Item No.	Sanctioned Establishment, 1931	Estimates, 1932	DETAILS.	Estimates, 1932. £	Sanctioned Estimates, 1931. £	Increase. £	Decrease. £	Notes
			XXIV.—PUBLIC WORKS DEPT. —(*Contd.*)					
			Brought forward .. £	77,667	94,596	1,637	18,938	
				3,951	4,383			
			OTHER CHARGES.					
70			Passages	98	204	..	106	*f*
71			Travelling Allowances	3	20	..	17	*o*
72			Local Transport and Travelling ..	200	200			
73			General Maintenance, Material and Casual Labour	4,000	4,000			
74			Uniforms	60	60			
75			Contingencies	20	20			
			Renewals Fund, Mombasa Water Works	..	10,000	..	10,000	*o*
			Total Other Charges	4,381	14,504			
			Total Mombasa Water Supply ..	8,332	18,887			
			KISUMU WATER SUPPLY.					
			PERSONAL EMOLUMENTS.					
			European Staff.					
76	1	1	Inspector (£372 by £18 to £426, by £18 to £480 by £20 to £500) ..	408	390	18	..	*a*
	1		*Relief Inspector*	—	260	..	260	*f*
			Non-European Staff.					
77	1	1	Sub-Foreman	204	195	9	..	*a*
78	1	1	Clerk	140	134	6	..	*a*
79	1	1	Office boy	15	15			
			Total Personal Emoluments.. ..	767	994			
			OTHER CHARGES.					
			Passages		165	..	165	*f*
80			Local Transport and Travelling ..	75	75			
81			Travelling Allowance	3	3			
82			General Maintenance	800	800			
83			Renewals Fund	400	400			
			Total Other Charges	1,278	1,443			
			Total Kisumu Water Supply ..	2,045	2,437			
			ELDORET WATER SUPPLY.					
			PERSONAL EMOLUMENTS.					
			European Staff.					
84	1	1	Inspector (£372 by £18 to £426, by £18 to £480, by £20 to £500) ..	480	462	18	..	*a*
			Non-European Staff.					
85	1	1	Sub-Foreman (Shs. 280 by Shs. 15 to Shs. 360, by Shs. 20 to Shs. 500 per mensem)	195	186	9	..	*a*
86	1	1	Clerk	132	132			
87	1	1	Office boy	15	15			
			Total Personal Emoluments ..	822	795			
			Carried forward .. £	88,044	115,860	1,697	29,486	

a. Normal increments. *f.* Leave movements. *i.* Post in abeyance. *o.* Economy.

Item No.	Sanctioned Establishment, 1931	Estimates, 1932	DETAILS	Estimates, 1932 £	Sanctioned Estimates, 1931 £	Increase £	Decrease £	Notes
			XXIV.—PUBLIC WORKS DEPT.—(*Contd.*)					
			Brought forward .. £	19,673	25,481	320	6,128	
			STORES STAFF.					
			Headquarters.					
24	1	1	*Chief Storekeeper (£720 by £30 to £840)	780	750	30	..	*a*
25	1	1	*Senior Storekeeper (£390 by £18 to £480 by £20 to £600) ..	479	461	18	..	*a*
26	1	1	Assistant Storekeeper (£372 by £18 to £426 by £18 to £480, by £20 to £500)	440	422	18	..	*a*
27	3	3	Clerks	444	426	18	..	*a*
28	2	2	Clerks, Arab and African Clerical Service	165	159	6	.	*a*
29	..	..	Office boys, Watchmen, Store boys, etc	377	491	..	114	*o*
			Divisional.					
30	5	5	†Assistant Storekeepers (£372 by £18 to £426 by £18 to £480 by £20 to £500)	2,282	2,185	97	..	*a*
31	6	6	Clerks	306	1,140	..	834	5*r*
32	2	2	Clerks, Arab and African Clerical Service	177	171	6	..	*a*
33	..	..	Office boys, Watchmen, Store boys, etc.	843	929	..	86	*o*
			Total Stores Staff	6,293	7,134			
			EXECUTIVE STAFF—DIVISIONAL.					
34	5	5	*Executive Engineers (£840 by £40 to £920)	2,760	4,600	..	1,840	2*r*
35	2	2	*Senior Assistant Engineers (£720 by £30 to £840) ..	1,590	1,560	30	..	*a*
36	9	9	†Assistant Engineers (£480 by £20 to £600 by £30 to £720) ..	4,395	4,791		396	2*f*
	1		*Workshops Manager (£600 by £30 to £720)		670		670	*p*
37	2	2	*Senior Overseers (£500 by £20 to £600)	1,180	1,160	20		*a*
38	5	5	*Overseers (£372 by £18 to £426 by £18 to £480 by £20 to £500 ..	2,342	2,269	73	..	*a*
39	2	2	Surveyors (£372 by £18 to £426 by £18 to £480 by £20 to £500)	852	462	390		*a*
40	32	32	Foremen (£300 by £18 to £390 by £18 to £426) ..	10,858	11,405		547	3*f*
41	1	1	Timekeeper, Nairobi (£300 by £18 to £390 by £18 to £426 by £18 to £480 by £20 to £500)	390	372	18	..	*a*
42	1	1	Leading Motor Mechanic (£372 by £18 to £426)	408	390	18	..	*a*
43	..	..	Temporary Works Staff	3,740	8,000	..	4,260	*o*
44	5	5	Motor Mechanics (Shs. 280 by Shs. 15 to Shs. 360 by Shs. 20 to Shs. 500 per mensem)	1,014	885	129	..	*a*, *c*
45	3	3	Sub-Surveyors (Shs. 380 by Shs. 20 to Shs. 500 per mensem) ..	330	841	..	511	*o*
46	12	12	Sub-Foremen (Shs. 280 by Shs. 15 to Shs. 360 thence by Shs. 20 to Shs. 500 per mensem)	2,256	2,811	..	555	*j*
47	12	12	Clerks	2,112	2,059	53	..	*a*
48	4	4	Clerks, Arab and African Clerical Service	294	279	15	..	*a*
49	..	..	Office boys, Watchmen, Timekeepers, etc	1,900	2,021	..	121	*o*
			Total Executive Staff, Divisional ..	36,421	44,575			
			Total Personal Emoluments	62,387	77,190			
			Carried forward .. £	62,387	77,190	1,259	16,062	

* Pensionable office.
† One post pensionable.
‡ Seven appointments pensionable.

a. Normal increments.
c. Change in holder of post.
j. Post in abeyance.

o. Economy.
p. Included under Central Workshops.

Item No.	Sanctioned Estimates, 1931	Estimates, 1932	DETAILS	Estimates, 1932 £	Sanctioned Estimates, 1931 £	Increase. £	Decrease. £	Notes
			XXIII.—PUBLIC DEBT FUNDED					(1)
			Interest					
			£6,000,000 LOAN OF 1901					
			Ordinance No. 39 of 1921 £6,000,000 at 6%					
			Colony £46,277					
			Kenya and Uganda Railways and Harbours £254,723	300,000	300,000			
			£5,000,000 LOAN OF 1907					
			Ordinance No. 22 of 1927 £5,000,000 at 5%					
			Kenya and Uganda Railways and Harbours	250,000	250,000			
			£3,500,000 LOAN OF 1908					
			Ordinance No. 22 of 1927 £3,500,000 at 4½%					
			Colony £9,685					
			Kenya and Uganda Railways and Harbours £147,815	157,500	157,500			
			£3,400,000 LOAN OF 1909					
			Ordinance No. 45 of 1930 £3,400,000 at 4½%					
			Colony £100,526					
			Kenya and Uganda Railways and Harbours £2,474	103,000	153,000	..	..	a
			Sinking Fund					
			£5,000,000 LOAN OF 1901					
			Ordinance No. 39 of 1921 £5,000,000 at Sh. 26 per cent					
			Colony £9,810					
			Kenya and Uganda Railways and Harbours £55,190	65,000	65,000			
			£5,000,000 LOAN OF 1907					
			Ordinance No. 22 of 1927 at Sh. 20 per cent					
			Kenya and Uganda Railways and Harbours	50,000	25,000	25,000	..	b
			£3,500,000 LOAN OF 1908					
			Ordinance No. 22 of 1927 at Sh. 20 per cent					
			Colony £6,596					
			Kenya and Uganda Railways and Harbours £28,404	35,000	17,500	17,500	..	c
			Total Public Debt Funded	1,010,500	815,000	195,500	..	
			Increase £195,500					

(1) Less Revenue Head XI. Items II. to Payment of half-yearly interest on 1st January and 1st July, 1932. (a) Payment due on 15th January, 1932. (b) Payment due on 1st May, 1932. (c) Payment due on 1st May, 1932.

Item No.	Sanctioned Establishment 1931	Estimates 1932	DETAILS	Estimates, 1932. £	Sanctioned Estimates, 1931. £	Increase. £	Decrease £	Notes
			XXII—PRISONS					
			PERSONAL EMOLUMENTS					
			EUROPEAN STAFF					
1	1	1	*Commissioner of Prisons £1,000	1,000	1,000			
2			*Personal Allowance to Mr. C. E. Spencer	100	100			
3	1		*Assistant Commissioner of Prisons (£800)	750	750			
4	1	1	*Senior Superintendent of Prisons £600 by £30 to £720	690	660	30	..	*a*
5		2	*Superintendents of Prisons £500 by £20 to £600	1,140	1,120	20	..	*a*
6	4	4	*Assistant Superintendents of Prisons £300 by £18 to £354, by £18 to £390 by £18 to £480, by £20 to £500	1,536	1,380	156	..	*a,h*
7			Chief Warders £246 by £18 to £300 by £18 to £354 by £18 to £390	2,093	1,995	98	..	*a,h*
8	4		Carpentry and Masonry Instructors 2 at £300 by £18 to £390 (x 18 to £426), 1 at £300	936	1,236	..	300	*n*
9			Uniform Allowances	132	116	16	..	*h*
10			Night Allowances	140	90	60	..	*f*
			Total European Staff	8,517	8,447			
			AFRICAN ESTABLISHMENT					
11			Native Chief Warders Shs. 1,272 each per annum 318		318			
12		9	Sergeant Warders Shs. 912 each per annum 411		411			
13	47	47	Corporal Warders Shs. 624 each per annum 1,466		1,466			
14	84	84	Lance Corporal Warders Shs. 504 each per annum 2,117		2,117			
15	251	251	Warders Shs. 456 each per annum 5,723		5,723			
16	40	40	Recruits Shs. 400 each per annum 800		800			
			10,835					
			Saving on account of half pay leave 400					
				10,435		..	400	
17			Good Conduct Pay	450	418	32	..	*a*
18	4	4	Female Warders	92	92			
19			Detention Camp Overseers	600	500	100	..	*h*
20	1	1	African Schoolmaster (Sh. 80 p.m.)	48	48			
			Total African Establishment	11,625	11,893			
			Carried forward .. £	20,142	20,340	502	700	

* Pensionable.
a Normal increments.
f Leave movements.
h Previous provision inadequate.
n Abolition of one post.

Item No.	Sanctioned Estimates, 1931.	Estimates, 1932.	DETAILS.	Estimates, 1932. £	Sanctioned Estimates, 1931. £	Increase. £	Decrease. £	Notes
			XXI.—PRINTING AND STATIONERY (1). *					(1)
			PERSONAL EMOLUMENTS.					
			SUPERINTENDENCE.					
1	1	1	*†Government Printer	1,000	1,000			
2	1	1	Assistant Government Printer (£600 by £30 to £720)	720	720			
3	1	1	*Press Engineer (£600)	600	600			
4	2	2	European Readers (£300 by £18 to £390 by £18 to £480 by £20 to £500)	795	762	33		*a*
5	2	1	European Copyholders	203	380		177	*o*
6	2	2	Clerks (Learners and Grade C) ..	504	476	28		*a*
7	1	1	*Clerk Special Grade	306	360		54	*o*
8	3	3	Clerks	425	804		379	*c*
9	..	..	Overtime to Staff	200	400		200	*o*
10	..	..	Non-pensionable Allowance ..	17	17			
11	..	..	Office boys and Watchman ..	120	102	18		*a*
			Total Superintendence Personal Emoluments	4,890	5,621			
			LINOTYPE AND MONOTYPE SECTIONS					
12	4	4	Linotype Operators (£372 by £18 to £426 by £18 to £480 by £20 to £500)	1,975	1,962	13		*a*
13	..	1	Assistant Linotype Operator (£180 by £20 to £240)	192		192		*i*
14	1	1	*Assistant Linotype Operator (African)	306	306			
15	..	..	*Personal Allowance to Mr. J. H. Jones	19	19			
16	1	1	Monotype Operator (£372 by £18 to £426 by £18 to £480 by £20 to £500)	463	462	1		*a*
17	1	1	Assistant Monotype Operator ..	100	90	10		*a*
				3,055	2,839			
			COMPOSING SECTION					
18	1	1	Foreman (£500 by £20 to £600) ..	594	580	14		*a*
19	30	28	Compositors	4,224	4,455		231	*o*
20	2	2	Stereotypers	372	354	18		*a*
21	4	2	European Apprentices	303	500		197	*c*
22	3	2	Asian Apprentices	100	100			
23	11	10	African Apprentices	381	401		20	*o*
				5,974	6,390			
			MACHINE SECTION.					
24	1	1	Foreman (£390 by £18 to £480, by £20 to £500)	500	500			
25	10	9	Machinists	1,416	1,659	..	243	*o*
26	16	14	Machine Apprentices and Assistants ..	550	581	..	31	*o*
27	1	1	Fitter (Shs 280 by Shs 15 to Shs 360 p m)	200	195	5	..	*a*
				2,666	2,935			
			Carried forward .. £	16,585	17,785	332	1,532	

(1) Estimated revenue, Gazette Printing, £17,000.
* Pensionable office.
† Present holder not pensionable.
a. Normal increments.
c. Change in holder of post.
i. Transferred from item 21, European Apprentices.
o. Economy.

REVENUE

SUMMARY.

		£	£
Total Revenue		3,318,891	
Total Expenditure—			
Recurrent	£ 3,218,000	..	3,241,000
Non-Recurrent ..	£ 23,000		
Surplus		..	77,891
TOTAL	£	3,318,891	3,318,891

		£
Actual Excess of Assets over Liabilities on 31st December, 1930		510,702
Revised Estimates of Revenue, 1931		3,223,926
		3,736,628
Revised Estimates of Expenditure, 1931 ..		3,336,024
Estimated Excess of Assets over Liabilities on 31st December, 1931		400,604
Estimated Revenue, 1932		3,318,891
		3,719,495
Estimated Expenditure, 1932—		
Recurrent	£ 3,232,748	
Non-Recurrent ..	£ 23,900	3,256,648
Estimated Excess of Assets over Liabilities on 31st December, 1932	£	462,847

Revenue Estimates, 1932

REVENUE

SUMMARY.

		£	£
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Total Expenditure—			
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Non-Recurrent	£ 23,000		
Surplus		..	77,891
TOTAL ..		£ 3,318,891	3,318,891

		£
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Revenue Estimates, 1932

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Non-Recurrent	£ 23,900	3,256,648
Estimated Excess of Assets over Liabilities on 31st December, 1932	£	462,847

Revenue Estimates, 1932

action were taken by your and the Tanganyika Governments.

This Government would accordingly be glad to have the views of your Government on these proposals at an early date.

6. A similar letter is being addressed to the Government of Tanganyika.

I have the honour to be,

Sir,

Your obedient servant,

(Sd.) E. J. SCOTT.

ACTING CHIEF SECRETARY.

His Excellency the Governor,
Nairobi.

8. We have several times been informed that assistance from the Imperial exchequer is wholly out of the question, and on that point I would like to assure you that no thought of appealing for a grant in aid has yet entered the head of any official here.

9. It is true that our estimates of revenue for the current year have proved to be over-optimistic, but I imagine that that has been the case with most Colonies, and we really have been doing our best to produce a budget for next year which will not be disappointing. A heavy loss on the current year is, I am afraid, unavoidable.

10. We are a little touched at times by what appears to be the varying views of the Colonial Office. One day we get instructions that retrenchments must be carried out, another that retrenchments are to be avoided, if possible. I fear that one can't make omelettes without breaking eggs.

11. In case it may be of interest to you I enclose also a copy of a memorandum I addressed to the Colonial Secretary when forwarding the Treasury Annual Report for 1930. The memorandum gives a survey in general terms of the position as I see it. This letter and the papers attached are of course forwarded quite informally and unofficially.

Yours sincerely,

4. As regards the estimates of revenue for next year, I believe that all the items, except customs revenue, are a reasonable anticipation of what we are likely actually to collect under existing conditions. I confess that I had some doubt as to the estimates of customs revenue, and Walsh was sent for from Mombasa to Nairobi to discuss the matter. In the face of various groups of figures which I presented to him he is still emphatically of opinion that his estimates of customs revenue for next year are reasonable, and they have therefore been accepted.

5. The financial position is night and day on one side, and I am continually checking it up. I am interested to-day that, notwithstanding the closing down of many plantations and curtailment of other activities, the number of Native in employment is still not below normal.

6. I feel, and I am expressing my personal view only, that the Secretary of State, supported by the Imperial Treasury, is expecting rather too much from this young Colony in the preparation of its Budget for 1928 under existing conditions, and that, given considerate treatment, it will pull through all right, unless the Empire and western civilisation generally are about to disintegrate. We are alive to our dangers and difficulties and if further curtailment of expenditure prove necessary this, I am sure, can and will be effected.

7. I have suggested, and the Governor has verbally agreed, that we should have a three years' plan, during which time no expansion of services and no single addition to staff should be made; and moreover that we should continually strive still further to reduce expenditure on that now estimated for 1928.

13H 10

THE TREASURY,
NAIROBI,
KENYA.

17th August, 1931.

Confidential.

Ref.No. C/45/1/5/72.

Dear Sir Samuel Wilson,

With reference to paragraph 6 of the Secretary of State's confidential telegram No. 241 dated the 8th instant:-

As I do not know who, since Parkinson's promotion, is in charge of your East African section, I thought that without impropriety I might send to you a copy of a memorandum which I had previously written on the subject of income tax, in case you think it worth while passing it on to the present head of the East African section; I am also enclosing a copy of the letter from Uganda in connection with which my memorandum was written.

2. The imposition of an income tax here would be bitterly contested by the whole of the unofficial European element, on the ground that the absence of an income tax is one of the best inducements for the attraction of capital and of settlers of the pensioner class.

3. As you are aware, the Treasurer here is no longer responsible for the preparation of the Budget. Nevertheless, I have been in close collaboration with the Colonial Secretary (Moore) in its preparation and it seemed to us that if we could produce a Budget based upon a reasonable anticipation of the revenue we are likely to collect next year, showing a surplus of over £60,000, we should not have done so badly.

4./

if the Colony manages to pay its way up to the end of next year, even without realising much in the way of surplus.

Paragraph 8.

I have formed the impression from the correspondence with the Governor that the local people are a little peeved at the emphasis laid on the question of assistance from the Imperial Exchequer. It was not because we had any reason to think that they were definitely contemplating such assistance, but for the reason that as so many other Colonies have dropped on the Exchequer it was very desirable to make it quite clear that Kenya must not contemplate any such possibility.

And because T.T. expressly assumed that they would be able to do so. Also because balance was in danger of being down to zero.

Paragraph 10.

This no doubt relates to remarks in one of the Secretary of State's financial telegrams to the effect that additional taxation was in some degree an alternative to retrenchment, and also possibly to the enquiry made of the Governor whether he could not find some alternative to the proposed retrenchment of four Medical Officers, as it was desirable if possible to avoid retrenchment in public health services. It is of course true that the policy of retrenchment has been pressed, but after all there are retrenchments which are definitely undesirable and should if at all possible be avoided.

There was also the case of Dr Fisher, Chief Native Inspector. WMJ.

J W Allen
15/9/31

Sir C. Bottomley.

I think you will agree that there is no necessity to trouble Sir S. Wilson while he is away about this, and that it can be kept for his return.

There is not much comment to make, but :-

Paragraph 2.

We are of course under no delusion as to the hostility which ~~the~~ an income tax will arouse locally.

Paragraph 3.

We have received advanced copies of the draft estimates for 1932 which show a surplus of £62,243, but do not make provision for any further surplus to cover any amounts taken from balance, in respect of 1931.

Paragraph 4.

I had some talk with Mr. Moore about the estimates, and I have some doubt as regards revenue. They are ~~not~~ perhaps on the optimistic side as they are apparently based to some extent on the hope of something in the nature of better times by the last quarter of next year.

Paragraph 6.

This possibly relates to the extra surplus to which I have already referred. There is no doubt that we have been putting very heavy pressure on the Colony in regard to its finances, but that was very necessary. Personally I should feel relieved

if

DECODE

12 131

Telegram from the Governor of Kenya

to the Secretary of State for the Colonies.

Dated 8th October 1931. Received 12.6 p.m 8th October.

No.316

Financial considerations having necessitated deletions in draft estimates for 1932 of provision for buildings under Public Works Extraordinary. The Government ~~architect~~ one quantity surveyor and one draftsman who are pensionable officers on departmental establishment will consequently be entirely engaged on loan works in 1932. Draft estimates 1932 do not provide for their emoluments which it is proposed pay from loan funds. I shall be glad to know if you agree and to reckon services of these pensionable officers whilst on secondment to loan as pensionable service. It being clearly understood loan funds will not be called upon to bear any part of pension commitments.

Arrd. 14/10

130

C. O.

Mr. Fiston
Mr. Allen 14 attach
Mr.
Mr. Tomlinson.
Sir C. Bottomley
Sir J. Shuckburgh.
Sir G. Grindle.
Permt. U.S. of S.
Parly. U.S. of S.
Secretary of State

DRAFT. Tel (cdi)

17302/31

A 15 OCT

Kenya

Cabled to Sent 6.0 P.M. 14/10/31

Governor Nairobi

No. 316. Your tel 8 Oct.

(2) 316. I agree but suggest that to remove any doubt as to priority of Junior rights provision should be made for Establishments of Officers concerned under Head XXIV with an equivalent reimbursement from loan funds under Revenue Head XI

have been carried out and drastic reductions on expenditure side are still necessary in order to balance budget;

(b) salaries were adjusted to a higher level of general prices than now prevails and may with some justification be regarded as reducible without serious breach of obligations on ground that lower amounts will suffice to maintain adequate standard of living."

The above is an extract from a telegram sent to Fiji on the 8th October. A similar telegram was sent to Ceylon. Subsequently the Ceylon Government have made further representations to the effect that a cut in salaries is inevitable and have asked the definite permission of the Secretary of State for measures imposing a cut to be introduced. These representations are still receiving consideration.

It may be added that the Governor of Uganda has reported that he is anxious to take as soon as possible the preliminary measures necessary for the introduction of income tax on incomes of £300 a year or over. He has communicated with the Governors of Kenya and Tanganyika to find out if they are prepared to introduce income tax too.

20.X

[illegible] for [illegible] session.....

[illegible] that if a tax is [illegible] necessary measure it could [illegible] only for the [illegible] effectively [illegible] at the instance only from Government [illegible] view of [illegible] in introducing [illegible] be [illegible] if you are [illegible] out in matters which [illegible] a [illegible] as ideally as possible to [illegible] of [illegible] in some [illegible] generally [illegible] the [illegible] of [illegible] the [illegible] [illegible] in matter [illegible] allowance.

[illegible] the [illegible] of [illegible] not [illegible] been subsequently [illegible] with [illegible] on the subject.

[illegible] the [illegible] since last [illegible] various [illegible] [illegible] have been recorded for [illegible] Government [illegible] these proceedings have been [illegible] by the Secretary of State as follows:-

[illegible] attitude on this subject is that [illegible] of equality of territorial [illegible] be followed [illegible] any proposal which in effect [illegible] upon a particular section of the community is not in accordance with this principle. [illegible] in matters of public service are in [illegible] only when both the following conditions obtain:-

(a) all possible means of increasing revenue have

have been carried out and drastic reductions on expenditure side are still necessary in order to balance budget;

(b) salaries were adjusted to a higher level of general prices than now prevails and may with some justification be regarded as reducible without serious breach of obligations on ground that lower amounts will suffice to maintain adequate standard of living."

The above is an extract from a telegram sent to Fiji on the 8th October. A similar telegram was sent to Ceylon. Subsequently the Ceylon Government have made further representations to the effect that a cut in salaries is inevitable and have asked the definite permission of the Secretary of State for measures imposing a cut to be introduced. These representations are still receiving consideration.

It may be added that the Governor of Uganda has reported that he is anxious to take as soon as possible the preliminary measures necessary for the introduction of income tax on incomes of £300 a year or over. He has communicated with the Governors of Kenya and Tanganyika to find out if they are prepared to introduce income tax too.

20.X

[illegible]

"be drafted in readiness for Autumn session.....

"I have already recognised that if a tax is introduced as emergency measure it could probably for the most part be effectively collected at the outset only from Government officials and in view of delay in introducing tax I shall be prepared to agree if you are pressed to immediate cut in salaries which should approximate as closely as possible to anticipated effect of income tax in each individual case the cut to be a purely temporary measure pending introduction of tax. On the other hand I recognise that sacrifice has already been called for from service in matter of travelling allowance."

This telegram was dated the 17th of August and there has not been subsequent correspondence with Kenya on the subject.

On the other hand since that date various Colonies, e.g., Ceylon, Fiji, have made proposals for cuts in salary. Governors making these proposals have been informed by the Secretary of State as follows:-

"My general attitude on this subject is that principle of equality of sacrifice should be followed as far as possible and any proposal which in effect means special tax upon a particular section of the community is not in accordance with this principle. Reductions in salaries of public servants are in my view justifiable only when both the following conditions obtain:-

(a) all practicable means of increasing revenue have

Reg. for recd. Pt. 8

Note regarding possibility of introducing Cut in salaries.

Original reg. on 17/7/1931

14/127

In the middle of July last the Governor telegraphed that he anticipated a deficit this year of £114,000. On receipt of this telegram we considered here, in conjunction with the Treasury, possible measures to (a) balance the Budget during the current year and (b) to improve the position for 1932. One of the possibilities which suggested itself was a cut in official salaries, and I estimated roughly that an average cut of 5% on all salaries would yield:-

European salaries	about £42,000
Asiatics "	23,000

The then Secretary of State was, however, definitely adverse to any cut in salaries, and it was accordingly suggested to the Governor that he should consider the introduction of an income tax.

It should be mentioned that the Governor of Tanganyika was at this time pressing to be allowed to introduce a cut in salaries but he was told that:-

"Income tax was definitely preferred even though it amounted in effect only to the same thing since no-one but Government officials would pay it."

The telegram sent to the Governor will be found at No. 1 on 17302/31.

In reply the Governor said that he thought an income tax would be impracticable as an emergency measure. The ~~Governor was told in reply~~ S/S thereupon telegraphed as follows:-

"I consider ..... that necessity for introducing income tax next year should be definitely ~~propagated~~ anticipated and that for this purpose legislation should now

Reg. for recent. Pt. 2

Note regarding possibility of introducing Cut in salaries.

Original reg. on 17/7/1931

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be

COPY Orig Dispatch filed on F1322/3/31 General

15
126

TELEGRAM. From the Governor of Kenya to the Secretary of State for the Colonies.

Dated: 21st October.

(Received, Colonial Office, 4.14 p.m., 21st October, 1931)

.....

No.328.

Reference to draft estimates sent to you under cover of third personal note of the 18th August. The Select Committee on the 1932 estimates has recommended a 10 per cent reduction in this Government's contributations under head 3 items 27 to 30 and deletion of items 31 to 33. In view of salaries revision and other economies I presume that expenditure on institutions covered by items 28 to 30 will be reduced in 1932 and subject to your reply to this telegram I propose to accept recommendations and also to apply it to item 33. As regards items 31 and 32 - should be glad to know whether it is possible to effect economies in or possibly partial suspension of administration of these services next year and to what figure the Kenya contributions could be reduced on these grounds.

No 1

C. O.

Mr. Wheller 2/11

Mr. [illegible]

Mr. Ironson 3/11

Mr. Tomlinson 3/11 at once

Sir C. Bilhimley.

Sir J. Shuckburgh.

Sir G. Grindle.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Cand
11323
31

125/16

Cabled & sent
230 pm 3.11.31

No 331 Tour tel 328

Question ~~of temporary~~ where any
Canadian ~~[illegible]~~ in respect of
Canadian's referred to
is being considered for
whole Colonial Empire
and Imperial telegraph
my decision as soon
as arrived at

DRAFT. Cato: minutes
Tel (Cable)

Governor

Nairobi

DECODE

12417

Telegram from the Governor of Kenya

to the Secretary of State for the Colonies.

Dated 12th December 1931. Received 10.55 a.m 12th December.

No.376

Estimates for 1932 approved by Legislative Council 9th December show estimated revenue £ 3,295,414 estimated recurrent expenditure £ 3,214,227 non-recurrent expenditure £ 32,250 total £ 3,246,477 estimated surplus £ 48,937. Appropriation Bill providing for total estimated expenditure as above was passed by Legislative Council 11th December despatch follows air mail.

Item 94. The title of the office to be changed to "Assistant Chief Veterinary Officer".

Head XVI. MILITARY.

Item 1. Northern Brigade, Kenya's share of expenditure. To be increased from £81,181 to £87,511.

TOTAL HEAD XVI. To be increased from £91,128 to £97,258.

Head XXII. PRISONS.

Item 7. The title of the office to be changed to "Chief Officer" to conform with the provisions of the Prisons Ordinance, 1930.

APPENDIX 'M' TO THE ESTIMATES.

Page 147. The following to be deleted :

"Less contribution from Sudan Government .. £10,000."

TOTAL MILITARY. To be increased from £132,432 to £142,432.

