 allowed for Contingencies.

10. Item 1. The foundations of the tanks consist of an outer ring of concrete filled in with sand to the floor level. The sand is laid in layers of 4 to 5 inches, watered and rolled. The concrete wall of one tank cracked

and it was necessary to underpin it, and it was considered imperative that the concrete walls of both tanks should be strengthened by an outside ring of concrete, so that the concrete work is now practically twice the quantity that it was originally intended to be. The cost of filling with sand in the way this work is carried out is also very expensive.

11. Item 4 The tanks are built on the side of a hill, and preparing a level floor at the requisite height above rail level necessitated an excavation in the side of the hill that the deepest point was over 20 feet. Bunds had to be formed to make an earthwork reservoir deep and large enough to hold the contents of the tanks so that in the case of a disaster to the tanks the oil, to the value of nearly £10,000 a full tank, would not be a loss to the Administration. It also includes the cost of testing the tanks by pumping them full of water to see if they were water tight, and this with the limited appliances at our disposal, was responsible for a serious expenditure.

An estimate for £921 was sent to the Secretary of State for sanction in connection with this work while he was prepared to sanction it stated that he could not do so against "Capital" funds, but that it must be met from some other source. This unfortunately was not done. There was also a reappropriation by the General Manager of £1,000 for two sanctions, amounting to £87,771 would be applied to the railway.

12. The question arises, when the amount of the Secretary of State's sanction is considered, as to whether it was originally intended to put up the storage accommodation we now possess. The probable consumption of the Lake Victoria Fleet when the oil installation on

all the steamers should be completed was estimated at 200 tons per month, say 2,500 tons per annum. No definite figure could be given as to the consumption as we were wholly without experience regarding it. This approximation however was very nearly correct, as 8½ months running of the S. S. "USOGA" averages 40 tons of oil per month, so that if all the steamers and tugs should be working with oil fuel the consumption should be

Urogo and Sawings - 40 tons each	80
Syanza	40
Clement Hall	35
Winifred	30
Tug Kavironao	40
Percy Anderson	20

Total, tons 245

This gives say 3,000 tons per annum.

13. The contract with the Anglo-Persian Oil Company provides for 4 months notice being given as to the supply of oil, the delivery to be in 3/4,000 ton lots and not exceeding 6,000 tons. A 6,000 ton consignment would last us two years when all our fleet is fully equipped, or 2½ years under the presumption of what our consumption would be at the time the negotiations were in progress.

14. The two tanks have an accommodation of over 2½ years supply of our requirements without any replenishment taking place during that period, or a sufficient accommodation for both the Railway and the Steamers, based on a 3 monthly supply, if all the locomotive work was done with oil fuel.

15. It is probable that two tanks were erected so that

that in the event of an accident to one tank our supply of fuel and the work of the Lake Steamers would not be interfered with, but even allowing for this recognition of and precaution against eventualities I still think that the point raised in the first sentence of paragraph 12 would account for a very great part of the excess expenditure that has been incurred.

I have the honor to be,

Sir,

Your obedient servant,

sd/- B. EASTWOOD.

Ag. General Manager,
Uganda Railway.

*L. H. ...
...
...*

INCLOSURE

In Despatch No. 26 of 18/5

117

11056

REC'D NO
RE 8 MAR 15

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Government
Secretary
to
the
Government
of
India
Bombay
Office
15th
March
1915

Schedule showing the approximate final cost of purchases and works, completed or in hand, chargeable to the £375,000 loan as compared with the expenditure sanctioned by the Secretary of State.

