

1937

38179

5

C0533/482

KENYA

38179

5

K. U. R. DEPRECIATION

RENEWALS

Previous

1936

Subsequent

R. 297

18/12

Mr. Charnock

50.1

Si. J. Campbell

14/12

Mr. Flood

12

Si. G. Bottenley

12

R. 309

7/2

299

5/2

297

10/2

303

12/2

298

7/2

Mr. R. 92

TRANSPORT  
(K.S.R.)

...FOR TRANSPORT.....97.....17.13.36.  
...file with comments and gives reasons why  
...the standard figure should be regarded  
...subject to future adjustment when lives and  
...assets are recomputed.

2

Sir J. Campbell

It is quite true that the memo referred to by  
arguing that some of the assets put in since 1930 were long lived  
( & therefore should contribute less each year) did get down the  
renewals to 2.95. They now say that as a result of taking  
replacement values it can now come down to 2.81. (This too  
is probably reasonable since costs have fallen in some things)

But both are in excess of 2.50 & if we had  
said too much to the Treasury they might easily have said  
"all right pay 2.81 as you can afford it". They had a  
copy of the sleep.

So all we need do, is to ask, next, & say that  
this will have to be considered next year, & that in any case  
whether 3.11 or something less is eventually agreed upon  
as a proper rate for renewals, the 2.50 which is less  
than either of these figures will have to stand.

Copy sent to Treas<sup>r</sup>

J.E.O. 962  
30.1.37

I'd be inclined to ask: would it "note"  
the comment.

*J. Campbell*  
1/2/37

Sir C. Bottley

Then ? So proceed

J.E.O. 962  
1.2.

Yes W.S.B.  
1.2.37  
ind

2 to H.C. Transport - 11. (12202)

5 FEB 1937

4 to Treasury

2 to Treasury (21.1.37) A.C.

17 FEB 1937

C. O.

2

Mr. Grossman 2/2/37  
Mr. *Parker* 2/4 *P.*  
Mr.

- Sir C. Parkinson.
- Sir G. Tomlinson.
- Sir C. Bottomley.
- Sir J. Shuckburgh.
- Permt. U.S. of S.
- Parly. U.S. of S.
- Secretary of State.

C.O  
2-FEB  
4

Downing Street,  
5 February, 1937.

Sir,

**DRAFT.**

TRANSPORT  
KENYA-UGANDA.  
HIGH COMMISSIONER.  
NO. 11

I have etc. to acknowledge  
the receipt of your despatch No. 97 of  
the 18th of December on the subject of  
the contribution to the Renewals Fund.

*it is now  
considered  
that,*

*copy  
drawing*

2. It is noted that as a result  
of the substitution of the replacement  
cost of long lived assets, as estimated  
in 1935, for the original cost as  
computed in 1929, the "full life" rate  
of contribution to the Renewals Fund  
should henceforth be regarded as 2.81%,  
subject to future adjustment when lives  
and assets are recomputed.

**FURTHER ACTION.**

Copy corres. to  
Treasury l.f. ref.  
No. 7. on the 1936  
file.

I have, etc.

(Signed) W. ORMSBY GORE.

RECEIVED  
17 JAN 1937  
C. O. REGY



TRANSPORT.

OFFICE OF THE HIGH COMMISSIONER FOR TRANSPORT,  
GOVERNMENT HOUSE,  
NAIROBI,  
KENYA.

KENYA-UGANDA.

No. 94

12<sup>th</sup> December, 1936.

*He*

Sir,

(8) on 38179/5/36

I have the honour to acknowledge the receipt of your despatch Transport No.107 of the 4th November, from which I note your decision not to press, for the moment, the proposal that the actual rate of contribution to the Renewals Fund should be reduced to a 2% basis.

(3) on 38179/5/36

*M  
has  
been  
long*

2. I observe that in the second paragraph of your despatch you refer to "the full rate of 3.11%". The enclosure to my despatch Transport No.61 of the 25th July indicated that the full rate, as revised by the inclusion in the calculations of long lived assets added since 1930, should now be assessed at 2.95%. I take this opportunity of informing you that, in accordance with recommendation 1. of the Renewals Fund Committee, which was approved in your telegram No.7 of the 14th October, the calculations have now been further modified by the substitution of the replacement cost of assets, as estimated in 1935, for the original cost as computed in 1929. The "full life" rate has consequently been further reduced to 2.81%, which should henceforward be regarded as the standard figure, subject to future adjustment when lives and assets are recomputed.

(6) on 38179/5/36

*alter - (2)*

I have the honour to be,

Sir,

Your most obedient, humble servant,

*W. G. A. Ormsby Gore*

THE RIGHT HONOURABLE  
W. G. A. ORMSBY GORE, M.P.,  
SECRETARY OF STATE FOR THE COLONIES.

*for* HIGH COMMISSIONER.