Kenya share to be increased from £81,181 to £87,511.
Uganda share to be increased from £51,251 to £55,121. "

The Hon. the Treasurer seconded.

The question was put and carried by 20 votes to 10 :

AYES: Messrs Bemister, Biss, Major Brassey-Edwards, Messrs Bruce, Deck, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Messrs Holm, Horne, Canon Leakey, Messrs Logan, MacGregor, Rushton, Wade, Walsh, Col. Watkins, Mr. Welby, Col. Wilkinson.

NOES: Capt. Cotter, Col. Durham, Mr. Harvey, Col. Kirkwood, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Sheriff Abdulla bin Salim, Col. Tucker, Capt. Ward.

The Council adjourned till 10 a.m. on Thursday, the 10th December, 1931.

The Hon. the Acting Colonial Secretary moved :

"That the draft Estimates of Revenue and Expenditure for the year 1932 be approved as amended by the Official Recommendations contained in the Report of the Select Committee and further amended as follows :-

REVENUE.

Head I. CUSTOMS.

Class 1.	
Wines, Ale and Beer.	To be increased from £25,000 to £28,000.
Other Food and Drink.	To be increased from £45,000 to £45,750.
Class 3.	
Cotton Yarns and Manufactures.	To be increased from £105,000 to £106,250.
Oils, Fats and Resin Manufactures.	To be increased from £100,000 to £103,000.
Miscellaneous Goods.	To be increased from £150,000 to £150,500.
TOTAL CUSTOMS REVENUE.	To be increased from £752,679 to £761,179.

Head II. LICENCES, DUTIES AND TAXES.

Beer Excise Duty.	To be increased from £2,500 to £4,500.
Licencing of Insurance Companies.	To be increased from £1,500 to £2,000.

The following items to be added :

Sugar Excise Duty ..... £ 10,000.
Tea Excise Duty ..... £ 4,500.
Tobacco Excise Duty .... £ 500.

The following item to be deleted :

Licencing of Shipping Agencies ... £500.

TOTAL HEAD II.	To be increased from £982,696 to £999,696.

Head XI. REIMBURSEMENTS.

Item 1. Uganda Government on account of Customs.	To be reduced from £18,102 to £17,384.

The following item to be added :

Sudan Contribution towards Military Expenditure in Turkana ..... £ 6,150.

TOTAL HEAD XI.	To be increased from £954,220 to £959,632.

EXPENDITURE.

Head III. AGRICULTURAL DEPARTMENT.

Item 88. The title of the office to be changed to "Deputy Director (Animal Industry) and Chief Veterinary Officer"

COLONY AND PROTECTORATE OF KENYA.

LEGISLATIVE COUNCIL.

MINUTES of the Meeting of the Legislative Council held at the Memorial Hall, Nairobi, on Wednesday, the 9th December, 1931.

The Council assembled at 10 a.m., His Excellency the Governor (Brigadier-General Sir Joseph Aloysius Byrne, K.C.M.G., K.B.E., C.B.) presiding.

ABSENT: The Hon. the General Manager, Kenya and Uganda Railways and Harbours.
The Hon. Hakim Singh.
The Hon. Dhanwant Singh.
The Hon. Abdul Wahid.
The Hon. Dr. A. U. Sheth.
The Hon. C. M. Patel.

His Excellency opened the Council with prayer.

The MINUTES of the meeting of the 8th December, 1931, were confirmed.

QUESTION:

The Answer to Question No. 95 was given by the Hon. the Director of Agriculture.

MOTIONS:

The Hon. the Acting Colonial Secretary having moved :

"That the Report of the Select Committee on the draft Estimates for 1932 be adopted subject to the following two amendments :-

(i) That the following words be inserted immediately above the Clerk's signature on page 34:

'Mr. O'Shea attended the greater part of the meetings but declined to sign the Report.'

(ii) That the last sentence of the paragraph on page 27, the marginal note to which is 'Postmasters and Junior Postmasters - items 3 and 4' be deleted and the following substituted therefor:

'Apropos of this, he informed the Committee that under the agreement which included the transfer of the Mombasa Wireless Station, there would be a total general saving to Government and the public of approximately £14,000.'"

The Hon. the Treasurer having seconded.

The debate on the motion continued.

The question was put and carried by 19 votes to 11 :-

AYES: Mr. Biss, Major Brassey-Edwards, Messrs Bruce, Deck, Feild-Jones, Fitzgerald, Gilbert, Dr. Gilks, Messrs Holm, Horne, Canon Leakey, Messrs Logan, MacGregor, Rushton, Wade, Walsh, Col. Watkins, Mr. Welby, Col. Wilkinson.

NOES: Mr. Bemister, Capt. Cotter, Col. Durham, Mr. Harvey, Col. Kirkwood, Mr. O'Shea, Major Robertson-Eustace, Lord Francis Scott, Sheriff Abdulla bin Salim, Col. Tucker, Capt. Ward.

HEAD XXXIII—PUBLIC WORKS EXTRAORDINARY.

Estimates, 1931	£49,722
Estimates, 1932	£8,500
Decrease	£41,222

Miscellaneous Water Supplies, Drainage Schemes, etc.

The sum of £1,500 has been inserted to provide for normal extensions to Water Supplies which are, of course, revenue earning.

Purchase of Mechanical Plant.

£1,000 has been inserted as compared with £3,000 in 1931. It is required for the replacement of essential items of plant in order to enable the services on which they are employed to be continued.

Furniture for New Buildings.

£3,000 represents the estimated requirements for furniture for new loan buildings which will be completed and ready for occupation in 1932.

Town Plots, Roads, and Drains.

In respect of plots sold in 1930 and 1931 it is estimated that demands for roads and drains (the cost of which is included in upset prices) will amount to £1,000. £1,500 was provided in 1931 Estimates.

Minor Works.

£2,000 has been inserted to provide for minor works of an urgent nature only. £5,000 was sanctioned for 1931.

HEAD XXXIV—COLONIAL DEVELOPMENT FUND.

Estimates, 1931	£—
Estimates, 1932	£319

This appears on both sides of the Estimates. The money is received from the Colonial Development Fund, and is contributed to the Veterinary Scholarship Scheme.

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Provision under this Head allows only for maintenance.

Item 3 is composed as follows :—

European House Allowances	£17,619
European Rents	7,046
Asian House Allowances	17,338
Asian Rents	—
African House Allowances	2,201
African Rents	662
Office Rents	9,634
	£54,500

HEAD XXVI—REGISTRAR GENERAL'S DEPARTMENT.

Estimates, 1931	£6,117
Estimates, 1932	£6,007
Decrease	£110

HEAD XXVII—RENT AND INTEREST TO H.H. THE SULTAN OF ZANZIBAR.

Estimates, 1931	£16,000
Estimates, 1932	£16,000

HEAD XXVIII—SECRETARIAT AND LEGISLATIVE COUNCIL.

Estimates, 1931	£22,850
Estimates, 1932	£20,965
Decrease	£1,885

Item 11. Vacancies for a European Clerk and an Asiatic Clerk in the Secretariat and for a European Clerk in the Legislative Council staff are being held in abeyance.

Other charges have been reduced to a minimum.

HEAD XXIX—STATISTICAL DEPARTMENTS.

Estimates, 1931	£26,306
Estimates, 1932	£21,106
Decrease	£5,200

These Estimates are divided into :—

	1932	1931	Increase	Decrease
	£	£	£	£
A. Statistical Section	2,487	2,392	95	—
B. Meteorological Services	2,000	2,100	..	100
C. Native Registration Section	8,829	11,383	..	2,554
D. Registration of Domestic Servants	1,471	2,035	..	564
E. Registration of Births and Deaths	..	..	..	..
F. Finger Print Bureau	6,319	8,396	..	2,077
TOTAL .. £	21,106	26,306	95	5,295

STATISTICAL SECTION—INCREASE £95.

This section will in future undertake statistical work for the Agricultural Department which necessitates additional provision to the extent of £180 for temporary clerical assistance and £20 on account of contingencies.

Under Head III, Agricultural Department, the post of Statistical Officer at £720 is deleted. The net saving is thus £520.

NATIVE REGISTRATION SECTION—DECREASE £2,554.

This decrease has been obtained by a reorganization of the section resulting in a reduction of establishment of two Asian clerks and ten African clerks, and by deferring the purchase of material, existing stocks being sufficient for 1932. No alteration in the work of the section is involved.

FINGER PRINT BUREAU—DECREASE £2,077.

Here also reorganization has made it possible to abolish the post of Assistant Finger Print Officer and ten non-European clerical posts, and this accounts for the greater part of the decrease in expenditure. The Bureau will continue to provide the services which are now given.

HEAD XXX—SURVEY AND REGISTRATION.

Estimates, 1931	£39,765
Estimates, 1932	£36,500
Decrease	£3,265

In 1931 Estimates, provision was made for two European clerks (Learners) in the Administrative Division and one in the Registration Division. These have not been filled in the interests of economy, and it is proposed to delete them for 1932.

Existing vacancies which will be held in abeyance in 1932 are :—

One Staff Surveyor.

Three Computers.

One Draughtsman.

Other charges have been reduced to the lowest possible figures.

HEAD XXXI—TRADE AND INFORMATION OFFICE.

Estimates, 1931	£4,850
Estimates, 1932	£4,800
Decrease	£50

HEAD XXXII—TREASURY.

Estimates, 1931	£27,257
Estimates, 1932	£25,879
Decrease	£1,378

The establishment will be reduced by three non-European clerks, and the vacancies for three European clerks will be held in abeyance in the interests of economy. These, together with a reduction in Messengers and Office Boys, account for the greater part of the decrease, while "Other Charges" show a decrease of £380.

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HEAD XXI—PRINTING AND STATIONERY.

Estimates, 1931	£39,739
Estimates, 1932	£36,534
Decrease ...	£3,205

The necessity for strict economy in printing and stationery has been emphasised to all Departments, and the vote has been reduced accordingly. Staff in the composing, machine, and bookbinding sections has been decreased, and savings are shown on the purchase of paper and stationery, etc.

HEAD XXII—PRISONS.

Estimates, 1931	£51,895
Estimates, 1932	£49,000
Decrease ...	£2,895

The expenditure under this head is mainly dependent on the number of prisoners and detainees who have to be accommodated. Nevertheless, by the exercise of the strictest economy it has been possible to show a saving of £2,895. One post of Technical Instructor has been abolished, and the furlough of certain officers has been postponed.

Item 8.

The saving shown on the cost of prisoners' and detainees' food is, of course, contingent upon the price of foodstuffs.

HEAD XXXIII—PUBLIC DEBT FUNDED.

Estimates, 1931	£815,000
Estimates, 1932	£1,010,500
Increase ...	£195,500

Reimbursements from the Kenya and Uganda Railways and Harbours and from Municipalities amount to £854,749. The net amount payable by the Colony is £155,751, as compared with £88,070 in 1931.

HEAD XXIV—PUBLIC WORKS DEPARTMENT.

Estimates, 1931	£155,352
Estimates, 1932	£114,819
Decrease ...	£40,533

As remarked earlier in this Memorandum, it has been necessary to suspend the construction of new works out of revenue, with the result that there will not be enough work to provide employment for the staff sanctioned in the 1931 Estimates. The staff for which provision has been made in the 1932 draft Estimates is calculated to be barely sufficient for the supervision and maintenance of existing roads, bridges, waterworks, and other services.

New construction will in 1932 be confined to Loan works, and it is proposed to transfer an Architect, two Senior Assistant Quantity Surveyors, and one Draughtsman, formerly employed on revenue work, to Loan staff, and to hold the resulting vacancies in abeyance.

The following posts will also be held in abeyance :—

Headquarters Staff.
- Assistant Director.
- Mechanical Plant Superintendent.
- 3 Sub-Draughtsmen.

Stores Staff.
- 5 Clerks.

Executive Staff—Divisional.
- 2 Executive Engineers.
- 2 Assistant Engineers.
- 3 Foremen.
- 1 Sub-Foreman.

Hydrographic Survey and Administration of Water Law.
- 1 Assistant Engineer, Water Control.
- 1 Clerk.

Water Boring Branch.
- Water Boring Inspector.
- 7 Drill Foremen.
- 6 Assistant Drill Foremen.

Headquarters Staff.

While the post of Assistant Director remains unfilled, one Assistant Engineer will be seconded from the Divisional Executive Staff as Personal Assistant to the Director.

Mombasa Water Supply. Renewals Fund.

The sum of £10,000 has been retained on this account in the 1931 Estimates and provides for the purchase of material which will be used in 1932. Consequently no additional provision will be necessary for the latter year.

Thika Water Supply.

Installation has been deferred in the interests of economy.

Hydrographic Survey and Administration of Water Law.

Continuity of the survey is essential, but only the essential part of the work will be performed with a resultant saving in cost.

Water Boring.

It is difficult to foresee so far ahead the demands that will be made as they are largely dependent on the degree of success met with in various localities. Provision has been made for keeping five water-boring plants in action. In the event of the demand being such as to require an addition, the extra cost will be covered by extra revenue.

The *Central Workshops* and *Timber Seasoning Branch* have been amalgamated and are shown under a separate sub-head. This amalgamation results in a net economy of £891.

HEAD XXV—PUBLIC WORKS RECURRENT.

Estimates, 1931	£183,450
Estimates, 1932	£150,000
Decrease ...	£33,450

HEAD XXI—PRINTING AND STATIONERY.

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While the post of Assistant Director remains unfilled, one Assistant Engineer will be seconded from the Divisional Executive Staff as Personal Assistant to the Director.

Mombasa Water Supply. Renewals Fund.

The sum of £10,000 has been retained on this account in the 1931 Estimates and provides for the purchase of material which will be used in 1932. Consequently no additional provision will be necessary for the latter year.

Thika Water Supply.

Installation has been deferred in the interests of economy.

Hydrographic Survey and Administration of Water Law.

Continuity of the survey is essential, but only the essential part of the work will be performed with a resultant saving in cost.

Water Boring.

It is difficult to foresee so far ahead the demands that will be made as they are largely dependent on the degree of success met with in various localities. Provision has been made for keeping five water-boring plants in action. In the event of the demand being such as to require an addition, the extra cost will be covered by extra revenue.

The *Central Workshops* and *Timber Seasoning Branch* have been amalgamated and are shown under a separate sub-head. This amalgamation results in a net economy of £891.

HEAD XXV—PUBLIC WORKS RECURRENT.

Estimates, 1931	£183,450
Estimates, 1932	£150,000
Decrease ...	£33,450

given seniority according to service, and to meet the position it is proposed
Item 3. to make two additional appointments on the Postmaster grade (£500 to £600),
Item 4. against a reduction of two appointments on the Junior Postmaster, etc., grade, the two new appointments in the higher grade to be considered as earmarked for the Wireless Engineer Operators.

Item 55 (17). *Tracer.*—The work done and required to be done is of equal quality to that performed by the Indian Tracer in the Survey Department and by Sub-Draughtsmen in the Public Works Department, who are on the scales of Sh. 280 by Sh. 15 to Sh. 360, and Sh. 280 by Sh. 15 to Sh. 360 by Sh. 20 to Sh. 500 respectively. It is therefore proposed to place this post on the scale Sh. 210 by Sh. 10 to Sh. 270 and Sh. 280 by Sh. 15 to Sh. 360.

There are no other changes in establishment, and it is proposed to leave certain vacancies unfilled, viz. :—

6 Postal Clerks and Telegraphists;
2 Female Postal Clerks and Telegraphists;
3 Telegraph Inspectors;
8 Non-European Clerks.

Other charges have been reduced where possible in the interests of economy.

HEAD XXa—POST OFFICE AND TELEGRAPHS EXTRAORDINARY.

Estimates, 1931	£11,750
Estimates, 1932	£9,900
Decrease ...	£1,850

In order to meet normal demands for extensions to the existing telegraph and telephone services, the sums of £3,000 and £1,000 have been inserted for *Telephone and Telegraph Extensions and Improvements* and *Rural Telephone Development* respectively, as compared with £5,000 and £2,500 sanctioned for 1931.

Nairobi Telephone Development.

£6,635, of which £4,635 is to be spent in 1932. This consists of two main items :—

(a) *Extension of Nairobi Underground Cable System, £4,325.*

In 1927 a sum of £11,000 was provided for the reconstruction of the Nairobi telephone system in the centre of the town on the underground principle. Besides improving the amenities of the town by the removal of unsightly, heavily-loaded aerial routes, the change was necessary in the interests of the service. The time has now come when the outer parts of the area fall due to be dealt with similarly. The growth of what may be termed suburban Nairobi has been very decided during the past few years; the demand for service to private residences is growing, and with the success of the automatic system and the cheaper rates recently conceded for residential installations, that demand is likely to develop rapidly when trade conditions improve. Moreover, the existing routes in the outer areas have become overcrowded, and, having been erected many years ago, are neither convenient nor in good condition. The position therefore is, that additional circuit accommodation has to be provided, and this can best be done by means of underground cables. In telephone development provision must be made for the future, and the cable extension scheme which is now proposed is the result of a careful development study. The scheme is designed to meet requirements for fifteen years, the usual period in such cases. The Nairobi system, in so far as it is at present proposed to deal with it, must ultimately

go underground, and it would be wasteful and uneconomic to attempt at the present juncture to meet requirements by reconstruction or duplication of the existing aerial routes. The Nairobi telephone system is more than self-supporting, and any necessary expenditure on it is amply justified.

The estimate of £4,325 is made up as follows :—

(1) Business area	£630
(2) Railway Hill	1,060
(3) Hill and Ngong Road	475
(4) Ainsworth Causeway, Parklands	1,335
(5) Salisbury Road	825
Total ...	£4,325

(b) *Satellite Automatic Exchange at Muthaiga, £2,310.*

This proposal is interlinked with that immediately preceding, in so far as that no provision has been made in the latter for additional route accommodation to the Muthaiga District. There are at present 43 subscribers at Muthaiga, and to each of these a two-wire circuit has to be run from the Central Exchange. By installing a "Satellite" at Muthaiga, and concentrating the local subscribers thereon, 10 circuits, or junction lines, would be sufficient to deal with all the traffic in and out of Nairobi. The 33 circuits which would be thrown spare could be taken up to serve intermediate new subscribers, and to save line and route construction. Moreover, 33 points net would be taken off the Central Exchange, and in consequence the need to extend that Exchange would in time be relieved to the extent of those 33 points and all future development in Muthaiga. The proposal is to install a 100-line Satellite, capable of ultimate extension to 200 lines, and it is estimated that the initial installation would meet requirements for five years, and the ultimate capacity, requirements for about fifteen years. The estimated cost is made up as follows :—

Building	£360
Apparatus	£1,950

No regular attendant would be necessary, and all that would be needed would be an occasional visit from a maintenance officer.

The cost of this proposal can be met from a allocation from the £20,000 voted from surplus balances for the Nairobi Automatic Exchange, on which, owing to a very favourable contract and economy in installation, a saving of £3,000 is anticipated.

Yala–Butere Extension, £500.

In accordance with the policy which has been adopted for transferring departmental cross-country lines to the Railway alignment when this can suitably and economically be done, it is proposed to transfer the Yala–Butere section of the cross-country line from Yala to Tororo to the alignment of the Railway extension to Butere. The section from Kisumu to Yala has already been transferred, and, as explained when authority for the latter work was sought, the transfer will help to improve the main telegraph route between Kenya and Uganda and simplify maintenance.

Motor Mail Truck at Mombasa, £265.

The truck—a Morris 30 cwt.—at present in use is at the end of its effective life, and, in fact, is being kept on the road with some difficulty. It has been in service since 1926, and as a type has been suitable and satisfactory. It is proposed to obtain another vehicle of the same make. The estimated cost at Mombasa is £265. There is a good deal of work for a vehicle of this kind at Mombasa, and the service is one which can be provided by the Department more suitably and economically than by contract.

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3 Telegraph Inspectors;
8 Non-European Clerks.

Other charges have been reduced where possible in the interests of economy.

HEAD XXa—POST OFFICE AND TELEGRAPHS EXTRAORDINARY.

Estimates, 1931	£11,790
Estimates, 1932	£9,900
Decrease ...	£1,890

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Item 1. CIVIL AVIATION.

(a) *Maintenance of Landing Grounds.—Decrease £114.*

Details are as follows :—

Nairobi Aerodrome	£146
Kisumu Aerodrome	100
Mombasa Aerodrome	141
Nakuru	25
Naivasha	50
Makindu	25
Voi	25
Reserve and Contingencies	680

(c) *Allowance to Registrar of Aircraft.*

Although this is not a whole time appointment, the work is intricate and difficult, and it is only the necessity for economy that has precluded the insertion of a larger and more appropriate remuneration.

Items 7 & 30. On account of the economic depression, it is anticipated that more money will be required for the maintenance of destitute persons and repatriation.

Item 11. Unless there is a marked improvement in 1932, it is anticipated that Government will be called upon to pay the full amount of its guarantees in respect of Railway Branch Lines, and provision has been made accordingly.

Item 19. *Loans, Management Expenses.—Increase £680.*

The sum is required to provide for the management of the £3,400,000 Loan, and of this increase £233 will be reimbursed by the Kenya and Uganda Railways and Harbours.

Item 31. *Insurance of Motor Vehicles.*

Government owned vehicles are insured against third party risk (excluding the first £100). In the past this has been charged to the "Local Transport and Travelling" vote of the Department possessing the vehicle. It is considered more appropriate to charge this to Miscellaneous Services, and equivalent reductions have been made in the Local Transport and Travelling votes of the Departments concerned.

Item 38. In 1931, £750 was provided under Miscellaneous Services Extraordinary for aviation wireless facilities. It is considered that this should be shown as a recurrent charge, as, in fact, it is, and as it is not exclusively for aviation it is now placed under a separate sub-head.

Item 39. *Embossing Stamps on Cheques.*

It is proposed to apply the embossing system to bank cheques. At present, stamp duty is compounded monthly in arrear by the Banks. This system is cumbersome, and involves a great deal of work since, in order to verify the correctness of the payments made by the Banks, their records have to be checked.

HEAD XVIII.—MISCELLANEOUS SERVICES EXTRAORDINARY.

Estimates, 1931	£7,840
Estimates, 1932	£1,400
Decrease	£6,440

Item 2. The period of redemption of old currency expires on the 31st December, 1931, but funds are required for the cost of remitting the redeemed coins from outstations to the Currency Offices in Nairobi.

HEAD XVIII—PENSIONS AND GRATUITIES.

Estimates, 1931	£124,800
Estimates, 1932	£130,700
Increase	£5,900

HEAD XIX.—POLICE.

Estimates, 1931	£174,696
Estimates, 1932	£147,998
Decrease	£26,698

This decrease has been obtained by reducing the personnel and other expenses of the Force to the bare minimum required to maintain existing police stations and posts. A period of economic depression is usually accompanied by an increase in crime, and for that reason it is considered that any further reductions would be unsafe. The reductions that have been made mean that in order to continue the proper measures of prevention and detection of crime, petty offences against local ordinances and by-laws will not receive the same attention. In view of the economy effected, it is considered that this step is justified.

It will be seen from the draft Estimates that, while one or two appointments are definitely abolished, a large number of posts still retained in the establishment will not be filled in 1932.

The large reduction in African ranks is mainly due to withdrawals from Native Reserves, where police duties will in future be carried out by the newly-formed Tribal Police.

The Weights and Measures Department is now shown as a separate subdivision.

Reductions in the Railway and Port Police have been made at the request of the Kenya and Uganda Railways and Harbours Administration, who reimburse the cost.

No individual item appears to call for special comment or explanation.

HEAD XX—POST OFFICE AND TELEGRAPHS.

Estimates, 1931	£177,521
Estimates, 1932	£170,150
Decrease	£7,371

The following appear as new items :—

Conveyance of Mails by Air, £3,350.—This is counterbalanced by sale of stamps. Item 43

Provision for five Wireless Engineer Operators for the Mombasa Station was deleted from the 1931 Estimates on account of the proposed lease of the station to Imperial Communications Limited. It is anticipated that the agreement will have been signed and brought into effect on or before the 1st January, 1932. Of the four wireless officers who were on the staff (one vacancy having been left unfilled), one was transferred to Uganda, and it was proposed to absorb the remaining three against vacancies kept open in the Junior Postmaster and Postal Clerk and Telegraphist grade. Three of the four wireless officers have now had a number of years' service, and are on the maximum of the scale. If these men are transferred to the Junior Postmaster and Postal Clerk and Telegraphist grade (the maximum of which is also £500), they cannot, in fairness to the men already on the grade, be

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Item 9.	Office Superintendent.
	1 Assistant Medical Storekeeper.
Items 11-13.	2 European Clerks.
Item 15.	1 Non-European Clerk.
	Dental Surgeons.
Item 19.	Resident Surgical Officer.
Item 20.	1 Senior Medical Officer.
Item 21.	9 Medical Officers.
Item 26.	1 Nursing Sister.
Item 39.	2 Compounders.
Item 44.	1 Senior Health Officer.
Item 45.	6 Health Officers.
Item 47.	1 Senior Sanitary Inspector.
Item 48.	5 Sanitary Inspectors.
	4 Sanitary Overseers.
Item 51.	2 Nursing Sisters.
Item 64.	1 Entomologist.
Items 66-67.	2 Laboratory Assistants.
Item 68.	1 Malaria Overseer.
	2 Indian Laboratory Assistants.

Resident Surgical Officer, European Hospital, Nairobi.

It is proposed to place the administration of both the European and Native Civil Hospitals in the hands of a Medical Officer of experience who will also undertake surgical operations. A junior medical officer will be posted to the European Hospital to assist him and to give medical attention to Government officials both at the hospital and in quarters. This will result in the reduction of one post of Medical Officer and in economical administration of the two hospitals. The retrenchment of the present holder of the post is proposed with reluctance but as conditions have altered considerably since this appointment was first introduced and as private consultants are now available it is considered that provision out of public funds for the appointment of a Resident Surgical Officer is no longer justified.

Senior Medical Officer.

One post is now vacant, and it is not proposed to fill it.

Nine Medical Officers.

There will still remain on the staff thirty-seven medical officers who, on a reorganized scheme, will suffice for the maintenance of existing hospitals.

One Senior Health Officer.

Six Health Officers.

One Senior Sanitary Inspector.

Five Sanitary Inspectors.

Four Sanitary Overseers.

Two Nursing Sisters.

Four Sanitary Inspectors have formerly been seconded to Nairobi and Mombasa Municipalities, but for 1932 the Municipalities have decided to engage their own staff. It is expected that some of the retrenched inspectors will obtain employment in these posts. The remaining reductions have been made possible by amalgamating duties and by the employment of a smaller

number of officers at headquarters. Other charges have been reduced where possible, but as the number of hospitals remains unchanged the margin for economy is comparatively small. A hospital without equipment may just as well be closed.

Only a very small reduction in Grants in aid of Indian and African Child Welfare and Maternity Centres is shown, as this work is of great importance and failure to continue it would large nullify the very good work which has already been done.

HEAD XVa—MEDICAL DEPARTMENT EXTRAORDINARY.

Estimates, 1931	£1,638
Estimates, 1932	£500
Decrease	£1,138

The only item shown for 1932 is Capital Contributions to Hospital and Maternity and Child Welfare Institutions, which has been included for the reasons given in the last paragraph under Head XV above.

HEAD XVI—MILITARY.

Estimates, 1931	£114,411
Estimates, 1932	96,767
Decrease ...	£17,644

These Estimates are divided as follows :—

	1932.	1931.	Decrease.
	£	£	£
A.—Northern Brigade, K.A.R.: Kenya's share of expenditure	87,120	101,128	14,008
B.—K.A.R. Band	2,017	2,268	251
C.—Defence Force	7,630	11,015	3,385
	£96,767	£114,411	£17,644

A.—Northern Brigade, K.A.R.—Decrease £14,008.

Details of expenditure are shown in Appendix M to the draft Estimates. With a view to meeting the present financial position, considerable reductions have been made in the Supply and Transport Corps. At the same time, certain proposals have been made concerning a reorganization of the Brigade with a view to further reductions, but unfortunately it is not yet possible to reflect these in draft Estimates.

B.—K.A.R. Band.—Decrease £251.

Reductions have been shown where possible in the interests of economy.

C.—Defence Force.—Decrease £3,385.

Expenditure has been reduced as far as can be done without endangering essential organization.

HEAD XVII—MISCELLANEOUS SERVICES.

Estimates, 1931	£76,126
Estimates, 1932	£89,597
Increase ...	£13,471

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Estimates, 1931	£76,126
Estimates, 1932	£89,597
Increase	£13,471

HEAD X—GAME DEPARTMENT.

Estimates, 1931	£12,548
Estimates, 1932	£11,064
Decrease ...	£1,484

Item 2 The post of Senior Assistant Game Warden is at present vacant, and it is not proposed to fill it until October, 1932, by which time it is hoped that a candidate having the necessary qualifications may be found.

Item 7 No change has been made in the provision for native scouts, in spite of the fact that an increase is badly needed so that game areas may be more efficiently watched and poaching reduced.

XI—INTEREST.

Estimates, 1931	£72,880
Estimates, 1932 ...	£3,000
Decrease	£69,880

Provision of £3,000 in 1932 is required to meet interest on borrowings to complete the authorized loan programme. The reduction of £69,880 is due to the raising of the 1930 Loan, interest on which is provided under "Public Debt Funded."

HEAD XII—JUDICIAL DEPARTMENT.

Estimates, 1931	£36,482
Estimates, 1932 ...	£34,136
Decrease	£2,346

Item 6. It is proposed to alter the title of Stenographer to Shorthand Writer.

Item 12. One post of Assistant Chief Clerical Interpreter has fallen vacant and is to be abolished.

Item 15. Three clerks are being retrenched.