II Details.		III Amount sanctioned by Secretary of State. (See Schedule A)		IV Approximate final cost		Increase or Decrease.	
		Amount. £.	Total. £.	Amount. £.	Total. £.	Amount. £.	Total. £.
I. Engines, rolling stock, and other improvements to Railway Line and at Lake Ports.							
1.	Engines and rolling stock.	165,745		173,058		+ 7,308	
2.	Staff Quarters, Kilindini.	4,800		4,800		-	
3.	" " Voi.	500		Nil		- 500	
4.	" " Makindu	4,400		3,856		- 544	
5.	" " Nairobi.	5,000		5,000		-	
6.	" " Nakuru.	2,000		1,737		- 263	
7.	" " Kisumu.	7,600		7,987		+ 387	
8.	New Landies, Kisumu.	18,105		8,500		- 4,605	
9.	Houses for three European Stationmasters.	1,500		1,500		-	
10.	Completion of Diversions.	6,000		Nil		- 6,000	
11.	Extension of engine shed, Nakuru.	1,000		1,000		-	
12.	Additional Stations.	11,200		12,800		+ 1,600	
13.	Nairobi Yard and Workshops.	14,000		11,762		- 2,238	
14.	Extension of S. res, Kilindini.	5,000		4,000		- 1,000	
15.	Water Supplies.	5,000		5,000		-	
16.	Goods shed, Nakuru.	2,000		1,406		- 594	
17.	Traffic improvements, Nairobi.	5,000		2,908		- 2,092	
18.	Approach to goods sheds, Kisumu.	-		500		+ 500	
19.	Dredger and Hopper.	17,000		Nil		-10,000	
20.	Two 100 ton lighters.	-		1,062		+ 1,062	
21.	Ice-driving barge.	4,500		4,900		+ 400	
22.	Four 100 ton lighters.	6,000		9,522		+ 3,522	
23.	Cranes.	2,000		2,000		-	
24.	Bukabata Pier.	2,000		2,500		+ 500	
25.	Jinja pier.	5,000		5,000		-	
26.	Miami Pier.	5,000		5,000		- 2,500	
27.	New Machinery.	2,689		2,000		- 2,689	
28.	Extension to shed, Kisumu wharf.	5,000		5,000		+ 2,178	
29.	Extension to Kisumu wharf.	5,000		5,500		+ 4,274	
30.	Alteration to shed Kisumu wharf.	-		-		+ 213	
31.	Pneumatic drilling plant and machinery.	500		500		-	
		800,000		890,866		+ 1,418	- 9,124

27.	New Machinery.					
28.	Extension to shed, Kisumu wharf.	3,827		5,000		+ 2,173
29.	Extension to Kisumu wharf.	1,228		5,500		+ 4,272
30.	Alteration to shed Kisumu wharf.			200		+ 200
31.	Pneumatic drilling plant and machinery.	365		3,378		+ 3,013
			300,000		298,868	- 1,132
II. Additional Cargo steamer or extension of shipping facilities, Lake Ports.						
32.	New cargo steamer "Rusinga".	27,300		29,488		+ 2,188
33.	Oil Fuel installation, Kilindini.	6,000		11,580		+ 5,580
34.	Pier, Head Lights.	-		337		+ 337
35.	Ten temporary landies, Kisumu.	-		235		+ 235
36.	Road for shear-logs, Kisumu.	-		176		+ 176
37.	Latrines for temporary landies, Kisumu.	-		49		+ 49
			38,300		41,865	+ 3,565
III Terminal Facilities at Kilindini.						
38.	Electric Lighting Plant.	1,200		1,200		-
39.	Steam Cranes.	4,000		4,827		+ 827
40.	Baggage Room.	4,000		3,000		- 1,000
41.	New Customs Offices.	5,000		Nil		- 5,000
42.	Minor alterations.	1,000		1,439		+ 439
43.	Removal of Shed.	300		62		- 238
44.	Purchase of "Charlesworth Land".	12,244		12,244		-
45.	Timber and coal stacking ground, Shimanzi Beach.	-		2,133		+ 2,133
46.	Purchase of Yacht Club House.	-		80		+ 80
47.	Extension of Pier Offices.	-		219		+ 219
48.	Pontoon Landing Stage.	1,550		1,550		-
49.	Warehouse and Foreshore Improvements.	-		8,833		+ 8,833
			29,294		35,087	+ 5,793
IV. Unallocated Balances.						
50.	Engines, rolling stock and improvements to line etc.	-		9,184		+ 9,184
51.	Cargo steamer, facilities at Lake Ports etc.	1,700		6,865		- 5,165
52.	Terminal Facilities at Kilindini.	10,706		4,913		- 5,793
			12,406		7,100	- 5,306
			375,000		375,000	-

For E.A.P. 11056

150



4728-40



(no 18+) Sir,

19 March 1905

Ans'd 21/4/05

DRAFT.