Items 17 & 18. Vacancies which have occurred in the African subordinate staff are not being filled.

Other items have been reduced where possible in order to meet the demand for economy.

HEAD XIII—LEGAL DEPARTMENT.

Estimates, 1931	£9,597
Estimates, 1932	£8,755
Decrease	£842

Item 3 It is proposed that one post of Crown Counsel, now vacant, be held in abeyance in 1932.

Item 4 This post is at present held by a Grade A clerk whose promotion to the higher rank has been deferred but who will continue to draw the increments of his grade.

Other items have been reduced where possible in order to meet the demand for economy.

HEAD XIV—LOCAL GOVERNMENT CONTRIBUTIONS.

Estimates, 1931	£97,467
Estimates, 1932	£90,931
Decrease ...	£6,536

Nairobi Municipality, £27,579—Decrease, £5,863.

Contribution in lieu of rates.—Claims have been made for a re-valuation, and it is estimated that the amount payable in 1932 will be £12,413, a decrease of £1,495.

Items 2, 3, 4, 6, and 8 provide for contributions to actual municipal expenditure. Half the cost of public health staff and one-third the cost of the Municipal staff is payable by Government. Hitherto, two-thirds of the traffic revenue collected by Government under the Motor Traffic Ordinance in respect of vehicles, the property of persons ordinarily resident in the Municipalities, has been contributed to the Municipalities, but it is felt that the present financial situation, which has necessitated considerable reductions in Government expenditure, does not justify continuation of the contribution on these lines, and it has therefore been reduced to one half. Item 5.

Mombasa Municipality, £19,432—Net Decrease, £766.

Contribution in lieu of rates, £11,270. Increase, £1,855. In 1931, payment is being made in respect of a ½ per cent rate, but in 1932 it is anticipated that a ¾ per cent rate will be payable, which accounts for the increase. Item 9.

The remarks made above concerning traffic revenue apply also to Mombasa. Item 13.

Decreases in the consolidated grants to Nakuru and Eldoret Municipalities are necessitated by the demand for economy. Items 16 & 17.

Basic Road Grants.—There was a small increase of £238 on account of the Kitui-Thika Road, a considerable length of which is maintained by the District Council although in fact it serves the Kitui Native Reserve. At the same time no provision has been made under Head XIVa, Local Government Contributions Extraordinary, for additional grants to District Councils, the reason being that Government expenditure on main roads, roads in Native Reserves, and roads in settled areas in which no District Councils have been established, has been reduced to the 1927 provision. So far as District Councils are concerned that provision is represented by the basic grants. Item 18.

Payment of a further instalment of the Eldoret special grant is being deferred in the interests of economy.

HEAD XV—MEDICAL DEPARTMENT.

Estimates, 1931	£252,061
Estimates, 1932	£221,421
Decrease ...	£30,640

Allowing for the normal expansion of existing medical services, the estimates of this Department for 1932 would have been in the neighbourhood of £260,000. The importance of maintaining medical services is undeniable, and it is a fact that existing medical and hospital facilities are not sufficient to meet the ever-increasing demand, particularly in the Native Reserves. At the same time, the rate at which these facilities are to be extended must depend upon the availability of funds.

It has been the aim of Government to reduce expenditure in every possible direction, and the policy adopted, after very careful consideration, in respect of medical services is to suspend for the time being any further extension but to maintain existing services as economically as possible. This is being

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All other charges have been reduced to an absolute minimum, and the sums retained for 1932 may prove insufficient to allow for due expansion. The temporary raising of the school entering age will partly offset this.

Item 32. £75 is the Government share of a bursary of which an equal share is being found from money given by the Dutch Reformed Church and invested by a Board of Trustees. The result will possibly be a payment of the whole income from the Trust into revenue through Secondary School fees.

Item 50. This is a new item but not a new service. It provides for the grant of boarding facilities at Broederstroom for ten indigent children and the payment of a subsidy towards the salary of the matron. In the past this expenditure has been met from boarding expenses which would require to be increased if it were deleted.

C.—Indian and Goan Education.

Item 51. The number of education officers has been increased by two to provide for four additional officers who are required for the new Eldoret School. Two have been found by reduction elsewhere, and one is represented by the transfer of an officer, previously ungraded, to a Grade IV post.

Item 52. The same procedure has been followed as in the case of item 21.

Item 61. In view of the necessity for economy, it is proposed to reduce the Indian grants-in-aid from £3/10 to £3 per head, and for the same reason it is proposed to defer any increase in grants-in-aid of Goan education.

D.—Arab and African Education.

Item 68. Reduced from 37 to 32. This reduction will be effected mainly at the Native Industrial Training Depot, Kabete, where the number of apprentices provided for will be reduced from 600 to 500. One school at present with a European Headmaster will have to be satisfied with an African teacher.

It has been decided to discontinue publication of *Habari*. Now that other native newspapers are in circulation, the need for a paper issued by Government no longer exists, particularly as it was run at a loss.

Item 79. It is proposed to reduce the number of apprentices at the Native Industrial Training Depot, Kabete.

Items 80 & 81. Grants-in-aid have been reduced by approximately 3 per cent.

HEAD VIIIa—EDUCATION EXTRAORDINARY.

Estimates, 1931	£6,733
Estimates, 1932	£2,000
Decrease ...	£4,733

Item 1. This is distributed as follows :—

(a) *Prince of Wales School, Kabete.*		
Gymnastic equipment	£40	
Fencing (part)	45	
Games equipment	40	
(This forms only a very small part of the Principal's estimated requirements, £1,685).		£125
(b) *European School, Nakuru.*		
Clocks	3	
Boot lockers	10	
Gymnastic apparatus	12	
		25
(c) *European School, Eldoret.*		
Games equipment	8	
Fencing and lay-out	17	
		25
Carried forward ...		£175

Brought forward ...		£175
(d) *European School, Kitale.*		
Fencing (part)	15	
		15
(e) *European Girls' Secondary School, Nairobi.*		
Games equipment	25	
(Principal's estimate of requirements, £542).		25
(f) *European School, Parklands, Nairobi.*		
Grass bands, play-room	20	
		20
(g) *European School, Mombasa.*		
Quarters for school servant	15	
		15
Total European ...		£250

Very much more money is actually required: the total demands for European Schools were £2,990.

This amount was provided in the 1930 estimates for a new school at Machakos; owing to difficulties in regard to land it was not possible to build the school. This provision is thus in the nature of a revote. Item 2.

This is distributed as follows :— Item 4.

(a) *Native Industrial Training Depot, Kabete.*		
Additional pump for water-supply		£45
(b) *Jeanes School, Kabete.*		
Mower, sheller, forge and tools		25
(c) *Government African School, Waa, Mombasa.*		
Part of Principal's house		225
(d) *Government African School, Tambach.*		
Completion of school house		100
(e) *Government African School, Kapsabet.*		
Part of Central school house		200
(f) *Government African School, Kapenguria.*		
Extension to class-rooms	£90	
Native teacher's quarters	65	
		155
Total African ...		£750

It is urgently necessary to provide instructional work for apprentices at Government African Schools; if any item on the "Extraordinary" Head is reduced, an equivalent of the same amount (approximately) should be granted as an increase of the Maintenance and Purchase of Materials vote—this refers only to Items 2 (the Indian School, Machakos, is intended to be built by African apprentice labour), and 6 (*c*), (*d*), (*e*), and (*f*).

HEAD IX—FOREST DEPARTMENT.

Estimates, 1931	£40,686
Estimates, 1932	£37,150
Decrease ...	£3,536

The reductions have been obtained partly by effecting economies in working and partly by reducing or postponing certain operations.

Afforestation programmes in places where squatter labour is not available and which are therefore more expensive have been curtailed but the main planting programme will still amount to well over 4,000 acres. The expenditure on roads in Forest Reserves has also been reduced.

All other charges have been reduced to an absolute minimum, and the sums retained for 1932 may prove insufficient to allow for due expansion. The temporary raising of the school entering age will partly offset this.

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No change is shown in the establishment, but it is proposed that the five posts of Examiner of Accounts should be replaced as they become vacant by three additional Assistant Auditorships. The stipulation has, however, been made that local candidates having the necessary educational and other qualifications should have a prior claim for consideration when the new appointments are made. There is, at present, one vacancy for an Examiner of Accounts, but no appointment of an additional Assistant Auditor will be made until another post falls vacant.

HEAD V—COAST AGENCY.

Estimates, 1931	£6,744
Estimates, 1932	£5,826
Decrease	£918

Of this decrease, £270 is due to the proposal to defer inauguration of the Mombasa-Malindi motor service.

Reimbursements from Uganda and Tanganyika Governments amount to £2,070 and the net cost of the Coast Agency is £3,756 as compared with £4,674 in 1931.

HEAD VI—CONFERENCE OF EAST AFRICAN GOVERNORS.

Estimates, 1931	£1,250
Estimates, 1932	£1,250

No change has been made under this Head.

HEAD VII—CUSTOMS DEPARTMENT.

Estimates, 1931	£49,948
Estimates, 1932	£49,747
Decrease	£201

Although the decrease in gross expenditure is only £201, the decrease in net expenditure is £1,039.

The following posts are being held in abeyance :—

Item 3. Senior Collector of Customs.

Item 16. One clerical post.

Items 24-28. Fifteen Watchmen,

and one Examining Officer has been replaced by a Cadet.

The Commissioner of Customs considers that any further reduction in staff must endanger the collection of revenue.

All other items have been reduced where possible.

HEAD VIII—EDUCATION DEPARTMENT.

Estimates, 1931	£208,624
Estimates, 1932	£189,992
Decrease	£18,632

The Estimates of the Department are divided into :—

	1932	1931	Decrease
	£	£	£
A. Administration	15,569	18,999	3,430
B. European Education—			
Tuition	36,588	38,566	1,978
Boarding	16,342	17,176	834
C. Indian and Goan Education	34,249	37,925	3,676
D. Arab and African Education	87,244	95,958	8,714
Total £	189,992	208,624	18,632

These estimates definitely represent a certain degree of curtailment of educational facilities, which in the opinion of Government is regrettable but necessary. The continuation of educational services without any curtailment would require an addition of £24,000 to these estimates, making the total estimated expenditure on Education approximately £214,000 for 1932. While the necessity for educational services is not in doubt their cost must bear some relation to the financial resources of the Colony, and for this reason it is the belief of Government that the temporary curtailment is justified.

A.—Administration.

The number of posts on the establishment will be the same as heretofore. There is at present one vacancy, an Inspector of Indian Education. It is proposed not to fill this post. It is proposed further to second one of the Inspectors from inspection duty and employ him on the teaching staff. The effect of these reductions will be a net financial saving on this Administrative sub-head of £1,140. The absence of an inspector to attend to the Indian schools must mean some lack of proper supervision over the Government schools, and a lack of supervision over the work and attendances in the aided schools. Item 4.

The proposal to second an inspector to the teaching staff will have the effect of reducing inspection by one quarter. At present one Inspector is employed in the Nyanza Province, a second is employed in the Kikuyu Province, and a third on the Coast, and the fourth is responsible for the rest of the general inspection. The Chief Inspector is almost entirely tied to the Head Office or to special inspections.

No steps have been taken to fill the post of Inspectress of Schools this year and it is proposed not to fill it next year.

One clerk at the maximum of Grade B is retiring and being replaced by a clerk at the minimum. One clerk on Grade B is being altered to one at Grade C, involving a further reduction in Grade B and corresponding increase in Grade C. Items 7, 8 & 9.

A cut of £1,075 in local transport and travelling will mean less inspection by inspectors, the Supervisor of Technical Education, and the Director. This vote should be restored as soon as conditions improve. Item 15.

B.—European Education.

It is proposed for the present to refuse admission to pupils below the age of 6, which will result in a saving of two teachers.

The reduction of the staff from 63 to 61 means the removal of an assistant teacher at Kilimani and at Mombasa. Item 20.

It is proposed to abolish all clerical assistants and substitute for them clerical allowances of £30 per annum. For this purpose a new item 21 has been inserted. This will not apply to Kabete, where the caretaker will be expected to do the clerical work without additional remuneration.

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HEAD IIa—ADMINISTRATION EXTRAORDINARY.

Estimates, 1931	£1,500
Estimates, 1932	£600
Decrease ...	£900

The only item for 1932 is £600 for reconditioning of the Kamasia Reserve, for which £1,080 was provided in 1931. The work was started in July, 1930, and embraces the planting of trees and fodder crops, the stopping of soil erosion and the conservation of water. The 1932 Estimate is based on the salary of the Reconditioning Officer, cost of his transport and sufficient labour to maintain nurseries. If nothing is done to maintain improvements which have been effected, the money already spent will be largely wasted, but continuation of the programme must wait until funds are available. The Provincial Commissioner, Rift Valley, regards the reconditioning as being of great value in the economic development of the Reserve.

HEAD III—AGRICULTURAL DEPARTMENT.

Estimates, 1931	£172,957
Estimates, 1932	£146,973
Decrease ...	£25,984

The Estimates of the Agricultural Department are divided as follows :—

	1932	1931	Decrease
A. Administrative and General	£ 19,662	£ 22,095	£ 2,433
B. Division of Plant Industry	50,968	58,556	7,588
C. Division of Animal Industry	76,443	92,046	15,603
TOTAL ...	£ 146,973	£ 172,957	£ 25,984

A.—Administrative and General.

The post of Statistical Officer has been abolished, and the tabulation of statistics will in future be done by the Statistical Department on the Hollerith machines, the necessary details being collected as before by the Agricultural Department.

Items 9-11. Two vacant clerical posts will remain unfilled during 1932.

Items 17, 18, 20. Considerable reductions have been made in the votes for travelling allowances, local transport and travelling, and printing and illustrations, etc.

Item 26. The grant to the Kenya Agricultural Society has been reduced to £250, and it is understood that this will not unduly hamper the activities of the Society.

Item 35. The vote for Expenses of Board of Agriculture and Committees has been reduced by £2,000. It is anticipated that not more than £1,500 will be spent in 1931 and that £1,000 will suffice for 1932.

B.—Division of Plant Industry.

Items 38 and 47. The services of certain Agricultural Officers have been, or are about to be, dispensed with, both as a measure of economy in 1931 and as a means of replacing them over the next few years by men with the requisite qualifications which the retrenched officers did not possess. This results in vacancies for nine Agricultural Officers. In order to maintain agricultural services in native areas, it is proposed to fill three of these vacancies in 1932 by selected Trinidad scholars who will enter the scale at £480, as any lower initial salary would fail to attract the type of candidate whom it is desired to obtain.

This allows for twelve Agricultural Officers in native areas, who will be distributed as follows :—

Headquarters	1
Nyanza Province	4
Kikuyu Province	4
Coast Province	2
On leave	1

There are also vacancies for a Senior Agricultural Officer and an Agricultural Chemist, but it is not proposed to fill them in 1932.

The estimates of the *Grain Conditioning and Cool Stores Services* have been framed on a conservative basis, but in the event of an unduly wet season further expenditure will be necessary, which will be covered by extra revenue.

C.—Division of Animal Industry.

No provision has been made for any grant-in-aid of the importation of pedigree livestock, and a vacancy which has arisen in the cadre of Veterinary Officers will be left unfilled. Item 96.

A decrease of £5,450 in the cost of production of sera and vaccines due to the fact that the Uganda Government will not require any supplies in 1932. For the same reason the revenue derived from the sale of these products has also decreased. Item 130.

Under *Animal Husbandry* no provision has been inserted for the purchase of medicines and instruments, stock and equipment, as it will be possible to maintain centres in 1932 with the equipment which they already have.

A decrease of £1,000 in the maintenance of centres has been made possible by the fact that centres have now been constructed and are occupied by pupils who will themselves do the greater part of this work. Item 137.

On the whole, owing to the importance of control of, and research into, animal disease, the Division remains basically unchanged.

HEAD IIIa—AGRICULTURAL DEPARTMENT EXTRAORDINARY.

Estimates, 1931	£1,360
Estimates, 1932	£1,000
Decrease ...	£360

This consists of one item, namely, contribution towards expenditure on Locust Research. Similar provision was made in 1931, and continuation of the work is important.

HEAD IV—AUDIT DEPARTMENT.

Estimates, 1931	£21,439
Estimates, 1932	£20,792
Decrease ...	£647

HEAD IIa—ADMINISTRATION EXTRAORDINARY.

Estimates, 1931	£1,500
Estimates, 1932	£600
Decrease ...	£900

The only item for 1932 is £600 for reconditioning of the Kamasia Reserve, for which £1,080 was provided in 1931. The work was started in July, 1930, and embraces the planting of trees and fodder crops, the stopping of soil erosion and the conservation of water. The 1932 Estimate is based on the salary of the Reconditioning Officer, cost of his transport and sufficient labour to maintain nurseries. If nothing is done to maintain improvements which have been effected, the money already spent will be largely wasted, but continuation of the programme must wait until funds are available. The Provincial Commissioner, Rift Valley, regards the reconditioning as being of great value in the economic development of the Reserve.

HEAD III—AGRICULTURAL DEPARTMENT.

Estimates, 1931	£172,957
Estimates, 1932	£146,973
Decrease ...	£25,984

The Estimates of the Agricultural Department are divided as follows:—

	1932	1931	Decrease
	£	£	
Administrative and General	19,662	27,259	7,597
Division of Plant Industry	50,866	58,866	7,600
Division of Animal Industry	76,445	92,046	15,601
TOTAL	£146,973	£172,957	£25,984

A.—Administrative and General.

The post of Statistical Officer has been abolished, and the tabulation of statistics will in future be done by the Statistical Department on the Hollerith machines, the necessary details being collected as before by the Agricultural Department.

Items 9-11 — Two vacant clerical posts will remain unfilled during 1932.

Items 17 18, 20 — Considerable reductions have been made in the votes for travelling allowances, local transport and travelling, and printing and illustrations, etc.

Item 26 — The grant to the Kenya Agricultural Society has been reduced to £250, and it is understood that this will not unduly hamper the activities of the Society.

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HEADS OF ESTIMATES.

HEAD I—HIS EXCELLENCY THE GOVERNOR.

Estimates, 1931	£18,000
Estimates, 1932 ...	£16,665
Decrease . .	£1,335

HEAD II—ADMINISTRATION.

Estimates, 1931 ...	£287,413
Estimates, 1932 ...	£267,405
Decrease .	£20,008

These Estimates are divided into —

	1932	1931	Increase	Decrease
	£	£	£	£
A. General Staff ..	143,099	142,09	1,001	
B. Native Affairs Department	6,088	6,973		885
C. Labour Section	2,123	2,239		116
D. Local Government, Lands and Settlement	8,966	9,554		588
E. Provincial Administration ..	191,639	120,959		19,320
F. Kabete Reformatory .	6,490	6,590		100
TOTAL .. £	267,405	287,413	1,001	21,009
NET DECREASE: £20,008				

A.—GENERAL STAFF—INCREASE £1,001.

The establishment of Provincial Commissioners and District Officers remains unchanged. The importance of the economic development of native areas is generally admitted, and attains a special and pressing significance in times of depression like the present. Any reduction in the number of Administrative Officers must result in districts being understaffed and officers consequently being able to deal only with necessary routine work such as the collection of revenue, the administration of justice, and so on. Government feels strongly that there is an urgent need for Administrative Officers, particularly in times like these, to get into closer personal touch with the inhabitants of their districts in order so to advise and guide them that not only their own interests but also the best interests of the Colony as a whole may be promoted.

This need is further emphasized by the withdrawal of regular police from native reserves, which is referred to later in this memorandum. The newly-formed tribal police will require careful supervision until they become more fully accustomed to their duties. Peace and prosperity are largely interdependent, and discontent and disaffection are too frequently the result of misunderstandings which can be avoided by closer contact between the representatives of Government and individual natives.

Administrative Officers are also called upon to fill posts outside the administration and at the time of writing eight officers are seconded.

Although it is anticipated that normal wastage of staff during 1932 will bring actual numbers one or two below establishment, it it not proposed to appoint any new Cadets in 1932, and a saving of £2,000 is thus made on the item *African Tropical Services Course*.

Other items have been reduced to a bare minimum, and no margin whatsoever has been allowed.

B.—NATIVE AFFAIRS DEPARTMENT—DECREASE £885.

C.—LABOUR SECTION—DECREASE £116.

D.—LOCAL GOVERNMENT, LANDS AND SETTLEMENT—DECREASE £588.

The Estimates for these Divisions show reductions which have been obtained by a close scrutiny of all items.

E.—PROVINCIAL ADMINISTRATION—DECREASE £19,320.

The Estimates of the Provincial Administration are :—

PROVINCE	1932	1931	Increase	Decrease
	£	£	£	£
Nyanza	20,007	23,514	..	3,507
Nzoia	5,040	5,809	..	769
Turkana	10,261	12,260	..	1,999
Rift Valley	5,413	6,466	..	1,053
Masai	4,846	5,872	..	1,026
Kikuyu	17,625	21,095	..	3,470
Ukamba	7,583	10,550	..	2,967
Coast	16,757	18,272	..	1,515
Northern Frontier ..	14,107	17,121	..	3,014
TOTAL £	101,639	120,959	..	19,320

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It has for some time been the desire of Government to raise the emoluments of Chiefs, Headmen, and Tribal Police to a level more in keeping with their duties and responsibilities, but owing to the financial position it has been necessary to defer any such scheme. On the other hand, in no case has the pay of any individual Chief or Headman been reduced for reasons of economy and any decreases under these items in Provincial Estimates are due either to reorganization of locations to provide more efficient administration or to the fact that additional provision sanctioned for 1931 has had to be deferred for financial reasons.

Voi District has this year been transferred from Ukamba Province to the Coast Province, to which it originally belonged, as it has been found that it can be more conveniently administered from Mombasa than from Machakos.

The only new service of any description which has been included is provision for the removal of rubbish at Kitale, costing £139 (items 114 and 123).

F.—KABETE REFORMATORY—DECREASE £100.

One Technical Instructor and the Clerk and Storekeeper are due to go on leave in 1932, but the leave of the former is being deferred. Provision has been made for a relief for the Clerk and Storekeeper, although at the time of writing it is not certain that his leave will not be deferred also.

A small increase is shown on *Bonus and Rewards* to provide for the payment of small sums to boys on discharge from the Reformatory. It is considered that boys who leave with little or no money in their pockets are more likely to be tempted to return to a career of crime.

HEADS OF ESTIMATES

HEAD I—HIS EXCELLENCY THE GOVERNOR.

Estimates, 1931	£18,000
Estimates, 1932	£16,565
Decrease ..	£1,385

HEAD II—ADMINISTRATION.

Estimates, 1931	£287,413
Estimates, 1932	£267,405
Decrease ..	£20,008

These Estimates are divided into :—

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	£	£	£	£
A. General Staff	143,099	142,09	1,001	
B. Native Affairs Department	6,088	6,973		885
C. Labour Section	2,123	2,239		116
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E. Provincial Administration	101,639	120,959		19,320
F. Kabete Reformatory	5,490	5,590		100
TOTAL .. £	267,405	287,413	1,001	21,009
NET DECREASE £20,008				

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The Estimates for these Divisions show reductions which have been obtained by a close scrutiny of all items.

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It has for some time been the desire of Government to raise the emoluments of Chiefs, Headmen, and Tribal Police to a level more in keeping with their duties and responsibilities, but owing to the financial position it has been necessary to defer any such scheme. On the other hand, in no case has the pay of any individual Chief or Headman been reduced for reasons of economy and any decreases under these items in Provincial Estimates are due either to reorganization of locations to provide more efficient administration or to the fact that additional provision sanctioned for 1931 has had to be deferred for financial reasons.

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HEADS OF ESTIMATES.

HEAD I—HIS EXCELLENCY THE GOVERNOR.

Estimates, 1931	£18,000
Estimates, 1932	£16,665
Decrease . .	£1,335

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TOTAL £	267,405	287,413	1,001	21,009
NET DECREASE £20,008				

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B.—Native Affairs Department—Decrease £885.

C.—Labour Section—Decrease £116.

D.—Local Government, Lands and Settlement—Decrease £588.

The Estimates for these Divisions show reductions which have been obtained by a close scrutiny of all items.

E.—Provincial Administration—Decrease £19,320.

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20. Abstracts of net revenue and net expenditure appear on pages 6 and 7 of the draft Estimates. From these it will be seen that only three heads of expenditure show any increase in net expenditure :—

(i) *Miscellaneous Services.*—Increase, £19,438, which is caused mainly by an increase of £18,390 in the amounts payable on account of guarantees in respect of Railway branch lines. Also, owing to the trade depression, it is anticipated that an extra £2,050 will be required on account of the maintenance of destitute persons, and repatriation expenses.

(ii) *Public Debt Funded.*—Increase, £67,681. At the same time, net *Interest* has decreased by £12,356, and the net increase on the two items is £55,325. In 1932, full interest on the 1930 Loan of £3,400,000 and sinking fund on the 1928 Loan of £3,500,000 become payable.

(iii) *Pensions.*—Increase, £5,845.

21. All other items of net expenditure show decreases, of which the principal items are :—

Administration	£18,842
Agricultural Department	25,984
Education Department	18,088
Local Government Contributions	10,619
Medical Department	26,654
Military	18,128
Police	21,604
Public Works Department	40,513
Public Works Recurrent	33,450
NON-RECURRENT.	
Local Government Contributions	£13,185
Public Works Extraordinary	41,222

22. When considering ways and means of reducing expenditure, one of the first items to come under review is the construction of new works out of revenue. The draft Estimates show that it is proposed to cut this down to a minimum, and the amounts shown under Heads XXV and XXXIII, *Public Works Recurrent* and *Public Works Extraordinary*, allow only for the degree of maintenance essential to prevent uneconomic deterioration of existing works, and, to a limited extent, for normal extensions to revenue-producing services. This, of course, means a considerable decrease in the activities of the Public Works Department, which in turn means that less staff will be required. The total decrease on net expenditure on *Public Works Department*, *Public Works Recurrent*, and *Public Works Extraordinary* is £115,185.

23. Three measures of economy which have already been approved, the first being of a temporary character, are :—

(*a*) the suspension of all travelling allowances to Civil Servants, with the exception that when an officer travelling on duty is compelled to stay at an hotel, his lodging expenses are refunded;

(*b*) reduction of the rate of motor mileage allowances; and

(*c*) a considerable reduction in the amounts payable to Civil Servants as house allowances.

It is estimated that these will result in a saving of approximately £20,000 on a whole year.

24. Reference to the summaries on pages 7 and 23 of the draft Estimates will show :—

Net decrease in total estimated expenditure (page 23) ...	£186,284
Increase in estimated reimbursements	51,151
Net decrease in estimated net expenditure (page 7) ...	£237,435

This sum of £237,435 is made up as follows :—

Net decrease in net recurrent estimated expenditure ...	£165,777
Decrease in estimated non-recurrent expenditure ...	71,658

25. The net increase on account of Miscellaneous Services, Pensions and Gratuities, Public Debt Funded and Interest is ... £80,608

This, added to the net decrease in net recurrent estimated expenditure 165,777

gives 246,385

which is the net decrease in estimated recurrent expenditure on Departmental account.

The decrease in estimated non-recurrent expenditure is ... 71,658

and draft Estimates therefore show that £318,043

is the total net reduction which has been effected.

26. It may be of interest at this point to remark that when 1932 Estimates were first submitted by Departments, the total estimated expenditure was in the region of £3,500,000. By the 15th June this had been reduced to £3,300,000, and the final figure is now £3,256,648.

27. The draft Estimates for 1932 show :—

Estimated Excess of Assets over Liabilities on 31st December, 1931		£390,604
Estimated Revenue, 1932		3,319,891
		£3,710,495
Estimated Expenditure, 1932—		
Recurrent	£3,232,748	
Non-recurrent	23,900	
		3,256,648
Estimated Excess of Assets over Liabilities on 31st December, 1932		£462,847

28. The implications of the various reductions in expenditure are discussed *seriatim* under the respective Heads in the subjoined memorandum.

The draft Estimates as a whole represent the measures which are considered necessary to meet the present depression so far as Kenya is concerned, and it is the belief of Government that, with due regard to all the circumstances, they are neither over drastic nor lacking in adequacy. It has been the aim of Government to maintain a prudent and reasonable outlook, avoiding both undue pessimism and over-optimism, and it is on this basis that the draft Estimates have been framed.

H. T. MARTIN,
ing Colonial Secretary.

11th August, 1931.

20. Abstracts of net revenue and net expenditure appear on pages 6 and 7 of the draft Estimates. From these it will be seen that only three heads of expenditure show any increase in net expenditure :—

(i) *Miscellaneous Services*.—Increase, £19,438, which is caused mainly by an increase of £18,390 in the amounts payable on account of guarantees in respect of Railway branch lines. Also, owing to the trade depression, it is anticipated that an extra £2,050 will be required on account of the maintenance of destitute persons, and repatriation expenses.

(ii) *Public Debt Funded*.—Increase, £67,681. At the same time, net *Interest* has decreased by £12,356, and the net increase on the two items is £55,325. In 1932, full interest on the 1930 Loan of £3,400,000 and sinking fund on the 1928 Loan of £3,500,000 become payable.

(iii) *Pensions*.—Increase, £5,845.

21. All other items of net expenditure show decreases, of which the principal items are :—

Administration	£18,842
Agricultural Department	25,984
Education Department	18,088
Local Government Contributions	10,619
Medical Department	26,654
Military	16,128
Police	21,804
Public Works Department	40,513
Public Works Recurrent	39,450
NON-RECURRENT	
Local Government Contributions	£13,165
Public Works Extraordinary	41,222

22. When considering ways and means of reducing expenditure, one of the first items to come under review is the construction of new works out of revenue. The draft Estimates show that it is proposed to cut this down to a minimum, and the amounts shown under Heads XXV and XXXIII, *Public Works Recurrent* and *Public Works Extraordinary*, allow only for the degree of maintenance essential to prevent uneconomic deterioration of existing works, and, to a limited extent, for normal extensions to revenue-producing services. This, of course, means a considerable decrease in the activities of the Public Works Department, which in turn means that less staff will be required. The total decrease on net expenditure on *Public Works Department*, *Public Works Recurrent*, and *Public Works Extraordinary* is £115,185.

23. Three measures of economy which have already been approved, the first being of a temporary character, are :—

(a) the suspension of all travelling allowances to Civil Servants, with the exception that when an officer travelling on duty is compelled to stay at an hotel, his lodging expenses are refunded;

(b) reduction of the rate of motor mileage allowances; and

(c) a considerable reduction in the amounts payable to Civil Servants as house allowances.

It is estimated that these will result in a saving of approximately £20,000 on a whole year.

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27. The draft Estimates for 1932 show :—

Estimated Excess of Assets over Liabilities on 31st December, 1931		£400,604
Estimated Revenue, 1932		3,318,894
		£3,719,498
Estimated Expenditure, 1932—		
Recurrent	£3,232,748	
Non-recurrent	23,900	
		3,256,648
Estimated Excess of Assets over Liabilities on 31st December, 1932		£462,847

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H. T. MARTIN,
Acting Colonial Secretary.

11th August, 1931.

13. The net reduction in the 1931 Expenditure Estimates now stands at £140,750, but this allows for unforeseen expenditure totalling £54,277. No allowance has, however, been made for possible general savings consisting of the sum of unspent balances on individual sub-heads. In the absence of further unforeseen expenditure it is reasonable to expect that the estimated deficit for 1931 will on this account be reduced. The actual reductions authorised in the sanctioned Expenditure Estimates for 1931 total £195,027, as compared with £159,200 at the end of May. This should not, however, be regarded as a final statement as, during the remaining four months of the year, every effort will be made to find still further means of economising in expenditure.

14. At the time of writing, actual savings on the various Heads of Expenditure for 1931 are as follows :—

ECONOMIES AS AT 27TH JULY, 1931.

Head		£	£
I	H.E. the Governor	1,008	
II	Administration	16,767	
III	Agricultural Department	15,830	
IV	Audit Department	1,591	
V	Coast Agency	630	
VII	Customs Department	1,260	
VIII	Education Department	17,907	
IX	Forest Department	2,000	
X	Game Department	1,310	
XII	Judicial Department	1,698	
XIII	Legal Department	350	
XIV	Local Government—Contributions to Local Authorities	3,055	
XV	Medical Department	16,787	
XVI	Military	12,082	
XVII	Miscellaneous Services	4,550	
XIX	Police	17,910	
XX	Post Office and Telegraphs Department	7,521	
XXI	Printing and Stationery	2,450	
XXII	Prisons	3,340	
XXIV	Public Works Department	11,098	
XXV	Public Works Recurrent	15,400	
XXVI	Registrar General's Department	132	
XXVIII	Secretariat and Legislative Council	2,505	
XXIX	Statistical Departments	2,186	
XXX	Survey and Registration	2,320	
XXXII	Treasury	870	
	Total Recurrent		162,557

EXTRAORDINARY.

IIa	Administration	350	
Va	Coast Agency	250	
VIIIa	Education Department	3,503	
XIVa	Local Government—Contributions to Local Authorities	3,895	
XVa	Medical Department	150	
XVIIa	Miscellaneous Services	500	
XXa	Post Office and Telegraphs Department	1,000	
XXXIII	Public Works Extraordinary	22,422	
			32,470
	Total		£195,027

15. Turning now to consideration of the 1932 Estimates, it must be remarked that while the economies in 1931 expenditure consist mainly of—

(*a*) piecemeal reductions obtained by a careful review of all items of expenditure, and

(*b*) deferring expenditure authorised in the 1931 Estimates,

the draft Estimates for 1932 represent the financial effect of Government's proposals for placing the Colony's expenditure on a basis comparable with its reduced revenue. In other words, a great part of the 1931 economies are in the nature of temporary alleviatives, while the 1932 proposals redesign the whole structure of the expenditure side of the Budget.

16. Prophesy is dangerous, but it would appear unlikely that the revival in trade, when it comes, will be very rapid, but rather that there will be a gradual recuperation, and that therefore it may be several years before the former high-water mark of prosperity is again reached. For this reason, and because of the necessity for restoring the Colony's surplus balances and reserve, it is the considered opinion of Government that there is no alternative but to bring expenditure to a lower basic level by readjusting public services at the same time interfering as little as possible with the convenience and needs of the community.

17. The proposals now put forward in the shape of the 1932 Budget have been made with a view to maintaining, as far as possible in the circumstances, the essential framework of public services, so that when conditions improve, and the demand for expansion in these services can be legitimately met, the foundations for extension will not be lacking.

18. Reimbursements and cross entries, which may be regarded as appearing on both sides of the Budget, are as follows :—

Revenue Heads		1932 £	1931 £
I.	Rebate on paraffin for agricultural purposes	9,000	13,500
IV.	Contribution from Railway for maintenance of Railway telegraph lines	6,300	6,800
VI.	Stand premia and rents : Payment to Kenya and Uganda Railways and Harbours	8,200	10,000
VII.	Sale of posho	1,500	2,200
IX.	Sale of posho—Forest Department	860	1,000
IX.	Reimbursements—Forest Department	500	500
XI.	Interest	11,000	59,899
XII.	Reimbursements	948,795	839,646
	Cross entries in respect of postal services and sale of forest produce	8,906	10,684
		995,061	944,229
	Colonial Development Fund	319	—
	Total	£995,380	£944,229

An increase of £51,151, as compared with 1931.

19. After making these deductions from both sides of the Budget, the estimated net revenue for 1932 becomes [illegible],323,511, and the estimated net expenditure £2,261,268, which gives an e[illegible]ated surplus for 1932 of £62,243.

13. The net reduction in the 1931 Expenditure Estimates now stands at £140,750, but this allows for unforeseen expenditure totalling £54,277. No allowance has, however, been made for possible general savings consisting of the sum of unspent balances on individual sub-heads. In the absence of further unforeseen expenditure it is reasonable to expect that the estimated deficit for 1931 will on this account be reduced. The actual reductions authorised in the sanctioned Expenditure Estimates for 1931 total £195,027, as compared with £159,200 at the end of May. This should not, however, be regarded as a final statement as, during the remaining four months of the year, every effort will be made to find still further means of economising in expenditure.

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V	Coast Agency ...	630	
VII	Customs Department	1,260	
VIII	Education Department	17,907	
IX	Forest Department	2,000	
X	Game Department	1,310	
XII	Judicial Department	1,098	
XIII	Legal Department	350	
XIV	Local Government—Contributions to Local Authorities	3,055	
XV	Medical Department	16,787	
XVI	Military	32,082	
XVII	Miscellaneous Services	4,350	
XIX	Police	17,910	
XX	Post Office and Telegraphs Department ...	7,521	
XXI	Printing and Stationery	2,150	
XXII	Prisons	6,340	
XXIV	Public Works Department	11,098	
XXV	Public Works Recurrent ...	15,400	
XXVI	Registrar General's Department ...	132	
XXVIII	Secretariat and Legislative Council ...	2,505	
XXIX	Statistical Department ...	2,186	
XXX	Survey and Registration ...	2,320	
XXXII	Treasury	870	
	Total Recurrent ...		162,557

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XVa	Medical Department ...	150	
XVIIa	Miscellaneous Services ...	900	
XXa	Post Office and Telegraphs Department ...	1,000	
XXXIII	Public Works Extraordinary	22,422	
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17. The proposals now put forward in the shape of the 1932 Budget have been made with a view to maintaining, as far as possible in the circumstances, the essential framework of public services, so that when conditions improve, and the demand for expansion in these services can be legitimately met, the foundations for extension will not be lacking.

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IX.	Sale of posho—Forest Department	860	1,000
IX.	Reimbursements—Forest Department ...	500	500
XI.	Interest	11,000	59,899
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	Total ...	£995,380	£944,229

An increase of £51,151, as compared with 1931.

19. After making these deductions from both sides of the Budget, the estimated net revenue for 1932 becomes £2,323,511, and the estimated net expenditure £2,261,268, which gives an estimated surplus for 1932 of £62,243.

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VI. Stand premia and rents : Payment to Kenya and Uganda Railways and Harbours ...	8,200	10,
VII. Sale of posho ...	1,500	2,
IX. Sale of posho—Forest Department ...	860	1,
IX. Reimbursements—Forest Department ...	500	
XI. Interest ...	11,000	59,
XII. Reimbursements ...	948,795	839,
Cross entries in respect of postal services and sale of forest produce ...	8,906	10,
	995,061	944,
Colonial Development Fund ...	319	—
Total ...	£995,380	£944,

An increase of £51,151, as compared with 1931.

19. After making these deductions from both sides of the Budget, estimated net revenue for 1932 becomes £2,323,511, and the estimated expenditure £2,261,268, which gives an estimated surplus for 1932 of £62,2

4. The estimated financial position at the end of 1931 as envisaged in the sanctioned estimates for that year was :—

Estimated Excess of Assets over Liabilities on 31st December, 1930	£561,599
Estimated Revenue, 1931	3,515,983
Total ...	£4,077,582
Estimated Expenditure, 1931	3,442,932
Estimated Excess of Assets over Liabilities on 31st December, 1931	£634,650

5. The Estimates of Revenue for 1931 were prepared on the assumptions that the agricultural prospects of the Colony were sufficient to justify an increase in trade returns, as compared with the revised Estimates for 1930, and that there would be some revival in market prices later in the year. Shortly after the Estimates had been passed by the Legislative Council, the disappointing results of the working of the last two or three months of 1930 began to come to light, and it became evident that, in spite of large savings in expenditure, the excess of assets over liabilities as at the end of 1930 would fall considerably short of £561,599. Further, there were clear indications that the full effects of the economic depression had not yet been felt, and that an early improvement in market prices was unlikely to materialise.

6. It thus became obvious that the basis on which the Revenue Estimates for 1931 had been framed would require to be revised, and that, both on that account and in order to conserve as far as possible the Colony's surplus balances, considerable reductions would have to be made in expenditure. It was also obvious that in the interests of the Colony prompt action was necessary, as the sooner steps were taken to curtail expenditure the greater the actual savings would be.

7. The Government therefore proceeded at once to explore every possible avenue of economy which could be effected without departing from the main principles agreed to by the Select Committee on the 1931 Estimates. When the new Legislative Council assembled on the 2nd of June, 1931, a list of all savings authorised by Government up to the 31st May, 1931, was laid on the table, and the estimate of the financial position at the end of 1931 then became :—

Actual Excess of Assets over Liabilities on 31st December, 1930	£510,702
Revised Estimate of Revenue, 1931	3,285,000
Total ...	£3,795,702
Revised Estimate of Expenditure, 1931	3,283,800
Estimated Excess of Assets over Liabilities on 31st December, 1931	£511,902

8. The Revenue Estimate had thus been reduced by £231,000, and the Expenditure Estimate by £159,200, without altering the general structure of the expenditure side of the Budget. It had, however, already been realised that unless revenue prospects materially improved, a further curtailment of expenditure would be necessary to meet certain additional commitments in 1932 on account of public debt funded, guarantees in respect of Railway branch lines, and other items which might be expected to show an increase. The extra burden which it was calculated that these items would throw on the 1932 Budget, as compared with that for 1931, was approximately £110,000.

9. Careful examination of the economies already made revealed the fact that any further reduction in expenditure sufficient to meet the situation must involve some curtailment of services and reduction of staff. Staff cannot be retrenched without due notice, and proposals for the reduction of services require careful and detailed consideration of the comparative values to the community of the various public services and appreciation of the ratio between this abstract value of services and the material effect on the budget obtained by such reductions. Hasty and ill-considered action would be liable to cripple the Colony, and retard its recuperation when economic conditions improve.

10. It was thus apparent that further measures of economy, even though put into operation at once, could not materially affect 1931 expenditure, but would be fully reflected in the 1932 Budget, and that the most effective way of tackling the situation would be to consider the existing position in its relation both to 1931 and 1932. Early in April therefore, Heads of Departments were directed to prepare their estimates for 1932, in order that the Budget could be laid before the Legislative Council in August, and that Government should have the full benefit of the advice and co-operation of the Unofficial Members in regard to its proposals, which, in order to be effective, would require to be put in train in the current year.

11. At the same time, revenue collections were carefully watched, analysed and compared with the collections for similar periods in 1930, in order to obtain as close as possible an estimate of the shortfall to be anticipated in 1931.

12. It is now estimated that the financial position of the Colony at the end of 1931 will be as follows :—

Actual Excess of Assets over Liabilities on 31st December, 1930	£510,702
*Revised Estimate of Revenue, 1931	3,225,926
Total ...	£3,736,628
*Revised Estimate of Expenditure, 1931	3,336,024
Estimated Excess of Assets over Liabilities on 31st December, 1931	£400,604

The anticipated shortfall in revenue is £423,900. At the end of May, it was considered prudent to reduce the estimated revenue by about £231,000, which at the time, on the facts and figures then available, was a reasonable estimate of the probable shortfall. As soon as revenue and trade returns for the first quarter of the year were complete it became necessary, however, to make a further reduction. At the end of May, the estimate of Customs revenue was £800,000, but owing to the continued stagnation of trade it would be no longer reasonable to expect this amount to accrue, were it not for the fact that the recent amendment of the tariff will have the effect of increasing the Customs revenue on wines, spirits, vehicles and parts by approximately £25,000. At the same time, the estimated revenue from the former Wines and Spirits Consumption Tax is decreased to £15,000, that is, the amount estimated to have been collected during the first six months of the year before the tax was repealed. Government was by no means unprepared for this further shortfall, and when the statement of economies was laid on the table on the 2nd of June, it was made clear that the necessity for further and continuing reductions in expenditure was constantly being borne in mind.

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* Both sides of the Estimates are inflated follows, in comparison with the figures given in paragraphs 4 and 7 :—

Colonial Development Fund	£31,342
Conveyance of Mails by Air	2,500
	£33,842

Memorandum on the Draft Estimates of Expenditure for 1932

The financial statement for 1930, reflected in the 1930 Estimates as finally sanctioned, was as follows :—

Actual Excess of Assets over Liabilities on 31st December, 1929	£707,977
Estimated Revenue, 1930	3,461,612
Total	£4,169,589
Estimated Expenditure, 1930	3,555,535
Estimated Excess of Assets over Liabilities on 31st December, 1930	£614,054

2. When the 1931 Estimates were presented to the Legislative Council in October, 1930, it had become apparent that, owing to the fall in market values of produce, the financial position of the Colony would be materially altered, and the estimate of the position as at the end of 1930 was revised as follows :—

Actual Excess of Assets over Liabilities on 31st December, 1929	£707,977
Revised Estimate of Revenue, 1930	3,403,351
Total	£4,111,328
Revised Estimates of Expenditure, 1930	3,549,729
Estimated Excess of Assets over Liabilities on 31st December, 1930	£561,599

3. In short, the estimated excess of assets over liabilities as at the end of 1930 was reduced by £52,455; but it was subsequently realised that even this reduction was insufficient to reflect adequately the full measure of the effect on the Colony of the world-wide economic depression. This was borne out by the actual figures obtained when the accounts for 1930 were closed, and the actual position at the end of 1930 was :—

Actual Excess of Assets over Liabilities on 31st December, 1929	£707,977
Actual Revenue, 1930	£3,241,599
Total	£3,949,576
Actual Expenditure, 1930	3,438,874
Actual Excess of Assets over Liabilities on 31st December, 1930	£510,702

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COLONY AND PROTECTORATE OF KENYA

Memorandum on the Draft Estimates of Expenditure for 1932

AS PRESENTED TO LEGISLATIVE COUNCIL
AUGUST, 1931

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PRINTED BY THE GOVERNMENT PRINTER.
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Actual Excess of Assets over Liabilities on 31st December, 1929 ...	£707,977
Actual Revenue, 1930 ...	£3,241,599
Total ...	£3,949,576
Actual Expenditure, 1930	438,874
Actual Excess of Assets over Liabilities on 31st December, 1930 ...	£510,702

Memorandum on the Draft Estimates of Expenditure for 1932

The financial statement for 1930, reflected in the 1930 Estimates as finally sanctioned, was as follows:—

Actual Excess of Assets over Liabilities on 31st December, 1929	£707,977
Estimated Revenue, 1930	3,461,[illegible]
Total ...	£4,169,589
Estimated Expenditure, 1930	3,555,535
Estimated Excess of Assets over Liabilities on 31st December, 1930	£614,054

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Actual Revenue, 1930	£3,241,599
Total ...	£3,949,576
Actual Expenditure, 1930	3,438,874
Actual Excess of Assets over Liabilities on 31st December, 1930	£510,702

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AUGUST, 1931

NAIROBI:
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1931

SCHEDULE—*contd.*

EXPENDITURE—*contd.*

Head	Item	Details	Amount proposed in Draft Estimates	Amount proposed by Select Committee: Official Members	Amount proposed by Select Committee: Unofficial Members
			£	£	£
		MILITARY.			
XVI	1	Northern Brigade, Kenya's Share of Expenditure	87,120	81,181	81,181
	2	Bandmaster	450	350	350
		DEFENCE FORCE.			
	24	Training	1,815	2,315	2,315
	26	Passages	215	115	115
		TOTAL MILITARY ..	96,767	91,128	91,128
XVII		MISCELLANEOUS SERVICES.			
	14	Guarantees in respect of Railway Branch Lines:— (*a*) Nanyuki Extension	5,970	4,356	4,356
	34	Telegrams	1,600	1,400	1,400
		TOTAL MISCELLANEOUS SERVICES ..	89,597	87,783	87,783
XVIIa		MISCELLANEOUS SERVICES EXTRAORDINARY.			
	4	Guarantee to Lady Northey Home	—	250	250
		TOTAL MISCELLANEOUS SERVICES EXTRAORDINARY ..	1,400	1,650	1,650
XX		POST OFFICE AND TELEGRAPHS.			
	19	Wireless Engineer Operator	500	520	520
	53	Local Travelling	1,100	600	600
	55 (12)	Clerks	5,626	5,271	5,271
	55 (27)	Local Travelling	1,700	1,620	1,620
	55 (32)	Uniforms	1,100	1,000	1,000
		TOTAL POST OFFICE AND TELEGRAPHS ..	170,150	169,035	169,035
XXIV		PUBLIC WORKS DEPARTMENT.			
		HEADQUARTERS STAFF.			
	6a	Architect	...	840	840
	6b	Senior Assistant Quantity Surveyor	...	720	720
	6c	Draughtsman	...	600	600
	14	Office Boys	160	111	111
		STORES STAFF.			
	29	Office Boys, Watchmen, etc.	377	364	364
	33	Office Boys, Watchmen, etc.	843	439	439
		EXECUTIVE STAFF.			
	39	Surveyors	852	1,200	1,200
	46	Sub-Foremen	2,256	1,440	1,440
	49	Office Boys, Watchmen, etc.	1,900	1,134	1,134
	52	Local Transport and Travelling and Camp Equipment ..	6,650	5,800	5,800
	54	Drawing Office Material and Office Equipment	551	300	300
	55	Conservancy and Water Rates	800	600	600
	58	Telephones and Telegrams	730	630	630
		MOMBASA WATER SUPPLY.			
	66	Office Boys	42	24	24
	69	Fitters, Permanent Skilled Labour, etc.	1,000	750	750
	72	Local Transport and Travelling	200	150	150

SCHEDULE—*contd.*

EXPENDITURE—*contd.*

Head	Item	Details	Amount proposed in Draft Estimates	Amount proposed by Select Committee: Official Members	Amount proposed by Select Committee: Unofficial Members
			£	£	£
		PUBLIC WORKS DEPARTMENT—*contd.*			
		ELDORET WATER SUPPLY.			
	88	Local Transport and Travelling	120	75	75
	89	General Maintenance	400	300	300
		GILGIL WATER SUPPLY.			
	94	General Maintenance	150	85	85
		KITALE WATER SUPPLY.			
	108	General Maintenance	800	500	500
		GOVERNMENT ASIAN AND AFRICAN HOUSING.			
	152	Conservancy and Water Rates	425	300	300
		TOTAL PUBLIC WORKS DEPARTMENT ..	114,819	112,925	112,925
XXV		PUBLIC WORKS RECURRENT.			
	3	Rents and House Allowances	54,500	50,500	50,500
	4	Furniture Upkeep and Repair	2,000	1,500	1,500
		TOTAL PUBLIC WORKS RECURRENT ..	160,000	145,500	145,500
XXVIII		SECRETARIAT AND LEGISLATIVE COUNCIL.			
	2	Principal Assistant Colonial Secretary	1,350	1,350	
		General Savings (*vide* Appendix III)	..	19	19
		TOTAL SECRETARIAT AND LEGISLATIVE COUNCIL ..	20,965	20,946	19,896
XXIX		STATISTICAL DEPARTMENTS.			
		FINGER PRINT BUREAU.			
	37	Clerks	4,347	4,501	4,501
		TOTAL STATISTICAL DEPARTMENTS ..	21,106	21,260	21,260
XXXIII		PUBLIC WORKS EXTRAORDINARY.			
	4	Furniture for New Buildings	3,000	2,500	2,500
	2a	Kitale Drains (Re-vote)	..	1,000	1,000
	7	Kapchure River Bridge and Approaches	..	2,300	2,300
	8	Bura–Lamu Track	..	100	100
	9	Sabaki Bridge–Lamu Track	..	100	100
	10	Kericho–Kedowa Road	..	100	100
		TOTAL PUBLIC WORKS EXTRAORDINARY ..	8,500	11,600	11,600
		TOTAL ESTIMATES EXPENDITURE .. £	3,256,648	3,240,347	3,238,997

SCHEDULE—*contd.*

EXPENDITURE—*contd.*

Head	Item	Details	Amount proposed in Draft Estimates	Amount proposed by Select Committee	
				Official Members	Unofficial Members
			£	£	£
		MILITARY.			
XVI					
	1	Northern Brigade, Kenya's Share of Expenditure	87,120	81,181	81,181
	2	Bandmaster	450	350	350
		DEFENCE FORCE.			
	24	Training	1,815	2,315	2,315
	26	Passages	215	115	115
		TOTAL MILITARY ..	96,767	91,128	91,128
XVII		**MISCELLANEOUS SERVICES.**			
	14	Guarantees in respect of Railway Branch Lines:—			
		(*a*) Nanyuki Extension	5,970	4,356	4,356
	34	Telegrams	1,600	1,400	1,400
		TOTAL MISCELLANEOUS SERVICES ..	89,597	87,783	87,783
XVIIa		**MISCELLANEOUS SERVICES EXTRAORDINARY.**			
	4	Guarantee to Lady Northey Home	—	250	250
		TOTAL MISCELLANEOUS SERVICES EXTRAORDINARY	1,400	1,650	1,650
XX		**POST OFFICE AND TELEGRAPHS.**			
	19	Wireless Engineer Operator	500	520	520
	[illegible]	Local Travelling	1,100	600	600
	[illegible] (12)	Clerks	5,626	5,271	5,271
	35 (27)	Local Travelling	1,700	1,520	1,520
	55 (32)	Uniforms	1,100	1,000	1,000
		TOTAL POST OFFICE AND TELEGRAPHS ..	170,150	169,035	169,035
XXIV		**PUBLIC WORKS DEPARTMENT.**			
		HEADQUARTERS STAFF.			
	6a	Architect	..	840	840
	6b	Senior Assistant Quantity Surveyor	..	720	720
	6c	Draughtsman	..	600	600
	14	Office Boys	160	111	111
		STORES STAFF.			
	29	Office Boys, Watchmen, etc.	377	364	364
	33	Office Boys, Watchmen, etc.	843	439	439
		EXECUTIVE STAFF.			
	39	Surveyors	852	1,200	1,200
	46	Sub-Foremen	2,256	1,440	1,440
	49	Office Boys, Watchmen, etc.	1,900	1,134	1,134
	52	Local Transport and Travelling and Camp Equipment ..	6,650	5,800	5,800
	54	Drawing Office Material and Office Equipment	551	300	300
	55	Conservancy and Water Rates	800	600	600
	58	Telephones and Telegrams	730	630	630
		MOMBASA WATER SUPPLY.			
	66	Office Boys	42	24	24
	69	Fitters, Permanent Skilled Labour, etc.	1,000	750	750
	72	Local Transport and Travelling	200	150	150

SCHEDULE—*contd*

EXPENDITURE

Head	Item	Details	Amount proposed in Draft Estimates	Amount proposed by Select Committee: Official Members	Amount proposed by Select Committee: Unofficial Members
			£	£	£
I		HIS EXCELLENCY THE GOVERNOR.			
	27	Travelling Allowances	168	65	65
		TOTAL HIS EXCELLENCY THE GOVERNOR	16,668	16,565	16,565
II		ADMINISTRATION.			
		GENERAL STAFF			
	12	Office Assistants (Grade A)	3,384	3,204	3,204
	14	Clerks (Grade A)	1,639	1,364	1,364
	15	Acting Allowances	460	260	260
		NATIVE AFFAIRS DEPARTMENT			
	31	European Clerks	1,602	1,428	1,428
	35	Library	25	5	5
	36	Expenses of Native Department	150	100	100
	43	Passages	246	52	52
	52	Contingencies	30	20	20
	53	Library	10	5	5
		LOCAL GOVERNMENT, LANDS AND SETTLEMENT.			
	1	Assistant Local Government Inspector (£425 by £25 to £500 by £50 to £725)		425	425
		TURKANA PROVINCE.			
	186	Travelling Allowances		15	15
		MASAI PROVINCE.			
	117	Travelling Allowances	30	66	66
		KIKUYU PROVINCE.			
	199a	Travelling Allowances		200	200
		UKAMBA PROVINCE.			
	223	Travelling Allowances	50	75	75
		KABETE REFORMATORY.			
	286	Technical Instructor	1,094	912	912
	287	Clerk and Storekeeper	408	390	390
	297	Materials	600	550	550
	298	Tools and Equipment	350	400	400
		TOTAL ADMINISTRATION	267,405	266,818	266,818
III		AGRICULTURAL DEPARTMENT.			
	32	Contribution to Colonial Agricultural Service	700	420	420
	44	Local Transport and Travelling	5,283	4,683	4,683
	64	Labour	600	500	500
	80	Mechanic (Temporary)	210		
	82	Mechanics (Temporary)	108		
	84	Relief Clerk	90		
	86	Upkeep and Labour (Grading and Conditioning)	2,700	1,200	1,200
	88	Deputy Director (Animal Industry)	100	1,200	1,200
	92	Local Transport and Travelling	8,000	7,500	7,500
	93	Chief Veterinary Officer	1,100		
	102	Labour	4,200	4,000	4,000
		TOTAL AGRICULTURAL DEPARTMENT	146,973	143,385	143,385
IIIa		AGRICULTURAL DEPT. EXTRAORDINARY.			
	2	Locust Campaign		5,000	5,000
		TOTAL AGRICULTURAL DEPARTMENT EXTRAORDINARY	1,000	6,000	6,000

SCHEDULE—*contd.*

EXPENDITURE—*concd.*

Head	Item	Details	Amount proposed in Draft Estimates	Amount proposed by Select Committee: Official Members	Amount proposed by Select Committee: Unofficial Members
			£	£	£
VIII		EDUCATION DEPARTMENT.			
		EUROPEAN EDUCATION.			
	20	Education Officers	27,472	27,872	27,872
	23	Reliefs and Acting Allowances	2,590	1,940	1,940
	27	Passages	1,965	1,515	1,515
	31	Contributions to Schools	343	473	473
	40	Reliefs and Acting Allowance	158	58	58
	44	Passages	450	300	300
		ARAB AND AFRICAN EDUCATION.			
	69	Matron	140	..	..
	75	Reliefs and Acting Allowance	2,000	1,900	1,900
	83	Passages	1,996	1,696	1,696
		TOTAL EDUCATION DEPARTMENT	189,992	188,632	188,632
X		GAME DEPARTMENT.			
	12	Passages	345	220	220
		TOTAL GAME DEPARTMENT	11,084	10,939	10,939
XI		INTEREST.			
	1	Interest on Advances by Crown Agents, etc.	1,000	1,000	1,000
		TOTAL INTEREST	1,000	1,000	1,000
XIVa		LOCAL GOVERNMENT CONTRIBUTIONS TO LOCAL AUTHORITIES EXTRAORDINARY.			
	1	Special Grant to Eldoret Municipality	..	100	100
		TOTAL LOCAL GOVT. CONTRIBUTIONS TO LOCAL AUTHORITIES EXTRAORDINARY	..	100	100
XV		MEDICAL DEPARTMENT.			
	14	Acting Allowances	100	..	..
	19	Resident Surgical Officer	75	87	87
	21	Medical Officers	31,579	31,761	31,761
	54	African Sanitary Staff	1,400	1,200	1,200
	62	Assistant Government Analyst	500	..	..
	73	Upkeep of Laboratory	900	850	850
	79	Passages	12,353	10,000	10,000
	80	Local Travelling	11,027	10,500	10,500
	101	Medical Grants to Missions	3,178	3,500	3,500
	104	Grants to Private Hospitals	570	920	920
	108	Grants-in-Aid	2,150	2,200	2,200
	111	Post-mortems and Medical Examinations Fees—Expenses in connexion with	..	750	750
		TOTAL MEDICAL DEPARTMENT	221,421	219,357	219,357
XVa		MEDICAL DEPARTMENT EXTRAORDINARY.			
	1	Capital Contributions to Hospital and Maternity and Child Welfare Institutions	500	350	350
	2	Grant to Nyando Nursing Association		50	50
		TOTAL MEDICAL DEPARTMENT EXTRAORDINARY	500	400	400