E.A.P. no. 181

Gov. Selfield
MINUTE.

Mr. Brooking 17/3/05

Mr. Reid 18

Mr.

Mr.

Sir G. Eddes.

Sir H. Just.

Sir J. Anderson.

Lord Islington.

Mr. Harcourt.

for common.

x No. 11056

Mr. Anderson
G/press

I have the honour to
ack the receipt of your
despatch no 26 of the 15th
of January on the subject of
the allocation of expenditure
under the £375,000 loan
from Imperial funds to the
East Africa Protectorate
I state with great regret
the number of instances in
which the late General Manager
of the Uganda Railway used
the sanctioned allocation
of funds between stations,
undertook new services, and
abandoned approved services
without any authority
I have no desire to suggest,
and I do not believe, that

The present General changes
would exceed his powers
in this manner, but I
cannot but consider that
the facts disclosed indicate
clearly the necessity for
defining in unmistakable
terms the financial
limitations of the General
changes proposed.

3. I have no wish to dwell
on the details of the question
and I am prepared to
assume that each of the
Taylors' alterations would
have been approved if
submitted for sanction as
the proper thing. Accordingly
I believe of the reallocation
not put forward by the
Estimate, subject to the
obvious that I shall have
occasion to make on items
461 and 49, but I shall
be glad to receive further
info on two points.

151
General Matthews for 1906
If you will notice that of the
£30,000 allocated to ~~the~~ and
expenses only £12,580 was
devoted to that purpose, and
it does not appear whether
the full number of enquiries were
contemplated was actually
obtained and if so for what
since the extra cost was met.

The arrangements for the supply
of enquiries during the last four
years are not altogether easy
to follow and a clear general
statement on the subject would
be very useful. In particular
I am not certain that the
provision of series under
the new loan does not represent
a gross extent posterior of
previous projects which
have, as in this instance,
been kept cut down.

Item 10. Massachusetts
This and other similar
the discussions in question
have been abandoned or
have been kept cut out of

the £375,000 loan programme
In the latter case I should be
glad to learn whether they have
been constructed and if so from
what funds they have been paid
for

4. With regard to item 33, I cannot
pass without notice to Eastwood's
reference to the share of the Colonial
Office in the responsibility for the
excess on the estimated cost of
the oil tanks at Milundini. The
arrangements with the Anglo
Persian Oil Company had to
be completed by the 31st of Dec.
1912, and I first heard of
the negotiations on the 11th
and received your views on
the 23rd of that month. It
was impossible, even if it
had seemed necessary, to give
the matter detailed consideration

40528/12 1/1 p.

x See 10

at that stage without jeopardizing
the whole of the arrangements which
had met with the approval

5. I do not know whether the C.O.
for the Colonies has referred the matter
to the Committee of Enquiry, but the

had the benefit of the Captain's
advice and of the expert
152
knowledge of the Sir Company
and their Country Engineers
with the question of
cost of erection and ^{foundations}
were well within the province
of the Acting General
Engineer, Mr Sandiford,
who, however, was aware
that it was proposed that
the erection should be
carried out by the Company
and that, therefore, expense
would be incurred on
passage.

6. I am afraid that ^{as} it
is impossible to adopt
Eastwood's suggestion that
the sanction of £6000
not have been intended to
cover the whole cost of the
works, seeing that the capacity
of the two tanks was much
in excess of the present
requirements of the service
Mr Sandiford had definitely
proposed two or three

DRAFT.

yellow books, and it is clear that he had in view not only the present but also future requirements. It was that proposal of the estimated cost of £6000, of which I approved.