SCHEDULE—*contd.*

EXPENDITURE

Head	Item	Details	Amount proposed in Draft Estimates	Amount proposed by Select Committee: Official Members	Amount proposed by Select Committee: Unofficial Members
			£	£	£
I		HIS EXCELLENCY THE GOVERNOR.			
	20	Travelling Allowances	168	65	65
		TOTAL HIS EXCELLENCY THE GOVERNOR	16,668	16,565	16,565
II		ADMINISTRATION.			
		GENERAL STAFF.			
	12	Chief Minister	3,384	3,204	3,204
	14	Clerks (Grade A and C)	1,639	1,364	1,364
	15	Acting Allowances	460	260	260
		NATIVE AFFAIRS DEPARTMENT.			
	31	European Clerks	1,602	1,428	1,428
	35	Library	28	5	5
	36	Expenses of Native Department	150	100	100
	42	Packing	286	52	52
	52	Contingencies	30	30	20
	53	Library	10	5	5
		LOCAL GOVERNMENT, LANDS AND SETTLEMENT.			
	[illegible]	Additional Local Government Inspector (Add by [illegible] [illegible])		428	428
		TURKANA PROVINCE.			
	126	Travelling Allowances		15	15
		MASAI PROVINCE.			
	177	Travelling Allowances	30	66	66
		KIKUYU PROVINCE.			
	199a	Travelling Allowances		300	300
		UKAMBA PROVINCE.			
	223	Travelling Allowances	50	75	75
		KABETE REFORMATORY.			
	286	Technical Instructors	1,094	912	912
	287	Clerk and Storekeeper	408	390	390
	297	Materials	600	550	550
	298	Tools and Equipment	350	400	400
		TOTAL ADMINISTRATION	267,405	266,818	266,818
III		AGRICULTURAL DEPARTMENT.			
	32	Contribution to Colonial Agricultural Service	700	420	420
	44	Local Transport and Travelling	5,283	4,683	4,683
	64	Labour	600	500	500
	80	Mechanic (Temporary)	210	..	..
	82	Mechanics (Temporary)	108	..	..
	84	Relief Clerk	90	..	..
	86	Upkeep and Labour (Grading and Conditioning)	2,700	1,200	1,200
	88	Deputy Director (Animal Industry)	100	1,200	1,200
	92	Local Transport and Travelling	8,000	7,500	7,500
	93	Chief Veterinary Officer	1,100	..	..
	102	Labour	4,200	4,000	4,000
		TOTAL AGRICULTURAL DEPARTMENT	146,973	143,385	143,385
IIIa		AGRICULTURAL DEPT. EXTRAORDINARY.			
	2	Locust Campaign	..	5,000	5,000
		TOTAL AGRICULTURAL DEPARTMENT EXTRAORDINARY	1,000	6,000	6,000

SCHEDULE

AMENDMENTS TO DRAFT ESTIMATES PROPOSED BY THE SELECT COMMITTEE

REVENUE

Head	Item	Details	Amount proposed in Draft Estimates	Amount proposed by Select Committee: Official Members	Amount proposed by Select Committee: Unofficial Members
			£	£	£
I		CUSTOMS.			
		IMPORTS.			
		Class I—Food, Drink and Tobacco—			
		Grain and Flour	40,000	30,000	
		Spirits	164,000	135,000	
		Wines, Ale and Beer	34,000	25,000	
		Other Food and Drink	56,000	45,000	
		Tobacco	82,000	75,000	
		Class II—Raw Material and Articles Mainly Unmanufactured	5,000	3,000	
		Class III—Articles Wholly or Mainly Manufactured—			675,000
		Cotton Yarns and Manufactures	110,000	105,000	
		Other Textile Manufactures	20,000	15,000	
		Oils, Fats and Resin Manufactures	100,000	100,000	
		Vehicles	35,000	20,000	
		Matches	8,000	7,000	
		Miscellaneous Goods	150,000	150,000	
		Class V—Parcel Post	40,000	40,000	
			864,000	780,000	675,000
		Sundries	2,800	2,679	2,679
		TOTAL CUSTOMS	866,800	782,679	677,679
II		LICENCES, DUTIES, TAXES.			
	2	Game Licences	11,000	10,000	10,000
	9	Stamp Duties	61,300	59,300	59,300
	21	Tax on Official Salaries	..	50,000	98,000
	22	Entertainment Tax	..	6,000	..
	23	Licensing of Banks	..	1,900	1,900
	24	Licensing of Shipping Agencies	..	500	..
	25	Motor Drivers' Licences	..	2,500	..
	26	Licensing of Insurance Companies	..	1,500	1,500
	27	Road Transport Licences	..	2,000	2,000
		TOTAL LICENCES, DUTIES, TAXES	921,296	982,696	1,021,696
III		FEES AND PAYMENTS FOR SPECIFIC PURPOSES.			
	24	Grading, Conditioning and Cold Storage Fees	6,000	3,000	3,000
		TOTAL FEES AND PAYMENTS FOR SPECIFIC PURPOSES	127,450	124,450	124,450
IV		POSTS AND TELEGRAPHS.			
	1	Sale of Stamps	83,350	80,350	80,350
	9	Telegraph Revenue	40,500	38,500	38,500
		TOTAL POSTS AND TELEGRAPHS	182,675	177,675	177,675
V		EARNINGS OF GOVERNMENT DEPARTMENTS.			
	4	Mombasa Water Supply	37,500	36,000	36,000
	20	Water Boring	2,956	1,847	1,847
		TOTAL EARNINGS OF GOVERNMENT DEPARTMENTS	86,954	84,345	84,345

SCHEDULE—*contd.*

REVENUE—*contd.*

Head	Item	Details	Amount proposed in Draft Estimates	Amount proposed by Select Committee: Official Members	Amount proposed by Select Committee: Unofficial Members
			£	£	£
VII		SALE OF GOVERNMENT PROPERTY.			
	5	Ivory and Confiscated Trophies	6,000	5,000	5,000
		TOTAL SALE OF GOVERNMENT PROPERTY	12,843	11,843	11,843
VIII		MISCELLANEOUS RECEIPTS.			
	6	Kisumu Bazaar Sites	..	1,516	1,516
		TOTAL MISCELLANEOUS RECEIPTS	10,300	11,816	11,816
IX		FOREST DEPARTMENT REVENUE.			
	2	Timber Sales and Royalties	16,500	12,500	12,500
	3	Fuel Sales and Royalties	17,000	16,000	16,000
		TOTAL FOREST DEPARTMENT REVENUE	39,360	34,360	34,360
X		INTEREST.			
	12	Surplus and Loan Balances	7,000	14,000	14,000
	13	Land Bank	6,000	7,000	7,000
		TOTAL INTEREST	16,360	24,360	24,360
XI		REIMBURSEMENTS.			
		Uganda Government on account of:—			
	1	Customs Department	16,436	18,102	18,102
	2	Post Office	39,036	39,279	39,279
	30a	Nairobi Municipality on account of Municipal Native Affairs Officer		904	904
	32a	Mombasa Municipality on account of District Surveyor		452	452
	45	Loan on account of Public Works Department Staff		2,160	2,160
		TOTAL REIMBURSEMENTS	948,795	954,220	954,220
		TOTAL ESTIMATED REVENUE £	3,318,891	3,264,502	3,228,502

Nairobi Office :

Salary of officer in charge	£600
One experienced stenographer	250
One learner	100
Office expenses, telephone, etc.	150
Telegrams, local advertising, etc.	200
	£1,300
Total ...	£4,800

as compared with the present expenditure of £4,600—a possible saving of £300.

8. The foregoing estimate for a local office assumes that it might be possible for the Kenya and Uganda Railway to provide some accommodation free of charge in their head office, Nairobi.

9. In view of the estimate given above and the doubt as to whether the existing arrangement can in any case be continued, the Sub-Committee are of the opinion that a scheme for providing a separate organization with branches in London and Nairobi for Kenya Colony alone, is worth further investigation.

10. The Sub-Committee feel that it would be unwise for the new organization to be in the nature of a new Government Department, or even to form part of any existing department. They suggest that it might be conducted by a small board in Nairobi consisting of three persons, one being a Government official and two non-officials. The Nairobi Board should work in the closest possible connexion and co-operation with the Government, and the policy of the organization should be dictated from Nairobi.

11. The organization should be financed in the first instance by a subsidy from the Government, which subsidy might later be supplemented by contributions from other sources.

12. The Sub-Committee contemplate that the existing organization, in so far as it deals with trade, would continue to function through the local office of the British Trades Commissioner and the Department of Overseas Trade; also that expenses connected with small exhibitions in England would continue to be financed by the Department of Overseas Trade or the Empire Marketing Board.

13. As regards representation at foreign exhibitions, it is contemplated that these would be financed, as in the past, partly by the Empire Marketing Board and partly by specific appropriations by the Governments who may wish to be represented.

14. The Sub-Committee contemplate that the functions of the London Office, apart from trade, would be as originally laid down, viz :—

(*a*) To encourage settlement;

(*b*) To encourage investment of new capital;

(*c*) To consolidate and exploit markets for local produce;

(*d*) To attract tourist traffic;

with such variations as might be directed from Nairobi. They contemplate also that the functions of the Nairobi Office would be to feed the London Office with information, to develop publicity in other countries (such as India), and to advise and assist (otherwise than financially) incoming settlers, pupils, etc.

15. The Sub-Committee understood, from remarks made by Colonel Franklin to the Select Committee, that, in the event of a departure from the existing arrangements, the service and organization of the Department of Overseas Trade would still be available to Kenya through the Government of Kenya.

16. It is understood that the lease of the present London Office expires in September next, and it is felt by the Sub-Committee that existing participants in the scheme should not be permitted to withdraw their contributions until that date, if such a course is to have the effect of throwing a greater burden upon those Administrations which may continue, for the time being, to support the existing organization.

17. The Sub-Committee do not recommend that the London Office should be, in any way, directly connected with the organization of Messrs. Thomas Cook and Sons, but they think that, if the London Officer were in the building occupied by that firm, valuable assistance would undoubtedly be afforded by its world-wide organization.

18. The Sub-Committee understand that the Kenya and Uganda Railway hope to arrange with Messrs. Thomas Cook and Sons to send a responsible representative to discuss locally matters connected with railway publicity, and they feel that, if such a visit is arranged, a favourable opportunity will be presented for discussing both the matters herein referred to and the further question which has arisen in this connexion of the future of the Government Coast Agency.

H. H. BUSHTON, *Treasurer*
(*Chairman*).

APPENDIX V

AMENDMENTS TO APPENDIX M PROPOSED BY THE SELECT COMMITTEE.

Item	Details	Amount proposed in Draft Estimates.	Amount proposed by Select Committee
		£	£
1	Inspector General	1,400	950
	Total Kenya share, Northern Brigade, Inspector General (twenty forty-eighths)	1,666	1,475
	3RD, 4TH AND 5TH BATTALIONS		
47	Subalterns	15,500	14,950
60	Pension Contributions	4,900	4,800
61	Sergeants (62)	2,458	2,381
62	Corporals (62)	1,844	1,786
63	Lance-Corporals (62)	1,536	1,488
64	Privates (894)	15,523	15,019
71	Gun Porters (118)	2,017	1,963
74	Good Conduct Pay	3,000	2,923
75	Arms, Equipment and Uniforms	10,866	10,600
76	Rations	10,373	10,165
77	Passages	2,975	2,895
78	Local Travelling and Transport	6,600	6,500
80	Construction and Upkeep of Patrol Roads	500	180
81	Miscellaneous Stores	725	700
84	Outfit Allowances	650	600
	Total Military	145,200	142,432
	Contribution from Sudan Government	..	10,000
	£	145,200	132,432
		60 per cent	61.3 per cent
	KENYA SHARE .. £	87,120	81,181

Nairobi Office:

Salary of officer in charge	£900	
One experienced stenographer	250	
One learner	100	
Office expenses, telephone, etc.	150	
Telegrams, local advertising, etc.	200	
		£1,300
Total ...		£4,800

as compared with the present expenditure of £4,500—a possible saving of £300.

8. The foregoing estimate for a local office assumes that it might be possible for the Kenya and Uganda Railway to provide some accommodation free of charge in their head office, Nairobi.

9. In view of the estimate given above and the doubt as to whether the existing arrangement can in any case be continued, the Sub-Committee are of the opinion that a scheme for providing a separate organization with branches in London and Nairobi for Kenya Colony alone, is worth further investigation.

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15. The Sub-Committee understood, from remarks made by Colonel Franklin to the Select Committee, that, in the event of a departure from the existing arrangements, the service and organization of the Department of Overseas Trade would still be available to Kenya through the Government of Kenya.

APPENDIX III—*Continued*

Item No.	Sanctioned Est. 1931	Estimates 1932	DETAILS	Estimates, 1932	Sanctioned Estimates, 1931	Increase	Decrease	Notes
				£	£	£	£	
			LEGISLATIVE COUNCIL.					
1	1	1	*Clerk of Legislative Council (£720 by £30 to £840, by £40 to £920)	720	880		160	*c*
2	2	2	Reporters (£400 by £20 to £600)	922	882	40		*a*
3	1	1	Relief Reporter	100	200		100	*f, a*
4	1	1	Clerk (Grade C)	300	240	60		*c*
			Total Legislative Council, Personal Emoluments	2,042	2,202			
			OTHER CHARGES.					
5	..	..	Passages	161	..	161	..	*m*
6	..	..	Local Transport and Travelling	30	..	30	..	*m*
7	..	..	Telegrams	25	..	25	..	*m*
8	..	..	Telephones	15	..	15	..	*m*
9	..	..	Allowances, etc., to Unofficial Members of Executive and Legislative Councils	3,000	..	3,000	..	*n*
10	..	..	Rent of Memorial Hall	200	..	200	..	*n*
11	..	..	Contingencies	25	..	25	..	*m*
			Total Other Charges	3,456				
			TOTAL LEGISLATIVE COUNCIL	5,498				
			Total Secretariat	15,448				
			Total Legislative Council	5,498				
			GRAND TOTAL £	20,946	2,202	3,556	260	
			NET DECREASE £1,904					

* Pensionable office.
a Normal increments.
c Change in holder of post.
f Leave movements.
m Proportionate provision transferred from the relative item under Secretariat.
o Economy.
n Transferred from items 23 and 24 under "Head" Secretariat.

APPENDIX IV

THE CHAIRMAN,

SELECT COMMITTEE ON THE BUDGET FOR 1932.

The Sub-Committee appointed to inquire into the feasibility of providing some organization to deal with Publicity as an alternative to the present arrangement in connexion with the Department of Overseas Trade, the East African Trade and Information Office, London, and the local office of the British Trades Commissioner, Nairobi, which might be more satisfactory from the point of view of Kenya and not more expensive, met in the Treasury at 2.15 p.m. on the 8th October, 1931.

There were present :—

The Hon. the Treasurer (*Chairman*);

The Hon. the Acting Commissioner for Local Government, Lands and Settlement;

The Hon. Lord Francis Scott, M.L.C.;

The Hon. W. C. Mitchell, M.L.C.;

The Hon. Colonel Tucker, M.L.C.

2. Under the existing arrangement the East African Trade and Information Office, London, is maintained by contributions of varying amounts from seven Administrations, the total income in 1931 being £11,700. Of this sum, £4,500 is contributed by Kenya. A further expenditure of £300 is incurred by Kenya locally.

3. The Sub-Committee had before them a statement of receipts and payments during the year 1930 which had been prepared by the present Commissioner. In that year the income was £11,400 and expenditure £11,568. The Sub-Committee noted that, including a debit of over-expenditure of £862 in respect of the year 1929, the actual payments made in 1930 amounted to £12,430. Of this total expenditure, the Sub-Committee observed that the sum of £3,533 was spent on office rent, furniture, printing, stationery, and the office expenses such as light, heating and insurance; £6,203 was spent on salaries and travelling expenses, including a contribution of £1,283 to the Department of Overseas Trade; over £1,833 was spent on advertising, exhibitions, cables and postages. As regards the emoluments and travelling expenses of the Commissioner and of the Department of Overseas Trade representative in Nairobi, the Sub-Committee noted that the sums of £1,383 and £400 were contributed from the funds of the East African Dependencies Trade and Information Office; a further £400 being contributed towards the office expenses of the latter officer. In addition to this latter sum, the Kenya Government pays the sum of £300 for local publicity expenses.

The Sub-Committee further noted that, at the end of 1930, there was a balance in hand of the funds of this office of £4,901.

4. It is understood that the Kenya and Uganda Railway propose to withdraw from the existing arrangement and cancel their contribution of £2,500 per annum; that Uganda proposes to withdraw her subscription of £1,000 per annum; and that Tanganyika Territory proposes to reduce her contribution by £400.

5. It is obvious that the London Office cannot continue to function at all satisfactorily with so large a diminution in its income, and it appears to the Sub-Committee that the remaining participants are not likely to be in a position to augment their subscriptions, and that it is equally unlikely that the British Government would be prepared to contribute the balance required.

6. In these circumstances, it seems probable that the Kenya Government may be forced to review the position whether they wish to do so or not.

7. The Sub-Committee understand that Messrs. Thomas Cook and Sons are willing to place at the disposal of the Kenya Government a furnished room for the sum of £250 per annum, which presumably includes light, heating and insurance; also that they are prepared to place at the disposal of the Government an experienced shorthand typist at a reasonable figure. On the basis of this arrangement the Sub-Committee have prepared the following estimate of the cost of providing for a separate organization, including an office in London and an office in Nairobi :—

London Office :

Agent's salary	£1,200	
Rent of room, light, heating and insurance	250	
Shorthand typist	250	
Stationery, postages, cables, telegrams	250	
Travelling expenses	250	
Advertising and other forms of publicity	1,000	
		£3,200

APPENDIX III—*Continued*

Item No.	Sanctioned Est. 1931	Estimates 1932	DETAILS	Estimates, 1932	Sanctioned Estimates, 1931	Increase	Decrease	Notes
				£	£	£	£	
			LEGISLATIVE COUNCIL.					
1	1	1	*Clerk of Legislative Council (£720 by £30 to £840, by £40 to £920)	720	880	..	160	c
2	2	2	Reporters (£400 by £20 to £600) ..	922	882	40	..	a
3	1	1	Relief Reporter	100	200	..	100	f, a
4	1	1	Clerk (Grade C)	300	240	60	..	c
			Total Legislative Council, Personal Emoluments	2,042	2,202			
			OTHER CHARGES.					
5	..	..	Passages	161	..	161	..	m
6	..	..	Local Transport and Travelling	30	..	30	..	m
7	..	..	Telegrams	25	..	25	..	m
8	..	..	Telephones	15	..	15	..	m
9	..	..	Allowances, etc., to Unofficial Members of Executive and Legislative Councils ..	3,000	..	3,000	..	n
10	..	..	Rent of Memorial Hall	200	..	200	..	n
11	..	..	Contingencies	25	..	25	..	m
			Total Other Charges ..	3,456				
			TOTAL LEGISLATIVE COUNCIL ..	5,498				
			Total Secretariat	15,448				
			Total Legislative Council	5,498				
			GRAND TOTAL .. .. £	20,946	2,202	3,556	260	
			NET DECREASE .. £1,904					

* Pensionable office.
a Normal increments.
c Change in holder of post.
f Leave movements.
m Proportionate provision transferred from the relative item under Secretariat.
e Economy.
n Transferred from items 23 and 24 under "Head" Secretariat.

APPENDIX IV

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There were present :—

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The Hon. the Acting Commissioner for Local Government, Lands and Settlement;

The Hon. Lord Francis Scott, M.L.C.;

The Hon. W. C. Mitchell, M.L.C.;

The Hon. Colonel Tucker, M.L.C.

areas than at present, and should have greater powers to deal executively with all native affairs in their areas, but should only be co-ordinating factors as far as concerns affairs in settled areas. The latter should deal through their District Councils direct to the Assistant Colonial Secretary for land and settlement, etc., and so to the Colonial Secretary.

It is suggested that a system whereby a Treasury Officer was attached to each Provincial Commissioner's headquarters might lead to increased efficiency and economy, but the Sub-Committee considered they had not the technical knowledge to give a definite opinion on this point.

The Sub-Committee were of the opinion that technical officers in their areas, such as doctors, agricultural officers, Public Works Department officers, etc., should be under the control of the Provincial Commissioners in a general way, but responsible to the heads of their departments for the technical side of their work.

The Sub-Committee consider that all heads of departments should have direct access to the head of Government, without dealing with a Secretariat as at present composed, and a system should be inaugurated by which heads of departments might meet together every week and discuss points arising between their departments, so as to eliminate unnecessary files and correspondence.

It was considered that without the present staff of the Native Affairs Department or Local Government Department, and still leaving ample clerical assistance to the Colonial Secretary, a saving of over £8,000 could be effected on the Secretariat vote and £1,800 on the vote for Provincial Commissioners.

(Note.—This does not include the 40 per cent allowance, nor, on the other side, provision for pensions.)

Work done at present by Establishment Officers should be done by the various departments concerned.

SAVINGS.

1 Principal Assistant Secretary	£1,350
1 Senior Assistant Secretary	1,200
2 Secretaries	1,617
1 Establishment Officer	834
1 Assistant Establishment Officer	600
3 European Clerks	800
Acting Allowances	200
1 Chief (Asiatic) Establishment	360
6 Clerks	1,500

APPENDIX III

Item No.	Establishment 1931	Establishment 1932	DETAILS	Estimates, 1932	Sanctioned Estimates, 1931	Increase	Decrease	Notes
				£	£	£	£	
			SECRETARIAT.					
			EUROPEAN STAFF.					
			PERSONAL EMOLUMENTS.					
1	1	1	*Colonial Secretary (£2,200)	2,200	2,200	..	..	
2	1	1	*Principal Assistant Colonial Secretary (£1,350)	1,350	1,350	..	..	
3	1	1	*Senior Assistant Colonial Secretary (£1,200)	1,200	1,200	..	..	
4	2	2	*Secretaries (£720 by £30 to £840, by £40 to £920)	1,617	1,576	41	..	a
5	1	1	*Establishment Officer (£720 by £30 to £840)	834	804	30	..	a
6	1	1	*Assistant Establishment Officer (£500 by £25 to £600)	600	600	..	..	
7	10	8	*European Clerks (4 Grade A, 2 Grade B, 2 Grade C and Learners)	2,098	2,742	..	644	a, j, m
8	..	..	Allowance Governor's Deputy at £1 per diem	80	100	..	20	g, o
9	..	..	Acting Allowance	220	350	..	130	f, r
			Total European Staff, Personal Emoluments	10,199	10,922			
			ASIATIC STAFF.					
			PERSONAL EMOLUMENTS.					
10	1	1	*Chief Establishment-Clerk	360	360	..	..	
11	13	12	*Clerks	2,938	3,085	..	147	a, n
12	..	..	Shorthand Allowances	36	36	..	..	
13	..	..	Acting Allowances	16	..	16	..	r, β
			Total Asiatic Staff, Personal Emoluments	3,350	3,401			
			AFRICAN STAFF.					
			PERSONAL EMOLUMENTS.					
14	1	1	Clerk (Grade I)	63	63	..	..	
15	2	2	Clerks (Grade II and Learner)	69	75	..	6	g, o
16	..	..	Office Boys, Messengers and Sweeper ..	140	158	..	18	a
			Total African Staff, Personal Emoluments	272	296			
			Total Secretariat Personal Emoluments	13,821	14,699	..		
			OTHER CHARGES.					
17	..	..	Passages	852	1,489	..	637	f, g
18	..	..	Local Transport and Travelling	300	350	..	50	o, g
			Travelling Allowances	..	100	..	100	r
			Advertisements, Communiques, etc. ..	30	50	..	20	a
19	..	..	Telegrams	100	160	..	60	g, o, g
20	..	..	Telephones	85	100	..	15	g
21	..	..	Office Equipment	30	50	..	20	o
22	..	..	*Allowances, etc., to Unofficial Members of Executive and Legislative Councils* ..	..	3,000	..	3,000	t
23	..	..	*Rent of Memorial Hall*	..	200	..	200	t
24	..	..	Contingencies:— £					
25	..	..	Library 50					
			Conservancy, Water, Light, etc. 65					
			Uniforms 15					
			Incidentals 100	230	350	..	120	o, g
			Expenses of Elections	..	100	..	100	s
			Total Other Charges	1,627	5,949			
			TOTAL SECRETARIAT .. .. £	15,448	20,648	87	5,287	

* Pensionable office.
a Normal increments.
n New item.
f Leave movements.
g Previously overestimated.
j One post in abeyance.
m One post transferred to item 4 under Head "Leg. Council."
Decrease due to abolition of one post.
o Economy.
β Necessitated by leave movements.
g Proportionate provision transferred to the relative item under Head "Legislative Council."
r Less acting appointments necessary than previous years.
t Transferred to items 9 and 10 under Head "Leg. Council."

areas than at present, and should have greater powers to deal executively with all native affairs in their areas, but should only be co-ordinating factors as far as concerns affairs in settled areas. The latter should deal through their District Councils direct to the Assistant Colonial Secretary for land and settlement, etc., and so to the Colonial Secretary.

It is suggested that a system whereby a Treasury Officer was attached to each Provincial Commissioner's headquarters might lead to increased efficiency and economy, but the Sub-Committee considered they had not the technical knowledge to give a definite opinion on this point.

The Sub-Committee were of the opinion that technical officers in their areas, such as doctors, agricultural officers, Public Works Department officers, etc., should be under the control of the Provincial Commissioners in a general way, but responsible to the heads of their departments for the technical side of their work.

The Sub-Committee consider that all heads of departments should have direct access to the head of Government, without dealing with a Secretariat as at present composed, and a system should be inaugurated by which heads of departments might meet together every week and discuss points arising between their departments, so as to eliminate unnecessary files and correspondence.

It was considered that without the present staff of the Native Affairs Department or Local Government Department, and still leaving ample clerical assistance in the Colonial Secretary, a saving of over £8,000 could be effected on the Secretariat vote and £4,800 on the vote for Provincial Commissioners.

(*Note.*—This does not include the 40 per cent allowance, nor, on the other side, provision for pensions.)

Work done at present by Establishment Officers should be done by the various departments concerned.

	Savings.
1 Principal Assistant Secretary	£1,350
1 Senior Assistant Secretary	1,200
2 Secretaries	1,617
1 Establishment Officer	834
1 Assistant Establishment Officer	600
3 European Clerks	800
Acting Allowances	200
1 Chief (Asiatic) Establishment	360
6 Clerks	1,500

simplified, and the time taken up reduced, had Government adequately followed up the recommendations of previous Select Committees, thus providing some reasoned basis from which to commence the present year's consideration.

A. D. A. MACGREGOR.
H. H. BUSHTON.
A. de V. WADE.
W. M. LOGAN.
FRANCIS SCOTT.
CONWAY HARVEY.
R. W. B. ROBERTSON-EUSTACE.
C. G. DURHAM.
J. G. KIRKWOOD.
H. F. WARD.
J. L. COTTER.
W. K. TUCKER.
SHERIFF ABDULLA BIN SALIM.

Nairobi,
21st November, 1931.

CANON BURNS and MR. MITCHELL attended the greater part of the meetings, but left the Colony before the Report was drafted.

G. BERESFORD STOOKE,
Acting Clerk of the Legislative Council.

APPENDIX I

TAX ON OFFICIAL SALARIES.

REPORT OF SUB-COMMITTEE OF ELECTED MEMBERS.

Present :—
Lord Francis Scott (in the Chair).
Mr. T. J. O'Shea.
Captain H. F. Ward.
Captain J. L. Cotter.
Mr. Sandford and Mr. Chamberlain of the Treasury were in attendance.

The Sub-Committee was appointed by Elected Members to consider the best means of giving effect to the proposal made by Unofficial Members of Select Committee that a tax should be placed on official salaries in order to provide a sum of approximately £100,000.

The Sub-Committee carefully considered the effects of the incidence of the proposed tax and, after examining the matter in all its various aspects, they recommend that a tax on official salaries should be introduced for a period of one year with effect from the 1st January, 1932, on the under-mentioned basis, an extension of the tax for a further period to be considered if circumstances demand it :—

10 per cent on the first £800 of every salary;
15 per cent on any part of every salary in excess of £800 per annum.

The tax to apply to all salaries and wages in excess of £1 per month and to be based on the net amount of salary drawn after deduction of contributions to the Widows' and Orphans' Pension Scheme or Fund.

It is anticipated that the yield from a tax on the above basis would be approximately £98,000.

The Sub-Committee recommends that, in regard to those employees who draw wages of £1 per month or less, and who therefore will not be subject to the tax, Government should take steps to ensure that their wages conform to general market rates, if necessary, by terminating their employment and re-engaging at lower rates of pay.

The Sub-Committee wishes to make it clear that they have recommended a comparatively high rate of tax as a temporary measure because they believe that this is the only alternative to further retrenchment of personnel, which they consider should be avoided at all costs.

The Sub-Committee recommends that Government be asked to give effect as early as possible to the recommendations of the Terms of Service Committee. They consider that the introduction of the conditions of service proposed in that Committee's report is the most equitable method of securing economy to Government without inflicting hardship on the junior members of the Service. The acceptance of the new terms of service should then exempt the individuals concerned from the tax on salaries proposed above.

FRANCIS SCOTT,
Chairman.

5.11.31

RESERVATION.