As a matter of fact, the actual cost of the work that was proposed appears to have been roughly £8000, including the further £485 for erection reported in your Dispatch No. 52 of the 21st

of January and the moderate amount of piping which he saw fit to contemplate, and the balance of the money has been spent on works connected with the tanks which formed no part of the scheme as which he proposed to C.A. to place before the Oil Company. It is possible that the C.A. might have drawn attention to the expediency or desirability

4.05284
CA to A.P. Oil Co. 2/1/1914
parap marked

Joints	4.446
Erection	2.419
Foundations	900
Paint (40511)	182
	<u>£7,947</u>

t. No
(11067)

of these additional works, but I trust that the it is not to be assumed that the estimate of £6000 was put forward by the Railway authorities and to be regarded as a rough outline, intended in all cases to be filled in at home. When the additional work was adopted it must have been clear that their cost might greatly exceed the sum of £920 for "excavation" proposed in your despatch No. 965 of the 11th of December 1913, and it is one of the points which are chiefly to be regretted that the General Manager did not then fully explain the expenditure which was to be involved, independent of the excess on the original scheme. In this connection, I may observe that my decision as to the necessity of the sum of £920 was based on the total of

des para

(482¹³/₁₄)

t. No 621
90996

the money proposed
under the proposed (Budget
Bill), and the change
proposed for the year
admissible against the
£375,000 loan

109A. With regard to item 34

I may point out that the
expenditure of £364 for
pier head lights was submitted
for sanction in your despatch
no: 219 of the 2nd of April 1902⁺
and approved in my despatch
no: 334 of the 6th of May⁺
of that year.

11. The total allocation proposed
amounts to £368,803, in
which is included the £488
referred to in your despatch no: 52 of
the 21st of January⁺ and the
sum of £8,833 for Warehouse
and Foreshore Improvements
at Malindi (item 49), but
not the sum £5,000 for the
new Customs Office (item 41).
The estimate for item 49 may
require revision which have

referred to the officers of the Board
but for which I have
called, but not yet to them there

J. Taylor's account on this matter
shows he communicated to the
Eastward with ref: to his letter
of the 14th of December

(14316/13)

X 14316/13

file
(11067)

(I have indicated
in 11067)
(see further minute)

7039¹⁰

(11154)
(12498)

DRAFT

no
x/12498
f x/12498

is still to be despatched before
£6,697. I have, however,
my letter of the 19th of March,
approved of you the proposal,
contained in your letter of the 21st
of the 15th of March, to deduct
from this balance the sum
of £2,000 required for 154
marine shops at Algiers
and the amount remaining
will therefore be reduced to
£4,697.

~~in consequence of the amount of £2,000~~
loan. With regard to item
#1, I am reluctant to agree
to the proposed transfer of the
£500,000 to the £200,000 loan,
the provision
as it involves yet another
complication as between loans
and the provision of £100,000
(or what remains of it) for
the Deep Water Pier is likely
to be required in full to meet
the cost of the new Harbour
Scheme.

I hope that you will
address me in the subject of

The amount of the balance of the
 £375,000 loan and I
 have no wish to anticipate
 your representations; but I
 would ask you to consider
 whether ~~the~~ balance of it
 would not be desirable to
 close the loan account as
 soon as possible, so as to
 reduce the ~~the~~ numerous
 services for which capital
 expenditure can at present
 be met, and for this purpose
~~to apply the balance to return~~
 the new Customs Offices, and in
 the loan programme
~~the Home Shop, etc.~~
 This would involve an excess
 of £303, which could be met
 by reducing the charge on the
 loan in respect of item 49
 to £8030, the balance being
 met from the Special railway
~~provision~~
 Estimate.

13. On this basis, the final
 allocation of the loan would
 be as follows:—

DRAFT.

As Eastwood

As Eastwood + £2000
 + £485

As Eastwood + £5,000 - 1000
 =

290,836
 44,350
 89,784
1273,000

I. Expenses, rolling stock, and other
 improvements, the way line, and
 of Lake Ports ... £ 200,000

155

II. Additional cargo steamer or
 extension of shipping facilities,
 Lake Ports ... £ 44,350
 £ 43,860

III. Terminal facilities at Mikiwini
 £ 39,784
~~£ 40,469~~
 £ 39,784
 Total £ 375,000

Have etc

///