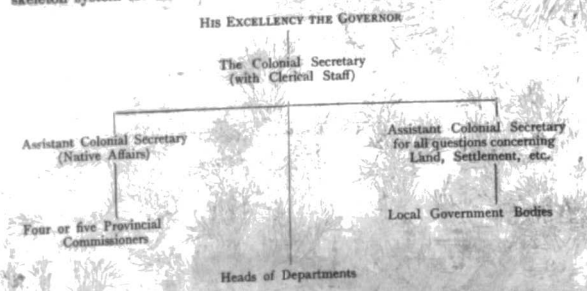
Captain H. F. Ward prefers the Government proposals for 1932 estimated to yield £50,000 and is confident that the further reduction in departmental expenditure urged in this Report can be effected in such a way as to involve neither an increase in the levy nor further retrenchments.

APPENDIX II

29th October, 1931.

SECRETARIAT AND ADMINISTRATION.

A Sub-Committee appointed by the Elected Members, consisting of Lord Francis Scott (in the chair), Captain H. F. Ward, Captain Cotter, and the Arab Elected Member, met at 2.30 p.m. on Monday, 26th October, 1931. Mr. Barret also attended. It was decided that steps be taken to improve the present system of the central Government which at present entails unnecessary and expensive duplication of overhead charges. It was agreed that the best skeleton system for administration should be on these lines :—



It was considered that the present number of Provincial Commissioners should be reduced from nine to four or five, and savings made accordingly. The four or five Provincial Commissioners left should have charge of larger

simplified, and the time taken up reduced, had Governments adequately followed up the recommendations of previous Select Committees, thus providing some reasoned basis from which to commence the present year's consideration.

A. D. A. MACGREGOR.
H. H. RUSHTON.
A. de V. WADE.
W. M. LOGAN.
FRANCIS SCOTT.
CONWAY HARVEY.
R. W. B. ROBERTSON-EUSTACE.
C. G. DURHAM.
J. G. KIRKWOOD.
H. F. WARD.
J. L. COTTER.
W. K. TUCKER.
SHERIFF ABDULLA BIN SALIM.

Nairobi,

21st November, 1931.

CANON BURNS and MR. MITCHELL attended the greater part of the meetings, but left the Colony before the Report was drafted.

G. BERESFORD STOOKE,
Acting Clerk of the Legislative Council.

APPENDIX I

TAX ON OFFICIAL SALARIES.

REPORT OF SUB-COMMITTEE OF ELECTED MEMBERS.

Present :—

Lord Francis Scott (in the Chair).
Mr. T. J. O'Shea.
Captain H. F. Ward.
Captain J. L. Cotter.
Mr. Sandford and Mr. Chamberlain of the Treasury were in attendance.

The Sub-Committee was appointed by Elected Members to consider the best means of giving effect to the proposal made by Unofficial Members of Select Committee that a tax should be placed on official salaries in order to provide a sum of approximately £100,000.

The Sub-Committee carefully considered the effects of the incidence of the proposed tax and, after examining the matter in all its various aspects, they recommend that a tax on official salaries should be introduced for a period of one year with effect from the 1st January, 1932, on the under-mentioned basis, an extension of the tax for a further period to be considered if circumstances demand it :—

10 per cent on the first £800 of every salary;
15 per cent on any part of every salary in excess of £800 per annum.

The tax to apply to all salaries and wages in excess of £1 per month and to be based on the net amount of salary drawn after deduction of contributions to the Widows' and Orphans' Pension Scheme or Fund.

XXXI.—TRADE AND INFORMATION OFFICE.

The Committee discussed the work and organization of the Trade and Information Office both with His Majesty's Senior Trade Commissioner and the General Manager, Kenya and Uganda Railways and Harbours. The general feeling of Members is that the present arrangement is far from satisfactory, and a Sub-Committee was appointed, with the following terms of reference :—

"To make recommendations for the institution of a separate Kenya Office in order—

(*a*) to encourage settlement;

(*b*) to encourage investment of new capital;

(*c*) to consolidate and exploit markets for local produce;

(*d*) to attract tourist traffic;

(*e*) to furnish information and advice on the above—bearing in mind the possible advisability of collaboration with the Railway Administration."

The report of this Sub-Committee, which the Select Committee recommends to the attention of Government, appears as Appendix IV.

XXXII.—TREASURY.

Central Revenue Registry.

The question of the institution of a Central Revenue Registry was discussed. The Treasurer informed the Committee that the cost of such a Registry would be in the region of £3,000, and that only a proportion of that amount would be recovered in the first year. He informed the Committee that a modified scheme was being considered and it was hoped to bring this into force early in 1932. He further informed the Committee that in regard to non-native poll tax the position generally was satisfactory with the exception of Nairobi and Mombasa where there were undoubtedly evasions.

HEAD XXXIII.—PUBLIC WORKS EXTRAORDINARY.

Item 4. *Furniture for New Buildings.*

The Committee was informed that this item may be reduced from £3,000 to £2,500.

The Director of Public Works stated that this vote provided for all furniture, joinery and fittings for new buildings, including Loan works. In view of the reduced loan programme, the possibility of a still larger reduction was discussed but the Director of Public Works pointed out the desirability of keeping the workshops adequately employed and it was decided to recommend accordingly.

The Director of Public Works asked the Committee to consider the possibility of inserting £5,000 for Miscellaneous Roads to be allocated, subject to the approval of the Central Roads Board, to—

(*a*) Bura–Lamu Track;

(*b*) Sabaki River–Kipini Track;

(*c*) Kericho–Kedowa Road.

Mr. Conway Harvey urged that the Kapchure River Bridge had a prior claim.

After some discussion, it was decided to recommend the insertion of £2,300 for the Kapchure River Bridge and approaches and token votes of £100 each for the three roads mentioned. The Committee considers that any further constructional work on these roads should await the revival of the Colony's finances.

The Director of Public Works informed the Committee that it is anticipated that only £400 out of the revote of £1,400 will be spent in 1931, and he asked that a further revote of the balance (£1,000) be considered for 1932. He explained that the delay had been due to a prolonged discussion with the Health Authorities as to whether there should be installed an underground system taking sullage only and capable eventually of taking sewerage as well or a surface system taking sullage and storm water. The former had finally been decided on, and tenders had been called for but there was no longer any possibility of the work being completed in 1931. The Committee recommends the revote of £1,000. Kitale Drains.

In signing this Report as a true record of the proceedings of the Select Committee, Elected Members wish to emphasize the fact that they are not yet satisfied that Government realizes the gravity of the financial situation, and they do not consider that the steps proposed to be taken are adequate in view of the following facts :—

1. That there is likely to be a deficit of about £200,000 on the 1931 workings, resulting in an actual cash deficit of about £110,000 at the end of that year.

2. That owing to the low value of Exports in 1932, estimated at about £1,300,000 (as compared with £3,400,000 in 1930), and at £2,500,000 in 1931, they consider it extremely improbable that the Revenue from Customs as estimated by Government will be realized.

3. That most of the remaining sources of revenue will be seriously affected by reason of the diminishing amount of money in circulation.

Elected Members strongly urge Government still further to curtail its expenditure for 1932 by £100,000 in order to provide a safe margin in the shape of an estimated surplus at the end of the year sufficient to provide against any serious fall in Revenue Estimates; and moreover, with the menace of locusts added to the already existing financial depression, they consider Government must reduce its expenditure to the lowest possible level so as to prepare the way for once more building up financial reserves and releasing Loan balances—moneys which must be temporarily employed, as shown in paragraphs 11 to 14 of this Report. Attention is drawn to the Appendices which, by means of Sub-Committees, demonstrate more economical bases in respect of Military, Police, Publicity and the Secretariat, without, however, obtaining any specific reflection therefrom towards reduction of the 1932 Estimates.

They also wish to emphasize that in their opinion it is urgently necessary that the balance of trade should be rectified as far as possible, and point out that one measure towards this end would be the prohibition of the import of wheat products and the protection of other agricultural industries against unfair competition from overseas.

They consider it vital to take immediate steps to advertise the country, *inter alia* with a view to increasing the amount of money in circulation in the Colony.

Furthermore they urge that an extended form of long term agricultural credits is essential to an increase in production and to the general development and welfare of the Colony.

The Elected Members desire to emphasize the fact that a review by a Budget Committee under present day conditions must of necessity be of a wider and more detailed nature than is normally required. They wish, however, to note that the business before the Committee would have been

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Item 39.

The Director of Public Works asked that item 39 (Surveyors) be increased from £852 to £1,200 in order to provide for the transfer to Revenue Staff of two Surveyors at present on the Loan Staff. He emphasized the necessity for bringing road surveys up to date and informed the Committee that the two Loan Surveyors were highly qualified and capable men whose services should be retained if possible. There was no further loan work upon which they could be employed. The Committee agrees and recommends accordingly.

XXV.—PUBLIC WORKS RECURRENT.

The Committee was informed that the following reductions can be made:

Item 3. *Rents of Offices and Houses and House Allowances.*—Reduced from £54,500 to £50,500.

Item 4. *Furniture, Upkeep and Repair of, for Government Bungalows and Offices.*—Reduced from £2,000 to £1,500.

XXVI.—REGISTRAR GENERAL'S DEPARTMENT.

Clerks. *Items 4 and 5.*

The Acting Registrar General explained that of twelve clerks employed in his department four were European and eight Asian. The question was raised as to whether it would not be possible to employ a larger proportion of European clerks, but the Registrar General referred to the desirability of engaging a good Indian clerk to inspect Indian bankruptcy accounts. This examination is at present left to creditors, which cannot be considered a satisfactory arrangement. The Committee desires to record its opinion that the present position whereby accounts are kept in Gujrati and Urdu as well as in English is very unsatisfactory and recommends that Government should consider the matter with a view to introducing some scheme whereby at any rate as a beginning the books of all the more substantial firms should be kept in English.

Allowance to Deputy Official Receiver. *Item 8.*

The Committee was informed that this allowance is paid to the Deputy Registrar of the Supreme Court at Mombasa who is the Deputy Official Receiver for Mombasa.

XXVIII.—SECRETARIAT AND LEGISLATIVE COUNCIL.

During the discussion on the Administration Estimates Elected Members declared their conviction that it should be possible to reorganize the headquarters of Government in such a way as to dispense with the Secretariat without impairing efficiency. They desire to point out that although they have continually raised the question during the past six years, they have received no intimation as to whether it has received the consideration of Government nor have they had any indication of the reasons which lead Government to continue the Secretariat system.

The manner in which they consider that the reorganization should be effected is set out in the report of a Sub-Committee appointed by the Elected Members, which is incorporated as Appendix II.

The Committee is informed that the Government is giving careful consideration to the matter as it is intimately linked up with the proposals for Provincial reorganization and the future status of the Chief Native Commissioner.

Item 2. Principal Assistant Colonial Secretary.

Elected Members propose that this item which appeared in the 1931 Estimates should now be deleted as they understand that the post has not been filled.

Legislative Council.—Elected Members enquire whether any arrangement could be made for the publication of Hansard sufficiently early each day for its issue to the Press. The principal obstacle is the expense of the organization which would be required, as a staff of six verbatim reporters and five typists would be necessary to ensure the issue of Hansard on the day of the debate.

The Committee recommends that the Secretariat and the Legislative Council should be shown separately in the Estimates. (*Vide* Appendix III).

XXIX.—STATISTICAL DEPARTMENT.

Statistical and Meteorological Sections.

The Statistician enlightened the Committee as to the activities carried out in these sections. Items 1 to 11 were passed without comment. *Items 1 to 11.*

Canon Burns referred to the difficulty occasioned when natives in employment outside their Reserves paid Hut and Poll Tax at their place of employment while their parents in the Reserves were also called upon to pay tax for them, and it was suggested that if some system could be devised whereby a man's registration certificate could be stamped when he paid Poll Tax, thus enabling him to send his Poll Tax receipt to the Reserve, this difficulty might be avoided. Native Registration.

The Acting Chief Native Commissioner was requested to look into the matter.

The Committee discussed the desirability of raising the charge for renewals of registration certificates with a view to stopping— Renewal of Registration Certificates.

(*a*) trafficking in registration certificates;

(*b*) wilful destruction and mutilation.

It was agreed that such cases should be investigated and legal action taken wherever possible.

The Committee understands that no action has yet been taken in regard to the recommendation made by the Select Committee on the 1931 Estimates (Report of Select Committee, page 40, paragraph 2) and recommends that this proposal should be implemented. Native Employment Bureau.

The Committee understands it will be necessary to increase this item from £4,347 to £4,501 in order to provide for a proportion of the salaries of the staff which has been retrenched.

The Committee understands that any further extension of the application of the Registration of Domestic Servants Ordinance would involve the appointment of additional staff. It understands, though, that the Chief Registrar of Natives has prepared a scheme and that this might be modified in such a way as to make the extension self-supporting. Registration of Domestic Servants.

XXX.—SURVEY AND REGISTRATION DEPARTMENT.

The Surveyor General informed the Committee that boys selected for these cadetships had proved satisfactory but the difficulty was that the avenue of promotion was very restricted. Survey Cadets *Item 18.*

The general question was raised as to whether any economy would result from the giving out of survey work to private surveyors instead of maintaining a large departmental staff. The Acting Colonial Secretary pointed out that the State is primarily responsible for property surveys. It has been the practice where possible to give work out to private surveyors. The Surveyor General also drew attention to the fact that district surveyors act in an advisory capacity to District Commissioners in connexion with town planning schemes and the assessment of land values.

Transport and Travelling and Travelling Allowances are split up as follows:— *Item 43.*

Local Transport and Travelling	£2,965
Travelling Allowances	25
	£2,990

Item 39.

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The Committee recommends that the Secretariat and the Legislative Council should be shown separately in the Estimates. (*Vide* Appendix III).

XXa.—POST OFFICE AND TELEGRAPHS EXTRAORDINARY.

Nairobi Telephone Exchange. *Item* 3.

The Postmaster General informed the Committee that there would be a saving of about £3,000 on the cost of the Nairobi Telephone Exchange. It will still be necessary to show £200 in the 1932 Estimates, as this is a final guarantee payment.

Motor Mail Truck for Mombasa. *Item* 6.

The Postmaster General explained that this item provided for the purchase of a Morris truck, which was slightly more expensive than a Ford truck. He would, however, endeavour to get an allowance on the old truck, which had now been running for six years. The Committee recommends that this item should stand.

XXI.—PRINTING AND STATIONERY.

Clerks. *Item* 8.

The Committee understands the 1932 establishment should be altered from three to two.

Native Affairs Department Report.

The Government Printer was asked to give the cost of the printing in England of the last report. Elected Members wish to record a protest against the printing of this report in England, and recommend that next year it should be printed locally. They ask Government to forward this protest and recommendation to the Secretary of State.

African Apprentices. *Item* 29.

The Committee recommends that the title be altered from "African Apprentices" to "African Assistants."

XXII.—PRISONS.

The Commissioner of Prisons informed Major Robertson Eustace that it was not proposed to appoint a Carpentry Instructor at Mombasa as it had been found more economical to centralize this work at Naivasha. In regard to the appointment of a Prison Wardress at Mombasa, it had been found that female inmates were so rare that the permanent appointment of a warders would be extravagant.

Assistant Commissioner of Prisons. *Item* 3.

The figure in the details column to be altered from £800 to £750, to tally with the provision made.

Prisoners' Food and Detainees' Food. *Items* 30 and 31.

The Commissioner of Prisons explained that this vote depended very largely on prison population and food prices. If the population continued to increase and if food prices rose, the amount shown in the draft Estimates would not be sufficient, and he would have to ask for supplementary provision.

Local Travelling. *Item* 34.

The Committee was informed that of the £2,000 included in draft Estimates for Local Travelling, only about £500 was allocated to Motor Allowances, and that the vote was largely consumed by the expenses of transferring prisoners and warders between prisons.

Raw Materials for Prison Industries. *Item* 41.

An inquiry was made as to how it was that the revenue from prison industries was estimated to increase in 1932, while the vote for raw materials was decreased. The Commissioner of Prisons explained that the Prisons Department was now charging Departments for work done and that more outside work would be done and less free tailoring.

Electric Light. *Item* 45.

The Commissioner of Prisons explained that the reduction in the rate was fully absorbed by the necessity for increased lighting on account of the construction of new wards. The vote as shown is actually less than the amount spent in 1930.

XXIII.—PUBLIC DEBT FUNDED.

This does not involve any loan commitments not already agreed to by Legislative Council.

XXIV.—PUBLIC WORKS DEPARTMENT.

The Committee considered proposals put forward by the Uasin Gishu and Trans Nzoia District Councils for the performance of work on main trunk roads in those areas by the Councils on behalf of Government. A Sub-Committee investigated the proposals in detail, and the Director of Public Works also prepared a memorandum on the subject. After these documents had been considered, it was agreed that even if the Councils took over all road work in the present Public Works Department Eldoret Division, appreciable savings would not be effected in the combined overhead charges of the Public Works Department and the public bodies concerned.

The feeling of Unofficial Members, however, is that the performance by contract of all public works and the retention of the Department merely as an inspectorate would lead to economy. In order to explore and test this suggestion, the local authorities in the Trans Nzoia, Uasin Gishu and Nakuru areas were invited to render schemes by which not only road work but also all the other activities of the Public Works Department in the Public Works Department Eldoret Division and the former Public Works Department Nakuru Division might be taken over by them in such a way as to show economies without sacrificing efficiency.

A reply was received from the Trans Nzoia and Uasin Gishu Councils and its terms were discussed with the Director of Public Works and the Provincial Commissioners of the Nzoia and Rift Valley Provinces.

The problem, however, is far from simple and in the meantime, with a view to avoiding further delay, the Committee recommends, subject to the undernoted amendments, the adoption of the Departmental Estimates; but the Elected Members desire to record the following opinion:—

> "Elected Members consider that the duties now performed by the Public Works Department in Plateau North, Plateau South, and Nakuru could be undertaken by the District Councils concerned, with a large consequential saving to Government expenditure under this Head."

The Official Members are not at present prepared to support this recommendation, but Elected Members urge that the evidence is sufficiently strong to justify the immediate investigation of the subject by an *ad hoc* Committee appointed at the earliest possible date.

Adjustments.

The Committee understands that the following posts are to be reinserted in the Estimates and that the cost will be reimbursed from Loan:—

Item 6a.	1 Architect	£840
,, 6b.	1 Senior Assistant Quantity Surveyor	720
,, 6c.	1 Draughtsman	600
		£2,160

The Committee was informed that the following reductions proposed by the Director of Public Works can be made:—

Item 14.	Office Boys, from £160 to £111	£49
,, 29.	Office Boys, Watchmen, Store Boys, etc., from £377 to £364	13
,, 33.	Office Boys, Watchmen, Store Boys, etc., from £843 to £439	404
,, 46.	Sub-Foremen, from £2,256 to £1,440	816
,, 49.	Office Boys, Watchmen, Timekeepers, etc., from £1,900 to £1,134	766
,, 52.	Local Transport and Travelling and Camp Equipment, from £6,650 to £5,800	850
,, 54.	Drawing Office Material and Office Equipment, from £551 to £300	251
,, 55.	Conservancy and Water Rates, from £800 to £600	200
,, 58.	Telephones and Telegrams from £730 to £630	100
,, 66.	Office Boys, from £42 to £24	18
,, 69.	Fitters, Permanent Skilled Labour, etc., from £1,000 to £750	250
,, 72.	Local Transport and Travelling, from £200 to £150	50
,, 88.	Local Transport and Travelling, from £120 to £75	45
,, 89.	General Maintenance, from £400 to £300	100
,, 94.	General Maintenance, from £150 to £85	65
,, 108.	General Maintenance, from £800 to £500	300
,, 152.	Conservancy and Water Rates, from £425 to £300	125
	Total reduction	£4,402

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Item 55.

The explanatory footnote to this sum should be previously over-estimated.

Maintenance and Upkeep of of Motor Fleet *Item 63.*

The Committee was informed that the Police fleet consisted of twenty-one cars and that the average running cost is 20 cents per mile to which 14 cents per mile should be added for depreciation.

It appeared to Elected Members that the cost of running Police cars was highly satisfactory and compared very favourably with the allowance granted to Government officials. No account, however, was taken of the fact that costs per mile vary considerably with the amount of running done in any one year and that the smaller the mileage to be undertaken the greater the proportion of overhead charges such as depreciation and insurance.

Post mortems and medical examination fees. Expenses in connexion with

The Committee was informed that provision for this item must be re-inserted in Estimates as the payment of these fees is in fact a contractual commitment. The Committee recommended that £750 be inserted under Head XV. Medical Department. After hearing the Director of Medical and Sanitary Services further Elected Members reversed their former recommendation, but Government is unable to agree, and provision will in future appear under Head XV.

Transport Northern Frontier Province, and Transport performed by King's African Rifles. *Item 79.*

The Acting Commissioner of Police informed the Committee that when King's African Rifles transport was not available he was usually able to obtain transport by trade lorries at 75 cents per ton mile and that in this case he had not to pay for the return journey.

Inspector of Weights and Measures. *Item 87.*

It was observed that, there being only one Inspector, during his absence on leave weights and measures cannot be stamped, and commercial firms are compelled to break the law. It appears, however, that under Board of Trade regulations the only alternative would be to increase the staff of competent inspectors.

A question was asked as to whether anything was done to check the weights and measures used by Indian traders in the Native Reserves. The Acting Commissioner of Police replied that the Inspector does not function in the Native Reserves, and that if this work were to be included in his duties, an increase in staff would be necessary. It would not be possible to employ an ordinary European police constable as such an officer is not authorized under the Ordinance.

It was suggested that the law might be amended to permit some action to be taken, and the Acting Commissioner of Police was requested to go into the matter and submit a report to the Committee. This was duly presented, and the Committee understands that Government has under consideration the question of extending the operation of the Ordinance to native areas.

Railway and Port Police

The Acting Commissioner assured the Committee that the decrease in Railway and Port Police would not cause any increase in the Colony's Police estimates.

XX.—POST OFFICE AND TELEGRAPHS DEPARTMENT.

Rates of Salary in the Post Office.

In reply to an inquiry, the Postmaster General informed the Committee that a telegraph learner in England was paid 8h. 25 a week, rising after qualification to about 8h. 50 a week; after that there were higher grades, such as supervisors and so forth. In Kenya, a learner started at £10 a month, which after a year became £12 a month; after that she would be eligible to join the junior grade at from £15 a month to about £31 a month.

The Postmaster General was asked whether there was any check on the number of telephones installed in Government offices, and replied that when telephones were a free service to Government Departments it was the responsibility of the Postmaster General to attempt to check, so far as was

possible, the fact that there was no abuse of the system; now Departments pay for their services, and have to include these amounts in their expenditure estimates.

Senior Postmasters. *Item 2.*

The Committee was informed that these Senior Postmasters are employed at Nairobi, Kampala and Mombasa.

Postmasters and Junior Postmasters. *Items 3 and 4.*

The Postmaster General explained the proposal to increase the higher grade by two and to reduce the lower grade by the same number in order to make provision for two wireless officers, as explained in the Memorandum on the Draft Estimates. Apropos of this, he informed the Committee that the transfer of the Mombasa Wireless Station results in a total general saving to the country of approximately £14,000.

Postal Clerks and Telegraphists. *Item 4.*

The Postmaster General assured the Committee that the holding in abeyance of four posts of postal clerks and telegraphists would not cause the public service to suffer at present, but that if traffic recovers it would be necessary to re-fill them.

Telegraph Messengers, Office, Mail- and Boat Boys. *Item 30.*

Major Robertson-Eustace raised the question of the Mombasa–Malindi service, and was informed by the Postmaster General that a motor mail service would cost £30 more than the present runner service, and said that he would like to see motor transport inaugurated in view of the acceleration of service which would result.

Conveyance of Mails by Air. *Item 43.*

In reply to a question, the Postmaster General said that he was satisfied, generally speaking, with the air mail service.

Maintenance of Telegraph and Telephone Lines. *Item 48.*

The question of the proposed Njoro–Molo line was discussed, and the Committee was informed that the cost of this service as affected by the necessity for reconstruction of the railway route on that section, as there are no poles in existence which would carry this line. This extra cost would involve asking subscribers to pay a higher guarantee. The general feeling of the Committee is that in the present circumstances it would not be justified in recommending expenditure on this project, but that its desirability is not questioned.

Local Travelling: (a) Travelling Allowances. *Item 53.*

The Postmaster General informed the Committee that this item could be reduced from £900 to £400. The Committee recommends accordingly.

Clerks. *Item 55 (12).*

The Postmaster General informed the Committee that owing to the reduction of two posts this item can be decreased from £5,626 to £5,271.

Local Travelling: (a) Travelling Allowances. *Item 55 (27).*

The Postmaster General informed the Committee that this item could be reduced from £200 to £20. The Committee recommends accordingly.

Conveyance of Mails by Sea and by Local Rail and Steamer Services. *Item 55 (29).*

The Postmaster General informed the Committee that the footnote for this item was incorrect. The correct explanation is that this is a deferred payment. The Committee recommends that the footnote be amended accordingly.

Cost of Printing Stamps. *Item 55 (30).*

The question of the production of picture stamps was raised, both from the point of view of publicity and from the point of view of increasing revenue. The Postmaster General queried both its publicity value and the alleged increase in revenue. He offered an alternative suggestion of a special Kenya air mail stamp which, in his opinion, would be more likely to result in increased revenue. The Committee recommended for consideration the printing of a Kenya air mail stamp, but was subsequently informed that the Secretary of State, acting on advice from the British Postal Authorities, was unable to agree. Elected Members, however, still press strongly that this recommendation be adopted.

Uniforms. *Item 55 (32).*

The Postmaster General informed the Committee that this item could be reduced from £1,100 to £1,000. The Committee recommends accordingly.

Item 55

The explanatory footnote to this sum should be "previously overestimated".

Maintenance and Upkeep of of Motor Fleet *Item 63*

The Committee was informed that the Police fleet consisted of twenty-one cars and that the average running cost is 20 cents per mile to which 14 cents per mile should be added for depreciation.

It appeared to Elected Members that the cost of running Police cars was highly satisfactory and compared very favourably with the allowance granted to Government officials. No account, however, was taken of the fact that costs per mile vary considerably with the amount of running done in any one year and that the smaller the mileage to be undertaken the greater the proportion of overhead charges such as depreciation and insurance.

Post-mortems and medical examination fees. Expenses in connexion with.

The Committee was informed that provision for this item must be reinserted in Estimates as the payment of these fees is in fact a contractual commitment. The Committee recommended that £750 be inserted under Head XV Medical Department. After hearing the Director of Medical and Sanitary Services further Elected Members reversed their former recommendation, but Government is unable to agree, and provision will in future appear under Head XV.

Transport, Northern Frontier District, and Transport performed by King's African Rifles. *Item 70.*

The Acting Commissioner of Police informed the Committee that when King's African Rifles transport was not available he was usually able to obtain transport by trade lorries at 75 cents per ton mile and that in this case he had not to pay for the return journey.

Inspector of Weights and Measures. *Item 87.*

It was observed that, there being only one Inspector, during his absence off leave weights and measures cannot be stamped, and commercial firms are compelled to break the law. It appears, however, that under Board of Trade regulations the only alternative would be to increase the staff of competent inspectors.

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The Officer Commanding, Northern Brigade, stated that the expenditure of the Northern Brigade could be reduced from £145,200 to £132,432, and the Kenya share of the expenditure could be reduced from £87,120 to £81,181. Details of the alterations in the items in Appendix M are shown in Appendix V.

The Committee understands that these reductions represent a decrease of one platoon and recommends that the Estimates be reduced accordingly.

Supply and Transport.

The Officer Commanding, Northern Brigade, stated that the second line transport was not based on a war footing, and that in the event of war the present second line would be entirely absorbed into the first line.

Subalterns. *Item 94.*

The Officer Commanding, Northern Brigade, explained that two of these subalterns were seconded from the Tank Corps and Royal Engineers respectively and were employed upon duties which were not directly connected with the Supply and Transport Corps and he considered that they would be more properly shown as attached to the 5th (Reserve) Battalion. The Committee agrees to two subalterns being transferred from item 94 to item 47.

Staff Sergeant-Mechanics. *Item 96.*

It was observed that the rate of pay for Staff Sergeant Mechanics was much higher than that which mechanics in civilian employment are at present earning and enquired whether it would be possible to get men from the mechanical services at home at a cheaper cost. The Committee asked the Officer Commanding, Northern Brigade, to examine the possibility of getting men at a salary more in keeping with local conditions.

Asian Clerks. *Item 98.*

The Officer Commanding, Northern Brigade, was requested to go into the question of reducing his clerical staff as it appears to the Committee that the reductions which have been made are considerably less than those which have been made by other departments.

Native Ranks. *Items 102 to 105.*

The attention of the Officer Commanding Northern Brigade, was drawn to the fact that the rates of pay given to the drivers in the Supply and Transport are considerably higher than at present found in civilian life, particularly in view of the fact that they receive in addition free rations and clothing. Colonel Wilkinson pointed out that these men were highly skilled but at the same time he undertook to go into the question with a view to a general reduction.

Upkeep and Operations of Mechanical Transport. *Item 115.*

The general cost of the King's African Rifles transport was discussed. The Officer Commanding, Northern Brigade, pointed out that this provision included the cost of tactical operations and that the cost of the supply branch was included. The actual cost of transport was estimated to be 72 cents per ton mile each way.

Defence Force.

Training and Passages and Allowances. *Items 24 and 26.*

Lord Francis Scott explained that for local and financial reasons it had been found necessary to postpone one of the Training Camps in 1931, and that this would result in a considerable saving on the vote for the current year. The 1932 Estimates, however, had been considerably reduced, and, as they stood, would not permit the postponed camp to take place. For this reason he is of the opinion that the provision as shown in the Estimates would necessarily cause training to suffer, and in view of the saving in 1931 he asked that item 24 be increased from £1,815 to £2,315. The Staff Officer informed the Committee that by deferring the leave of a member of the staff it would be possible to reduce item 26 from £215 to £115.

The Committee recommends that item 24 be increased by £500 and that item 26 be decreased by £100.

XVII.—MISCELLANEOUS SERVICES.

Railway Branch Line Guarantees. *Item 14.*

The General Manager, Kenya and Uganda Railways and Harbours, explained to the Committee the system on which the branch line costs were computed. This was discussed at length, some members holding the opinion that direct branch line accounting should be instituted. The General Manager, however, pointed out that this would increase the cost to Government of the

amounts required to cover losses on branch lines guaranteed by Government. He informed the Committee that the Railway Council have already asked for the whole question of branch line accountancy to be brought before them. Lord Delamere proposed and the Committee agreed :—

> "That a Committee should consider the relevant figures concerning the Railway system of accountancy with particular regard to branch lines as soon as these figures are available and should determine whether any more satisfactory system can be substituted for the present one."

and suggested that this Committee should be either the Branch Lines Committee or a sub-Committee of that Committee.

The Committee understands that the guarantee in respect of the Nanyuki extension can be reduced from £5,970 to £4,356.

Government was requested to look into the matter of motor lorry competition with the Yala branch.

Telegrams. *Item 34.*

The Committee understands that this can be reduced from £1,600 to £1,400.

XVIIa.—MISCELLANEOUS SERVICES EXTRAORDINARY.

Lady Northey Home.

The Committee understands that, owing to the present depression, the Lady Northey Home is likely to be in financial difficulties in 1932 and that Government proposes to guarantee a maximum of £250 to enable it to carry on for six months as from 1st January, 1932.

The Committee supports this proposal but suggests that a monthly report should be submitted to Government and that a final report of the finances of the Home should be supplied at the end of six months.

XVIII.—PENSIONS AND GRATUITIES.

The Committee does not recommend any alteration.

XIX.—POLICE.

The Acting Commissioner of Police was asked whether, in the event of traffic control being abolished, or, alternatively, of the Municipalities accepting liability, there would be any material reduction in the Police Force. The reply was in the affirmative and the Acting Commissioner of Police explained that the greater part of the duties of the traffic control squad was the administration of municipal by-laws.

Assistant Superintendents. *Item 4.*

The Acting Commissioner of Police explained that the establishment for 1932 should be fifteen and that the footnote should be amended to read "2 posts abolished." The Committee recommends accordingly.

Northern Frontier and Turkana Provinces.

The Acting Commissioner of Police was asked whether, in the event of a reduction of the Military establishment, the Force would be able to undertake the policing and patrolling of the northern boundary of the Colony. He replied that in his opinion they could do so, and that, so far as the Northern Frontier is concerned, they are already doing so, but it was pointed out that the Military still maintain a forward post at Wajir.

Syces and Grass Cutters *Item 45.*

The Acting Commissioner of Police gave details of the number of horses and number of syces in the Force. It appeared to the Committee that some further reductions might be made in this vote, and the Acting Commissioner undertook to look into the matter.

"Old Offenders."

In reply to a question, the Acting Commissioner of Police stated that a large amount of the work performed by the Police consisted of watching and keeping track of old offenders. He admitted that the criminal work would be reduced if criminals on second conviction of felony were returned to their reserves.

Uniforms. *Item 53.*

The Committee was informed that uniforms cost £3 per annum per African rank and that the uniforms of discharged men are returned to the store and taken on charge.

The Officer Commanding, Northern Brigade, stated that the expenditure of the Northern Brigade could be reduced from £145,200 to £132,432, and the Kenya share of the expenditure could be reduced from £87,120 to £81,181. Details of the alterations in the items in Appendix M are shown in Appendix V.

The Committee understands that these reductions represent a decrease of one platoon and recommends that the Estimates be reduced accordingly.

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Subalterns. *Item 94.*

The Officer Commanding, Northern Brigade, explained that two of these subalterns were seconded from the Tank Corps and Royal Engineers respectively and were employed upon duties which were not directly connected with the Supply and Transport Corps and he considered that they would be more properly shown as attached to the 5th (Reserve) Battalion. The Committee agrees to two subalterns being transferred from item 94 to item 47.

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Upkeep and Operations of Mechanical Transport. *Item 116.*

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Passages. *Item 79.*

In view of the fact that the establishment of the Department has been reduced the Committee was unable to understand the necessity for an increase in the provision for passages. The Director of Medical and Sanitary Services replied that he anticipated savings on this vote but that he had found considerable difficulty in foreseeing so far ahead what the requirements would be exactly. The Committee recommends a reduction of this item from £12,353 to £10,000. The Director of Medical and Sanitary Services wishes it to be recorded that he is not in a position to guarantee that he can keep his requirements within this sum.

Local Travelling. *Item 80.*

The Director of Medical and Sanitary Services was requested to produce figures which would illustrate the effect of the recent reduction in motor allowances. He explained that this vote covered not only motor allowances but also Railway warrants and the cost of camel and porter transport. The Committee recommends that a reduction from £11,027 to £10,500 be made on account of Railway warrants.

Carriage of Goods. *Item 83.*

It was explained that the increase was due to the necessity for payment in 1932 of £280 to the Supply and Transport Corps, King's African Rifles, for the transport of medical stores to the Northern Frontier and Turkana Provinces. This provision was formerly included in the King's African Rifles vote and is merely transferred.

Upkeep of European Hospitals. *Item 84.*

In reply to an enquiry the Director of Medical and Sanitary Services stated that the proposed scheme concerning the management of the European Hospital would not materially affect the Medical Estimates as the grant to the Hospital Committee would be approximately the same as the amount at present spent on upkeep.

Epidemics. *Item 93.*

The Committee was informed that this is a token vote to provide for emergency outbreaks of epidemics such as plague and smallpox.

Maintenance of Infectious Diseases Hospital and Leper Establishments. *Item 94.*

The Director of Medical and Sanitary Services stated that there are now two leper establishments, one in Kavirondo and one on the Coast. Those at Lamu and Malindi will gradually be closed and patients transferred to the establishment at Digo. The Director of Medical and Sanitary Services was unable to say whether the new treatment for leprosy definitely effected cures, but added that it helps to reduce infection by the cure of open sores.

Medical Grants to Missions. *Item 101.*

Canon Burns drew attention to the important work carried out by mission hospitals in Native Reserves and informed the Committee that the reduction of £617 would put a considerable burden upon the missions as owing to economic conditions at home considerable difficulty is being experienced in raising subscriptions. The Director of Medical and Sanitary Services informed the Committee that the reduction in these grants was proportionate to the reduction in the departmental vote. In view of the fact that this reduction, as stated by Canon Burns, will probably necessitate the closing of some hospitals the Committee recommends that the provision be increased from £3,178 to £3,500.

Grants to Private Hospitals. *Item 104.*

The Committee was informed that this item in the draft Estimates contains no provision for £350 for the Eldoret European Hospital and recommends that this be inserted, increasing the item from £570 to £920. The Director of Medical and Sanitary Services informed the Committee that the composition of this item would thereupon be :—

	£
Eldoret European Hospital	350
Kitale Nursing Home	120
Indian Maternity Hospital	250
Expenses in connexion with fees for indigent patients	200

He explained that in previous years a sum of £365 had been granted to the Mombasa Nursing Home as the European Hospital at Mombasa had insufficient accommodation. The position, however, was now different and there was no longer any necessity for making this provision.

Grants-in-Aid: Indian and African Child Welfare and Maternity Centres. *Item 108.*

The Director of Medical and Sanitary Services stated that owing to a clerical error this sum had been shown as £2,150 whereas it should be £2,200. The Committee recommends that the provision be increased accordingly.

The Committee recommends that the charges made to Asiatics for hospital treatment should be reviewed so as to bring them into line with the accepted policy that in regard to private health the non-native communities should bear their share of the cost of these services.

XVa.—MEDICAL EXTRAORDINARY.

Capital contributions to Hospital and Maternity and Child Welfare Institutions.

The Committee understands that this vote can be reduced from £500 to £350.

The Committee recommends that a grant of £50 be made to the Nyando Nursing Association for the year 1932 and that Government re-examine the principle of Government grants in aid of properly organized District Nursing Associations.

XVI.—MILITARY.

Bandmaster. *Item 2.*

The Committee was informed that the present holder of the post was engaged locally on a temporary basis at a salary of £25 per mensem. The Officer Commanding Northern Brigade said that Government proposed to continue his appointment at the rate of £350 per annum, on a temporary basis and not carrying any leave or passage privileges. The Committee agrees and recommends that this item be reduced from £450 to £350.

Northern Brigade, King's African Rifles.

In reply to an enquiry as to the present position in regard to the proposed transfer of the 3rd Battalion Headquarters and the Supply and Transport Column from Meru to Nanyuki. The Officer Commanding Northern Brigade explained that the only difficulty lay in the fact that the initial expenditure would be more than the Colony could provide at the moment. The opinion was expressed that the interest and the capital cost would be more than covered by the savings and the Officer Commanding Northern Brigade was requested to look into the matter and submit figures to Government.

The Officer Commanding, Northern Brigade, described the present position in Northern Turkana with particular reference to the south-east portion of the Mongalla Province of the Sudan. He explained that the Sudan Government having found it impossible to administer this area had agreed to the payment of £10,000 per annum for 1931 and 1932, in consideration of which the King's African Rifles would provide the necessary patrols. In addition the sum of £5,500 was being contributed by the Sudan for the construction of roads. The question was fully discussed and Elected Members consider that the liability of the Sudan for contribution towards the cost of patrolling this area should not cease after 1932.

APPENDIX M.

Inspector General. *Items 1 to 7.*

The Committee was informed that a new Inspector General for East and West Africa has been appointed at £1,900 per annum but that full details are not available.

Stationery and Publications. *Item 24.*

It was explained that the increase in this item is merely due to a book entry as stationery in Kenya was formerly not paid for but issued without charge by the Government Press. A corresponding entry is included in Revenue Head V, item 1.

Signal Section: Subalterns and Wireless Mechanics. *Items 27 and 28.*

The Committee was informed that as a matter of administrative convenience it has been found desirable to station one wireless mechanic in Turkana and one in the Northern Frontier, with one subaltern in charge.

Passages. *Item 79.*

In view of the fact that the establishment of the Department has been reduced the Committee was unable to understand the necessity for an increase in the provision for passages. The Director of Medical and Sanitary Services replied that he anticipated savings on this vote but that he had found considerable difficulty in foreseeing so far ahead what the requirements would be exactly. The Committee recommends a reduction of this item from £12,353 to £10,000. The Director of Medical and Sanitary Services wishes it to be recorded that he is not in a position to guarantee that he can keep his requirements within this sum.

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He explained that in previous years a sum of £365 had been granted to the Mombasa Nursing Home as the European Hospital at Mombasa had insufficient accommodation. The position, however, was now different and there was no longer any necessity for making this provision.

Colonel Kirkwood represented to the Committee that a special road grant of £2,000 under this Head should be made to the Trans Nzoia District Council. The Committee was unable to agree to such provision being made particularly in 1932 Estimates, but hopes that special funds will become available from the Colonial Development Fund for permanent works in this district.

XV.—MEDICAL.

The Director of Medical and Sanitary Services explained to the Committee that in reducing the expenditure estimates under this Head, the policy had been to maintain the framework. The only service to be suspended is the school medical inspection which has been the special duty of a medical officer. This work will, however, be continued to a great extent by the medical officers of the various European schools. In regard to Indian and African schools the work will necessarily be suspended except in so far as it can be carried out by the various medical officers of health.

Senior Medical Officer. Senior Health Officer. Chief Sanitary Inspector. *Items 4, 5 and 7.*

Elected Members are of opinion that the Headquarters staff, as shown in the Estimates, is unduly large, and consequently recommend the transfer of the Senior Medical Officer, Senior Health Officer, and Chief Sanitary Inspector from the Administrative Division to the Medical and Health Divisions.

Acting Allowances. *Item 14.*

The Director of Medical and Sanitary Services informed the Committee that this item could be deleted, and the Committee recommends accordingly.

Resident Surgical Officer. *Item 19.*

The Director of Medical and Sanitary Services explained in detail the proposal to abolish the post of Resident Surgical Officer. Elected Members are satisfied that in present day conditions the retention of the post is no longer justified. In order to rectify an error in computation, it is recommended that this item be increased from £75 to £87.

Senior Medical Officers. *Item 20.*

Vide recommendation above under items 4, 5, and 7.

Medical Officers. *Item 21.*

The Committee recommends that provision be increased from £31,579 to £31,761, which is the amount which the Director of Medical and Sanitary Services calculates will be required.

District Surgeons. *Item 22.*

The Committee was informed that the increase is due to the appointment of Dr. Gordon as District Surgeon in charge of Mathari Mental Hospital, which makes it possible to dispense with one medical officer under item 20.

Nursing Sisters. *Item 26.*

The Director of Medical and Sanitary Services informed the Committee that the number of Nurses provided in draft Estimates represents the absolute minimum required for the proper running of the hospitals.

Superintendent, Mental Hospital. Matron, Mental Hospital. *Items 31 and 32.*

The Director of Medical and Sanitary Services replied in the affirmative to a question as to whether the system of employing a married couple as Superintendent and Matron of the Mental Hospital had proved satisfactory in view of the fact that this practice was no longer permitted in certain other countries.

Motor Car Drivers. *Item 40.*

The Director of Medical and Sanitary Services informed the Committee that the scales of pay for Motor Car Drivers were Sh. 65 to Sh. 90, and Sh. 90 to Sh. 150. The Committee observes that these scales are considerably in excess of the rates now general in the case of private and commercial employers, and recommends that a scale of Sh. 50 to Sh. 90 be introduced.

The Committee is, generally speaking, in favour of the principle that natives should pay for services rendered, and requests Government to investigate the possibility of introducing a scheme whereby native patients in Government Hospitals would be required to pay hospital fees, with the proviso that such fees should be remitted in cases where the native patient is not in a position to afford payment.

Attendants, etc., Medical Training Depot, Nairobi. *Item 43.*

The Director of Medical and Sanitary Services explained that the training depot has now been in existence for three years and the increased provision in 1932 draft Estimates allows for an extra class. The Committee recommends that the item be altered to read "Native Medical Training Depot."

Senior Health Officers and Senior Sanitary Inspectors. *Items 44 and 47.*

Vide recommendations under items 4, 5 and 7.

Sanitary Inspectors. *Item 48.*

The Director of Medical and Sanitary Services outlined the work which had been done by these officers, the majority of whom are employed in Native Reserves where there has been considerable improvement in the standard of buildings which are now being erected and in the construction of latrines, which has in certain districts a distinct bearing on the reduction of helminthic infestation.

Nursing Sisters. *Item 51.*

This vote provides for Nursing Sisters employed on health duties, of whom two at Nairobi and two at Mombasa are employed on welfare work. Canon Burns expressed appreciation of the work done by these Sisters in the native locations of Nairobi, of which work he has personal knowledge.

Duty Allowances. *Item 53.*

The Committee was informed that these are allowances paid to nurses who are specially trained in welfare work

African Sanitary Staff, Townships and Settled Areas. *Item 54.*

The Director of Medical and Sanitary Services stated that this item could be reduced from £1,400 to £1,200 and the Committee recommends accordingly.

Assistant Bacteriologist. *Item 62.*

The Committee was informed that this appointment has not been filled as yet and that it is not proposed to fill it in 1932 and therefore recommends that the financial provision of £500 be deleted.

Laboratory Assistants and Learners. *Items 68 and 69.*

The Committee was informed that locally engaged youths appointed as learners are eligible for promotion to the posts of Laboratory Assistants. The salary of a learner is £180 per annum consolidated.

Malaria Officer. *Item 70.*

The question of malarial prevention measures was discussed and Elected Members expressed a desire that there should be no further delay in dealing with the Nairobi Swamp and the Kileleshwa River. The Acting Commissioner for Local Government, Lands and Settlement explained that the Government had in the past voted £20,000 for anti-malarial measures in Nairobi on the understanding that the Municipality would provide a similar sum. He added that the Municipality was at present considering means of dealing with the Nairobi River but that the question presented considerable difficulties. It was also pointed out that anti-malarial schemes were usually very expensive.

Laboratory Assistants—Non-Europeans. *Item 69.*

The Director of Medical and Sanitary Services asked that one post should be restored, making an establishment of two for 1932. He explained that it had been proposed to retrench one Laboratory Assistant on the grounds of economy but that it had been subsequently found that this particular officer was pensionable and that in view of the reduction in the saving caused by the necessity for paying a pension it was proposed to find equivalent economies under items 71, 73 and 74. The question was discussed but the Committee feels that there should be no alteration in the draft Estimates.

African Laboratory Assistants. *Item 71.*

The Director of Medical and Sanitary Services informed the Committee that at present there are sixty-five African Laboratory Assistants and he explained that the inclusion in draft Estimates of a fixed establishment would present administrative difficulties. Elected Members agree that the item should stand.

Upkeep of Laboratory. *Item 73.*

The Director of Medical and Sanitary Services explained that this item covered the cost of water, light and power, gas, animals and their food, material for media, calves, repairs to apparatus, etc. The Committee understands that in view of the necessity for economy this item can be further reduced from £900 to £850 and recommends accordingly.

Maintenance of Government Officials in Private Hospitals. *Item 76.*

It was explained that the decrease was largely due to the cessation of the payment of a subsidy to the Magadi Co. for the treatment of officials on the Magadi line.

Colonel Kirkwood represented to the Committee that a special road grant of £2,000 under this Head should be made to the Trans Nzoia District Council. The Committee was unable to agree to such provision being made particularly in 1932 Estimates, but hopes that special funds will become available from the Colonial Development Fund for permanent works in this district.

XV.—MEDICAL.

The Director of Medical and Sanitary Services explained to the Committee that in reducing the expenditure estimates under this Head, the policy had been to maintain the framework. The only service to be suspended is the school medical inspection which has been the special duty of a medical officer. This work will, however, be continued to a great extent by the medical officers of the various European schools. In regard to Indian and African schools the work will necessarily be suspended except in so far as it can be carried out by the various medical officers of health.

Senior Medical Officer. Senior Health Officer. Chief Sanitary Inspector. *Items* 4, 5 *and* 7.

Elected Members are of opinion that the Headquarters staff, as shown in the Estimates, is unduly large, and consequently recommend the transfer of the Senior Medical Officer, Senior Health Officer, and Chief Sanitary Inspector from the Administrative Division to the Medical and Health Divisions.

Acting Allowances. *Item* 14.

The Director of Medical and Sanitary Services informed the Committee that this item could be deleted, and the Committee recommends accordingly.

Resident Surgical Officer. *Item* 19.

The Director of Medical and Sanitary Services explained in detail the proposal to abolish the post of Resident Surgical Officer. Elected Members are satisfied that in present day conditions the retention of the post is no longer justified. In order to rectify an error in computation, it is recommended that this item be increased from £75 to £87.

Senior Medical Officers. *Item* 20.

Vide recommendation above under items 4, 5, and 7.

Medical Officers. *Item* 21.

The Committee recommends that provision be increased from £31,579 to £31,761 which is the amount which the Director of Medical and Sanitary Services calculates will be required.

District Surgeons. *Item* 22.

The Committee was informed that the increase is due to the appointment of Dr. Gordon as District Surgeon in charge of Mathari Mental Hospital, which makes it possible to dispense with one medical officer under item 20.

Nursing Sisters. *Item* 26.

The Director of Medical and Sanitary Services informed the Committee that the number of Nurses provided in draft Estimates represents the absolute minimum required for the proper running of the hospitals.

Superintendent, Mental Hospital. Matron, Mental Hospital. *Items* 31 *and* 32.

The Director of Medical and Sanitary Services replied in the affirmative to a question as to whether the system of employing a married couple as Superintendent and Matron of the Mental Hospital had proved satisfactory in view of the fact that this practice was no longer permitted in certain other countries.

Motor Car Drivers. *Item* 40.

The Director of Medical and Sanitary Services informed the Committee that the scales of pay for Motor Car Drivers were Sh. 65 to Sh. 90, and Sh. 90 to Sh. 150. The Committee observes that these scales are considerably in excess of the rates now general in the case of private and commercial employers, and recommends that a scale of Sh. 50 to Sh. 90 be introduced.

The Committee is, generally speaking, in favour of the principle that natives should pay for services rendered, and requests Government to investigate the possibility of introducing a scheme whereby native patients in Government Hospitals would be required to pay hospital fees, with the proviso that such fees should be remitted in cases where the native patient is not in a position to afford payment.

Attendants, etc., Medical Training Depot, Nairobi. *Item* 43.

The Director of Medical and Sanitary Services explained that the training depot has now been in existence for three years and the increased provision in 1932 draft Estimates allows for an extra class. The Committee recommends that the item be altered to read "Native Medical Training Depot."

Passages. *Item* 22.

The Acting Conservator of Forests informed the Committee that although thirteen officers are due for leave in 1932 only seven are going and the vote has been calculated accordingly.

The Acting Conservator of Forests stated that there is an Assistant Conservator of Forests stationed at Mombasa together with an Assistant Forester, and another Assistant Forester at Lamu. In reply to an inquiry as to the necessity for the appointment of an Assistant Conservator of Forests at Mombasa, he stated that considerable revenue is derived from the mangrove swamps, and further that working plans for the mangrove swamps have to be made out. Reafforestation is carried out in the mangrove area, and last year 600 acres were planted.

X.—GAME DEPARTMENT.

Senior Assistant Game Warden. *Item* 2.

The Game Warden explained that the post of Senior Assistant fell vacant in February, 1929, and that it had remained unfilled in order that a candidate having the necessary qualifications might be found. He hoped that such a candidate would be available in October, 1932, and that it would be possible to provide for three months salary for him. A doubt was expressed as to whether, in view of the financial circumstances, this post should not continue vacant for the present. The Game Warden explained that at present he is tied to his office for long periods on end dealing mainly with routine work and that in his opinion it was most desirable that he should devote more time to the building up of an organization whereby the Game Reserves would be more accessible to visitors and also to give attention to the dissemination of information concerning the facilities which the Colony offers in this direction. The Appointment of a capable and fully-qualified Senior Assistant would enable him to give more attention to this very important side of his duties which at present unfortunately is neglected. The Committee agrees that in these circumstances the provision for a Senior Assistant should stand in the Estimates.

Temporary Game and Vermin Control Officers. *Item* 5.

The Game Warden described the work upon which these officers are engaged and informed the Committee that in his opinion the results were satisfactory, although he was of opinion that to deal with the situation at all adequately a larger number of control officers would be required.

Clerks. *Item* 6.

Elected Members invite the Game Warden's attention to the possibility of employing European clerks.

Passages. *Item* 12.

The Game Warden informed the Committee that one officer has asked to defer his leave, and consequently this item can be reduced from £345 to £220.

XI.—INTEREST.

The Committee was informed that the provision under this Head may be reduced from £3,000 to a token vote of £1,000, as it is not anticipated that any such advances will be required in 1932, unless authority is obtained to secure advances pending the raising of a further loan. Elected Members stress the importance of obtaining such authority, particularly in connexion with affording further credit facilities to agriculture.

XII.—JUDICIAL DEPARTMENT.

Item 11.

The Committee understands that the following corrections should be made: "Interpreters" to read "Interpreter." Total Non-European Personal Emoluments—to read £11,048.

African Process Servers. *Item* 17.

The Committee was informed that the actual number employed is six, and recommends that this be inserted in the establishment column of the Estimates.

Jurors, Assessors, Witnesses, etc. *Item* 24.

His Honour the Chief Justice informed the Committee that this was an item which it was practically impossible to estimate with any degree of accuracy.

Fees to Counsel, etc. *Item* 25.

His Honour the Chief Justice explained that this item consisted almost entirely of fees for counsel engaged for defending natives. The Committee understands that though the defence of natives is adequately undertaken in

centres where there is a resident bar, it is in practice difficult to arrange for defences at other assize centres. They recommend that Government carefully examine the possibility of arranging for the defence at the public expense of all natives committed for trial by the Supreme Court.

XIII.—LEGAL DEPARTMENT.

Crown Counsel. *Item* 3.

The Attorney General explained that no provision was made under his vote for a Public Defender, and, in any case, as his Department was concerned with prosecutions on behalf of the Crown, he would consider it improper for any such officer to be on his staff.

The Committee understands that the scale upon which Crown Counsel are actually engaged is £720 by £30 to £840 by £40 to £920 and recommends that the draft Estimates be amended accordingly.

Office Superintendent. *Item* 4.

The Committee recommends that financial provision for an Office Superintendent be deleted and that a new item be inserted Grade A Clerk, £405.

Clerks. *Item* 6.

The possibility of employing a greater proportion of European clerks was discussed and it was pointed out that capable European clerks could be engaged in this instance without increasing the financial provision. The Attorney General observed that one difficulty was that the present holders of these posts were personally pensionable. Unofficial Members request Government to examine this question.

Local Transport and Travelling. *Item* 12.

The Attorney General explained to the Committee that with the exception of Meru and Embu Supreme Court Circuits are held at places served by the Railway and thus in the event of an officer desiring to use his own car he was only permitted to do so on the understanding that he could draw the railway fare only and not the full motor mileage allowance. For this reason the recent reduction in motor mileage allowances had no effect on his mileage allowances. In Meru and Embu local District Commissioners were appointed as public prosecutors in order to save expense.

XIV.—LOCAL GOVERNMENT—CONTRIBUTIONS TO LOCAL AUTHORITIES.

Traffic Revenue: Nairobi Municipality *Item* 5.

The Acting Commissioner for Local Government, Lands and Settlement agreed that the Nairobi Municipality had protested against the reduction of this item and consider that they have a definite claim to two-thirds of half the revenue derived. On the other hand, Government regards this reduction as necessary on the grounds of economy and is agreeable to consider its restoration when times improve.

Consolidated Grants to Nakuru and Eldoret Municipalities. *Items* 16 and 17.

The Acting Commissioner for Local Government, Lands and Settlement explained that the reason for the greater reduction in the case of Nakuru was due to the fact that Nakuru has a revenue-earning water supply which Eldoret has not. If in fact the Eldoret Municipality takes over the water supply in 1932, a reduction equivalent to that proposed for Nakuru should be considered. He informed the Committee that the Nakuru Municipality has acquiesced in this reduction. Mr. O'Shea observed that Eldoret had objected to the principle regarding it as a definite contract and that normally an increase would have been expected. The Acting Commissioner for Local Government, Lands and Settlement observed that it was not a statutory grant and was calculated on the former cost of administration of Eldoret Municipality. He explained that Government holds the view that municipal expenditure should be reduced in the same way that Government expenditure has had to be reduced.

XIVa.—LOCAL GOVERNMENT—CONTRIBUTIONS TO LOCAL AUTHORITIES EXTRAORDINARY.

Special Grant to Eldoret Municipality.

Mr. O'Shea, while admitting the necessity for economy, asked for a token vote of £100 to be included in order to keep the vote alive. This was agreed to and the Committee recommends accordingly.

Passages.
Item 22.

The Acting Conservator of Forests informed the Committee that although thirteen officers are due for leave in 1932 only seven are going and the vote has been calculated accordingly.

The Acting Conservator of Forests stated that there is an Assistant Conservator of Forests stationed at Mombasa together with an Assistant Forester, and another Assistant Forester at Lamu. In reply to an inquiry as to the necessity for the appointment of an Assistant Conservator of Forests at Mombasa, he stated that considerable revenue is derived from the mangrove swamps, and further that working plans for the mangrove swamps have to be made out. Reafforestation is carried out in the mangrove area, and last year 600 acres were planted.

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Prince of Wales School, Kabete.

The Committee discussed the future of the Prince of Wales School, Kabete, with the Acting Director of Education and the Principal of the School.

The Committee understands that at present there are about forty primary scholars in Standards V and VI of whom a certain percentage are backward boys and that the accommodation is insufficient to provide in the near future for both these primary and the secondary pupils.

The Committee unanimously recommends that the Prince of Wales School at Kabete be developed purely as a secondary school, and that this policy be put into effect as soon as financially possible.

The question of providing for backward boys was also discussed, but no resolution was put forward.

Director of Education. *Item* 1.

The Committee understands that the present holder of the post is non-pensionable, and recommends that a footnote be inserted in the Estimates.

Inspectors of Schools. *Item* 4.

The Committee understands that for 1932 financial provision has been made for only four Inspectors.

Teachers. *Item* 20.

The Acting Director of Education explained that inadvertently provision was made for only sixty-one teachers, whereas in fact there will be sixty-two, the salary for the extra man having been included under Reliefs and Acting Allowance. The Committee agrees to the increase by £400 of item 20 and the corresponding decrease of item 23.

Item 23.

Reliefs and Acting Allowance: Passages. *Items* 23 *and* 27.

The Committee understands that owing to postponement of the leave of certain officers, the following reductions can be made:—

	£
European Education (Tuition).	
Item 23. Reliefs and Acting Allowance, from £2,590 to £2,340	250
Item 27. Passages, from £1,965 to £1,515	450
European Education (Boarding)	
Item 40. Reliefs and Acting Allowance, from £158 to £58	100
Item 44. Passages, from £450 to £300	150
Arab and African Education	
Item 75. Reliefs and Acting Allowance, from £2,000 to £1,900	100
Item 83. Passages, from £1,996 to £1,696	300
Total reduction	£1,350

Contributions to Schools. *Item* 31.

Captain Cotter asked for a contribution for Rumuruti School, and the Committee recommends that this item be increased by £130 to £473 in order to provide for a capitation grant of £6 per head.

Matron Staff. *Items* 37 *to* 39.

The Committee understands that the appointment of two Learner Matrons is in the nature of an experiment, which will be extended if it proves successful. At the same time Elected Members consider the maximum of £300 per annum plus board and lodging to be a very high rate of pay for Matrons.

African Domestic and Grounds Staff. *Items* 41 *and* 56.

Mr. O'Shea suggested that at Eldoret and Nakuru the bigger boys should be made responsible for keeping the grounds in order.

Medical Attendances. *Item* 42.

The Committee understands that this reduction is entirely dependent on a revision of the present existing contracts with doctors at the various schools.

Grants-in-Aid (Goan Education). *Item* 62.

The Committee agrees to the inclusion of this item on the same understanding as in 1931, viz. that the grant should be on an *ex gratia* basis, and that there should be no commitment to a continuance of the grant as a recurrent charge.

Motion. *Item* 69.

The Committee was informed that this item has been deleted by Government.

Leading Artisans. *Item* 70.

The Committee discussed with the Acting Director of Education the advisability or otherwise of reducing the number of pupils in the Native Industrial Training Depot. The Acting Director of Education pointed out that the Native Industrial Training Depot was still doing splendid work but owing to the present bad times there was less building going on and therefore less employment for the boys. A further decrease in the amount of work available for boys was accounted for by the fact that the Public Works Department is putting an increasing amount of work out to contract. On the whole, therefore, it had been thought safer to reduce the number of boys, in view of the reduced demand, rather than to flood the market. On the other hand, the Committee doubts if the boys spend long enough under training and recommends for the consideration of Government that the period should be increased to at least eight years.

Motor Drivers, Mamals and Porters. *Item* 74.

The Committee was informed that the title should be changed to African Domestic and Grounds Staff and Motor Drivers.

Government Share (two-thirds) of Jeanes School Teachers' Salaries. *Item* 77.

The Committee understands from the Acting Chief Native Commissioner and Canon Burns that the Jeanes boys are doing extremely good work in the Native Reserves, although the full degree of success attained by the scheme will not become apparent for another two or three years.

Native Newspaper. *Item* 78.

The Committee understands that it is hoped to continue this paper in some form which will not involve the expenditure of public funds.

VIIIa—EDUCATION DEPARTMENT EXTRAORDINARY.

Machakos Government Indian School (Building). *Item* 2.

In reply to questions the Acting Director of Education informed the Committee that the policy of the Education Department is to educate as many Indian children as possible both by means of Government schools and of aided schools.

IX.—FOREST DEPARTMENT

Forest Fires.

The Acting Conservator of Forests stated there had been no forest fires worth mentioning last year.

Grazing in Forest Reserves.

Attention was drawn to the fact that the Select Committee on the 1931 Estimates raised the question of the rentals for grazing in Forest Reserves being too high and enquired whether anything had been done. The Committee was informed that the minimum rental is 40 cents an acre, and that there has not up to the present been any difficulty in getting 40 cents. In cases where there has been any competition and where the grazing has been put out to tender from 50 cents to Sh. 1 has been obtained.

Assistant Foresters. *Item* 7.

The Committee was informed that these are composed of Seychellois, Indians and one native.

Forest Guards. *Item* 10.

Elected Members consider that Forest Guards are too highly paid. The Acting Conservator of Forests pointed out that they receive the same scale of pay as police askaris. He outlined the duties which they perform.

Reafforestation. *Item* 11.

The Acting Conservator of Forests informed the Committee that last year 4,500 acres were planted and that even with a reduced programme in 1932 4,100 acres will be reafforested. The reafforestation programme is confined to actual Forest Reserves where areas equivalent to those cut are invariably planted.

The Acting Conservator of Forests stated that no timber trees or bush are cut in the vicinity of springs or on the banks of rivers. He explained that the general policy of reafforestation was to concentrate forests in the best localities.

Nurseries. *Item* 12.

The Committee was informed that nursery work consisted mainly of the raising of trees for planting and not so much the provision of seedlings for sale.

Prince of Wales School, Kabete.

The Committee discussed the future of the Prince of Wales School, Kabete, with the Acting Director of Education and the Principal of the School.

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The Committee agrees to the inclusion of this item on the same understanding as in 1931, viz. that the grant should be on an *ex gratia* basis, and that there should be no commitment to a continuance of the grant as a recurrent charge.

The Committee feels that as the greater part of the Audit Department vote consists of personal emoluments and that any reduction in staff must be accompanied by a reduction in duties, the only chance of decreasing the expenditure is by a general reduction of salaries.

The question of local recruitment for posts of Examiners of Accounts in the Audit Department was raised. The Auditor informed the Committee that there was not really any opening, in his Department for men of the type of Examiners of Accounts as they were not sufficiently qualified for promotion to Assistant Auditorships nor were they sufficiently experienced to undertake the responsibility of the post.

V.—COAST AGENCY.

The Commissioner of Customs explained that the work of the Agency is largely the clearance of Government cargoes and the booking of passages and so forth—it is not responsible for clearing the private property of Government officials.

A tentative proposition put forward by Messrs. Thos. Cook and Sons for taking over this Agency was discussed but the Commissioner of Customs observed that their offer had possibly been made without a full knowledge of the duties performed by the Agency. The Committee recommends, however, that negotiations with Messrs. Thos. Cook and Sons should be pursued.

VA.—COAST AGENCY EXTRAORDINARY.

Major Robertson-Eustace protested against the exclusion of the sum of £250 for the purchase of a lorry for the Mombasa-Malindi motor service and recommended that it be inserted. The Committee, however, was not entirely satisfied that this would not involve unfair competition with private enterprise and recommends that no provision be made.

VII.—CUSTOMS DEPARTMENT.

Employment of Arabs in the Customs Department.

The Commissioner of Customs informed the Committee that he is very anxious to employ Arabs provided they are capable of doing the work required.

The Committee understands that appointments to the rank of Examining Officers and Cadets are made locally but that as no promotions to higher ranks have yet been made it is not possible to say whether further promotion would be successful.

Valuation of Exports.

Figures were quoted from the Agricultural Census to illustrate the contention that the values of exports, particularly in the case of coffee and sisal, are over-stated and emphasized the danger of such inflated figures appearing in statistical returns. The Commissioner of Customs explained that the onus of assessing the value lay entirely on the exporter but that a lot of trouble was taken to check these values—*The Times* Trade Supplements being regularly filed and compared. The Commissioner of Customs undertook to investigate the actual instances quoted.

General Expenditure.

It was suggested that the reduction in the Customs Department expenditure was not comparable with the reduction in the amount of work, but the Commissioner of Customs pointed out that the number of consignments is as high as ever although they are smaller in quantity, and that just as much work is involved in clearing one case of whisky as in clearing a consignment of a hundred cases of whisky. He pointed out that the cost of collection remains approximately 2½ per cent of the revenue collected.

VIII.—EDUCATION DEPARTMENT.

European Education.

The Acting Director of Education was asked whether he could give an assurance that European children are being properly educated, bearing in mind their heritage as the governing race in the Colony. This gave rise to a prolonged discussion. The Committee is concerned at the state of affairs in certain parts of the Colony where it appears that, unless some action is taken, there is every likelihood of the general creation of an uneducated

white community. It appears to the Committee that this is due not merely to financial causes, the lack of adequate facilities, and to the sporadic distribution of population, but also in certain cases to the attitude of parents who refuse to acknowledge the value of education. On this account the Committee feels that the problem cannot be entirely solved by an extension of educational facilities unless this is coupled with some form of compulsion. This in turn gives rise to the problem as to whether compulsory education should be free, and while the Committee is divided in its opinion of the merits or demerits of free education, the general feeling is that compulsory education should be free as any alternative scheme would be surrounded by considerable administrative and political difficulties.

The Acting Director of Education mentioned £10,000 as a rough estimate of the cost to Government of the introduction of compulsory primary free education for Europeans. The Committee asked him to prepare a scheme. This was duly presented and discussed.

The Committee recommends that primary education should be made compulsory as soon as possible, and a majority recommends that primary tuition, if compulsory, should be free.

After considering the financial aspect, Elected Members put forward the following resolution :—

> "That Elected Members regard the adoption of compulsory education for Europeans as essential, but, in view of the present financial position of the Colony, consider that it should not be introduced until January, 1932."

Education of Africans.

The Acting Director of Education admitted that it cost Government less to provide for African education by means of grants to Missionary bodies than by providing Government schools. He explained on the other hand that while it was the policy of the Department to utilize to the fullest extent the facilities offered by Missions, there are areas where no Missions exist or where a Mission is unwilling or unable to offer facilities or where the natives decline to use Mission schools and demand secular schools. The schools at Kakamega and Nyeri came within this category and the natives had paid for the capital cost of the schools and had undertaken to pay half the recurrent cost. The Acting Director of Education denied any intention of competing with the Mission at Kakamega and Nyeri, but the opinion was expressed that Government is in fact competing.

The Acting Chief Native Commissioner agreed that the Mission organizations should be used as much as possible and said that in his view the religious interest was an important factor. He pointed out, however, that the Missions can only educate a fraction of the native community and that therefore there is plenty of room for both Government schools and Mission schools. He assured the Committee that there was a definite demand by natives for these Government schools and that they had not been promoted by administrative officers.

Canon Burns said that in his view the money would be more economically spent in extending the facilities already afforded by Mission organizations. He added that African education without Christianity would be a menace to the whole country.

The Acting Director of Education referred to the difficulties caused by dogmatic differences between the various Missions and claimed that Government teachers were putting the essentials of Christianity before their pupils.

The following resolution was carried unanimously :—

> "In view of the greater return obtainable for the same expenditure, this Committee approves continuance of the policy of providing for African education through missionary agencies as far as ever possible."

Mr. O'Shea wishes it to be understood that his support of missionary agencies is based on financial and not on religious grounds.

The Committee feels that as the greater part of the Audit Department vote consists of personal emoluments and that any reduction in staff must be accompanied by a reduction in duties, the only chance of decreasing the expenditure is by a general reduction of salaries.

The question of local recruitment for posts of Examiners of Accounts in the Audit Department was raised. The Auditor informed the Committee that there was not really any opening in his Department for men of the type of Examiners of Accounts as they were not sufficiently qualified for promotion to Assistant Auditorships nor were they sufficiently experienced to undertake the responsibility of the post.

V.—COAST AGENCY.

The Commissioner of Customs explained that the work of the Agency is largely the clearance of Government cargoes and the booking of passages and so forth—it is not responsible for clearing the private property of Government officials.

A tentative proposition put forward by Messrs. Thos. Cook and Sons for taking over this Agency was discussed but the Commissioner of Customs observed that their offer had possibly been made without a full knowledge of the duties performed by the Agency. The Committee recommends, however, that negotiations with Messrs. Thos. Cook and Sons should be pursued.

VI.—COAST AGENCY EXTRAORDINARY.

Major Robertson-Eustace protested against the exclusion of the sum of £250 for the purchase of a lorry for the Mombasa-Malindi motor service and recommended that it be inserted. The Committee, however, was not entirely satisfied that this would not involve unfair competition with private enterprise and recommends that no provision be made.

VII.—CUSTOMS DEPARTMENT.

Employment of Arabs in the Customs Department.

The Commissioner of Customs informed the Committee that he is very anxious to employ Arabs provided they are capable of doing the work required.

The Committee understands that appointments in the rank of Examining Officers and Cadets are made locally but that as no promotions to higher ranks have yet been made it is not possible to say whether further promotion would be successful.

Valuation of Exports.

Figures were quoted from the Agricultural Census to illustrate the contention that the values of exports, particularly in the case of coffee and sisal, are over-stated and emphasized the danger of such inflated figures appearing in statistical returns. The Commissioner of Customs explained that the onus of assessing the value lay entirely on the exporter but that a lot of trouble was taken to check these values—*The Times* Trade Supplements being regularly filed and compared. The Commissioner of Customs undertook to investigate the actual instances quoted.

General Expenditure.

It was suggested that the reduction in the Customs Department expenditure was not comparable with the reduction in the amount of work, but the Commissioner of Customs pointed out that the number of consignments is as high as ever although they are smaller in quantity, and that just as much work is involved in clearing one case of whisky as in clearing a consignment of a hundred cases of whisky. He pointed out that the cost of collection remains approximately 2½ per cent of the revenue collected.

VIII.—EDUCATION DEPARTMENT.

European Education.

The Acting Director of Education was asked whether he could give an assurance that European children are being properly educated, bearing in mind their heritage as the governing race in the Colony. This gave rise to a prolonged discussion. The Committee is concerned at the state of affairs in certain parts of the Colony where it appears that, unless some action is taken, there is every likelihood of the general creation of an uneducated

of certain officers who had been found to be not entirely suitable, it was proposed to recruit three men from the Imperial Agricultural College in Trinidad.

Elected Members expressed a doubt as to whether Trinidad scholars were necessarily the best men for agricultural work in native areas. They considered that men with the right personality and with good practical experience would achieve better results, and Mr. O'Shea assured the Committee that suitable candidates could be found locally. The Acting Chief Native Commissioner urged that the importance of the development of native reserves demanded the employment of the best men available. With this the Elected Members agreed, with the reservation that, in their opinion, Trinidad scholars were not necessarily the best men. The Acting Director of Agriculture was unable to agree that local untrained men would be more suitable for this work than trained university candidates who had taken a post-graduate course in tropical agriculture.

Native Agricultural Instructors. *Item 48.*

The Acting Director of Agriculture explained that there were approximately seventy drawing an average wage of Sh. 42 per mensem. They are stationed at the Scott Laboratories or at Bukura or Kavirondo. It is recommended that the actual number provided for should be shown in Estimates.

Expenses of Instruction. *Item 52.*

The Acting Director of Agriculture said that this provided for food and pocket money for the pupils, of which there were sixty-three at the Scott Laboratory and thirty-six at Bukura. Each pupil costs about Sh. 14 per mensem, of which Sh. 2 per mensem is pocket money.

Scott Laboratories: Labour. *Item 64.*

The Committee recommends that this item be reduced from £900 to £500.

Investigation Work and Labour. *Item 66.*

The draft Estimates provide for a 50 per cent reduction in the vote as compared with the sanctioned Estimates for 1931 and the Acting Director of Agriculture explained that this sum will be sufficient. In reply to an enquiry, he stated that the Senior Entomologist is of opinion that there is a reasonable prospect of gaining control of mealy bug in a few years time.

Local Recruitment.

Elected Members urged that Government Departments should provide increased facilities for the engagement of local candidates and pointed out that some time ago when the Kabete School was started the Government agreed that there should be close co-operation between the school and the Scott Laboratories with a view to boys gaining some technical knowledge and thus becoming better fitted to fill subordinate posts in the Agricultural Department on their leaving school. The Committee would like to remind Government of this principle and hopes that it will be acted upon.

Grain Conditioning and Cool Stores Services.

The Committee understands that owing to anticipated reduction in activities expenditure on the Grain Conditioning and Cool Stores Services can be reduced as follows :—

Item 80.	Mechanic (Temporary) deleted	£210
Item 82.	Mechanics (Temporary) deleted	£108
Item 84.	Relief Clerk, deleted	£90
Item 86.	Grading and Conditioning—Upkeep and Labour reduced from £2,700 to £1,200	£1,500
	Total reduction	£1,908

Division of Animal Industry: Deputy Director (Animal Industry). *Item 88.*

The Committee recommends that full provision should be shown in the Estimates for the Deputy Director (Animal Industry) and that item 93, Chief Veterinary Officer, should be deleted.

Local Transport and Travelling. *Item 92.*

The Committee recommends that this be reduced from £8,000 to £7,500 in view of the recent decrease in motor mileage rates.

The Committee recommends that this item be reduced from £4,200 to £4,000. — Veterinary Services: Labour. *Item 102.*

It was observed that this vote had been considerably reduced but the Chief Veterinary Officer stated that the dips were in good order and should not need much expenditure during 1932. — Maintenance of Dips. *Item 105.*

The Chief Veterinary Officer explained that this item covers not only the cost of departmental brands but also a deposit account for brands required by farmers, the cost of which was recovered from them. — Purchase of Brands. *Item 108.*

The Committee desires to record its opinion that the impending retirement of Mr. Walker will definitely mean a loss to the Colony. Elected Members recommend that if and when he retires the post of Assistant Chief Veterinary Research Officer should be abolished and that the number of Veterinary Research Officers should be increased from three to four, and proposes that the Estimates be amended accordingly. — Chief Veterinary Research Officer. *Item 110.* *Item 112.*

The Chief Veterinary Research Officer stated that laboratory students who are locally engaged were eligible and would receive preference in the matter of promotion to laboratory assistants. — Laboratory Assistants and Students. *Items 115 and 125.*

The Committee recommends that a footnote be inserted in Estimates to indicate that the present holder is not on a pensionable basis. — Overseer. *Item 119.*

The Chief Veterinary Research Officer said that these artisans are Seychellois who have been employed by the Department for some years. It was suggested that the possibility of employing at least two African artisans should be considered by Government. — Artisans. *Item 120.*

The Chief Veterinary Research Officer said that it would be very difficult indeed to decrease the pay as the boys were all trained and skilled. He assured the Committee that in spite of frequent requests by the boys no wages have been increased lately. — Veterinary Research: Labour. *Item 127.*

Elected Members enquired whether it would not be possible to decrease this vote but the Chief Veterinary Officer stated that it was hoped to get more pupils and the Acting Chief Native Commissioner stressed the importance of extending these services. Elected Members agreed. — Animal Husbandry: Expenses of Instruction, etc. *Item 136.*

Major Robertson-Eustace asked that out of the appropriation of £147,000 for the Agricultural Department £25,000 should be devoted to the formation of a separate branch of the Department for the Coast. The Committee does not consider this to be practicable. — Agricultural Services: Coast Province.

IIIa.—AGRICULTURAL DEPARTMENT EXTRAORDINARY.

Elected Members feel that any money which is to be spent on locust work should be spent locally on protective services and not on scientific investigation directed by bureaux in England. — Locust Services: Contribution towards Expenditure on Locust Research. *Item 1.*

IV.—AUDIT DEPARTMENT.

The attention of the Committee was drawn to the increase in expenditure over the last two or three years in this Department and comparisons were made with the cost of audit in Tanganyika Territory. The Auditor explained that as regards the comparison with Tanganyika, Kenya had a far greater revenue and expenditure, and in regard to the increases generally that 95 per cent of his vote consisted of personal emoluments and passages. For that reason any material reduction in his expenditure would entail reduction of staff, which in turn would entail a reduction in audit and a consequent loosening of control. He informed the Committee that in the opinion of the Director of Colonial Audit a test of less than 33⅓ per cent was valueless.

of certain officers who had been found to be not entirely suitable, it was proposed to recruit three men from the Imperial Agricultural College in Trinidad.

Elected Members expressed a doubt as to whether Trinidad scholars were necessarily the best men for agricultural work in native areas. They considered that men with the right personality and with good practical experience would achieve better results, and Mr. O'Shea assured the Committee that suitable candidates could be found locally. The Acting Chief Native Commissioner urged that the importance of the development of native reserves demanded the employment of the best men available. With this the Elected Members agreed, with the reservation that, in their opinion, Trinidad scholars were not necessarily the best men. The Acting Director of Agriculture was unable to agree that local untrained men would be more suitable for this work than trained university candidates who had taken a post-graduate course in tropical agriculture.

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Local Transport and Travelling. *Item 92.*

The Committee recommends that this be reduced from £8,000 to £7,500 in view of the recent decrease in motor mileage rates.

PROVINCIAL ADMINISTRATION.

Nzoia Province.

The question of the employment of African clerks was raised and the Provincial Commissioner informed the Committee that he had found that the African is not yet sufficiently advanced to be entrusted with cash responsibility and cannot therefore yet be appointed to posts of that nature.

In regard to the employment of European clerks, the Provincial Commissioner was of the opinion that they would probably prove more efficient but that, in his opinion, they would cost more than Asian clerks and that they would expect further promotion, which it might be difficult to provide.

The Committee understands that the following adjustments in Provincial Estimates are necessary.

Turkana Province.

Travelling Allowances.—Insert £15.

Masai Province.

Item 177. *Travelling Allowances.*—Increase from £30 to £56.

Kikuyu Province.

Travelling Allowances.—Insert £200.

Ukamba Province.

Item 223. *Travelling Allowances.*—Increase from £50 to £75.

Habitb Reformatory.

The Committee understands that the Masonry Instructor will be leaving in April and that the Superintendent will personally undertake his work, the result being a reduction in item 286 from £1,094 to £912. The Committee was informed that statistics show that an average of only 14 per cent of the boys discharged are reconvicted of crime and that the majority of the remainder are either in employment or acting in the Native Reserves on their own account as artisans.

Technical Instructors. Item 286.

The Committee understands that item 287 should read £390 instead of £408, a decrease of £18.

Clerk and Storekeeper. Item 287.

The Committee understands that the arrangements which have been made in the past for the relief superintendent during the absence on leave of the permanent holder of the post have not been entirely satisfactory. It appears to the Committee that the person holding the post of Clerk and Storekeeper should be a practical man with technical experience, capable of acting as Superintendent during such periods. It is understood that the present Clerk and Storekeeper, whose engagement will shortly expire, is not being re-engaged on account of medical reasons and it is suggested that a man of the type indicated should be appointed locally and that the vacancy should be suitably advertised.

Tools and Equipment. Items 297 and 298.

The Superintendent of the Reformatory wished to increase this item by £50 in order to purchase oxen for transport purposes.

After some discussion he agreed to the amount being found out of item 297, Materials.

Reconditioning of Kamasia Native Reserve. Item 1.

IIa.—ADMINISTRATION EXTRAORDINARY.

The Acting Chief Native Commissioner explained the estimate in detail. Elected Members, however, expressed a wish to be informed of the work which is actually being done and the Acting Chief Native Commissioner undertook that a report would be laid on the table of Legislative Council.

III.—AGRICULTURAL DEPARTMENT.

Unofficial Members queried the necessity for a Personal Assistant to the Director of Agriculture, and recommend that in the event of the post being vacated by the present holder it should not be refilled.

Personal Assistant to Director. Item 3.

In regard to the abolition of the post of Statistical Officer, the Committee was assured that the responsibility for the preparation of agricultural statistics would continue to be borne by the Agricultural Department.

The Committee was informed that in the event of the fencing law coming into operation in 1932, it would not be necessary to appoint a Superintendent of Fencing in that year as the preliminary work could be undertaken by the departmental staff.

Superintendent of Fencing. Item 5.

Elected Members wish to point out that in spite of repeated applications they have had no indication of the intentions of Government in regard to the Board of Agriculture, and they question the Board's ability to function adequately on the amount provided.

Board of Agriculture. Item 35.

It was observed that the salaries drawn are personal to the present holders; the insertion of appropriate footnotes is recommended.

Senior Coffee Officer, Item 37; Senior Entomologist, Item 53; Senior Plant Breeder, Item 67.

In regard to the posts of Agricultural Officer in the Division of Plant Industry, there was a division of opinion amongst Unofficial Members as to whether four or five posts should be filled in 1932, but the latter figure was agreed to provided that all five officers would be working in the field.

Agricultural Officers. Item 38.

Contributions to Imperial Bureau of Entomology, Amani Institute, Imperial Bureau of Mycology and Imperial Agricultural Bureau.

The Committee recommends for the consideration of Government the continuation of these contributions less 10 per cent.

Items 27, 28, 29 and 30.

Contributions to Imperial Scheme for Agricultural Scholarships, Veterinary Scholarships and Colonial Agricultural Service.

Elected Members propose that in the absence of definite existing commitments this expenditure be not undertaken.

Items 30, 31 and 32.

In any event, the Committee understands that item 32, Contribution to Colonial Agricultural Service, may be reduced from £700 to £420, as only three-fifths of the full contribution will be required for 1932.

It was observed that the reduction in this vote was not proportionate to the reduction which has been made in motor mileage rates. The Acting Director of Agriculture explained that in 1931 the vote had been reduced to an extent which involved curtailment of services—particularly plantation inspection, advisory services and investigation work. He informed the Committee that the amounts allotted to Agricultural Officers had been reduced to a minimum, and that their travelling was, generally speaking, confined to organized tours of their districts. The vote also provided for the travelling expenses of Honorary Inspectors.

Local Transport and Travelling. Item 44.

The Committee feels, however, that the vote is still capable of reduction, and recommends that it be decreased from £5,283 to £4,683.

The Committee was informed that the purpose of this vote is to provide for emergencies such as a sudden outbreak of disease.

Expenses of Plant Protection. Item 46.

It was observed that twenty-four posts of Agricultural Officer (items 38, 47, 59 and 69) are shown as pensionable and it was explained that some confusion in this respect has been caused by the inclusion under the designation of Agricultural Officer of officers formerly described as Assistant Agricultural Officers. These latter were not pensionable and the 1932 Estimates do not contain a proposal to make them pensionable. The Committee recommends the insertion in Estimates of an explanatory footnote.

Agricultural Officers. Item 47.

Of the sixteen posts shown under this item, it was explained that only twelve posts would be filled in 1932 and that owing to the retrenchment

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Nzoia Province.

The question of the employment of African clerks was raised and the Provincial Commissioner informed the Committee that he had found that the African is not yet sufficiently advanced to be entrusted with cash responsibility and cannot therefore yet be appointed to posts of that nature.

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Technical Instructor. *Item 288.*

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IX.—FOREST DEPARTMENT REVENUE.

The Acting Conservator of Forests explained that on a scrutiny of the receipts for the first six months of this year he considered it prudent to revise his revenue estimates as follows :—

Item 2. *Timber Sales and Royalties.*—Reduce from £16,500 to £12,500.

Item 3. *Fuel Sales and Royalties.*—Reduce from £17,000 to £16,000.

X.—INTEREST.

The Committee understands that the postponement of certain Loan works results in increases as follows :—

Item 12. *Surplus and Loan Balances.*—Increased from £7,000 to £14,000.

Item 13. *Land Bank.*—Increased from £6,000 to £7,000.

XI.—REIMBURSEMENTS.

The Committee understands that the following items should be increased :

Uganda Government on account of—

Item 1. *Customs Department.*—Increased from £16,436 to £18,102.

Item 2. *Post Office and Telegraphs Department.*—Increased from £39,036 to £39,279.

The Committee understands that the following items should be inserted :

30a. Nairobi Municipality on account of Municipal Native Affairs Officer, £904.

32a. Mombasa Municipality on account of District Surveyor, £452.

Loan Funds on account of Public Works Department staff : £2,160.

EXPENDITURE ESTIMATES.

I.—HIS EXCELLENCY THE GOVERNOR.

Travelling Allowances. Item 23. The Committee was informed that this vote can be reduced from £165 to £65, to cover cost of expenses incurred in connexion with the Chauffeur, Chief Clerk, etc., when accompanying His Excellency the Governor on tour.

II.—ADMINISTRATION.

General Staff.

Elected Members stated that they had discussed the question of general administration and were in agreement that the present form of provincial administration was in their opinion top heavy; they recommended reorganization somewhat on the following lines :

That there should be a secretary for native affairs and a secretary for non-native affairs who would be in direct communication with the Governor, and that the Heads of Departments who are members of Executive Council should meet the Governor and the two secretaries every week and then settle matters which would otherwise entail correspondence. This should, they think, make it possible to dispense with the Secretariat—Elected Members consider it undesirable that junior officers in the Secretariat should come between Heads of Departments and the Governor. They consider that in out-districts native and non-native affairs should be co-ordinated by three or four senior officers, but these should not be called Provincial Commissioners. Their recommendations are set out in greater detail in Appendix II.

Elected Members proposed that Government be asked to draw up a scheme on these lines with a view to doing away as much as possible with correspondence and the writing of minutes so that the work of Government may

be carried out as much as possible directly between the Governor and Heads of Departments and the Secretaries for native and non-native affairs. The Colonial Secretary stated that the Government was willing to consider any scheme of reorganization in the Secretariat, in the Native Affairs Department, and in the Local Government, Lands and Settlement Department, which would make for efficiency and economy.

Provincial Commissioners Item 9. Elected Members protested against the recent promotion of two District Officers to the rank of Provincial Commissioner, which they maintained was not in accordance with the undertaking recently given that posts would not be filled unless necessary.

Elected Members also drew attention to the fact that the Provincial Reorganization Committee was considering the whole question and enquired what would happen in regard to these recent promotions in the event of the number of posts of Provincial Commissioner being reduced.

Elected Members consider that no appointments should be made involving increased expenditure.

Liwali for the Coast. Item 9. It was explained that the Liwali was retiring at his own request and that he had been given eighteen months' leave in view of the fact that he had not had any leave whatsoever for a large number of years.

The following reductions were noted in connexion with an additional appointment under Local Government, Lands and Settlement, dealt with below :—

Office Assistants.—Reduced from £3,504 to £3,204 *Item 12.*

Clerks.—Reduced from £1,639 to £1,364 *Item 14.*

Local Allowances. Item 15. The Committee was informed that this item could be reduced from £460 to £260.

NATIVE AFFAIRS DEPARTMENT.

Chief Native Commissioner. Item 28. Elected Members recommend that if this post is to be filled it should be filled by local appointment. Canon Burns associated himself with this recommendation.

European Clerks. Item 31. The Committee was informed that this could be reduced from £1,604 to £1,428.

The Committee was informed that the following items could be reduced :

Native Affairs Department :

Library.—From £25 to £5. *Item 35.*

Expenses of Native Deportees.—From £150 to £100. *Item 36.*

Passages.—From £246 to £52. *Item 43.*

Labour Section :

Contingencies.—From £30 to £20. *Item 52.*

Library.—From £10 to £5. *Item 53.*

LOCAL GOVERNMENT, LANDS AND SETTLEMENT.

The Acting Commissioner for Local Government explained the duties performed by the Local Government Inspector and his one assistant, an Examiner of Accounts, and stated that, although when Estimates were framed it was hoped that the work could be carried on in 1932 without increased staff, it had since become evident that the staff must be strengthened if the duties were to be performed adequately. With the present staff there was serious risk that proper control could not be exercised. He proposed the insertion of a new post of Assistant Local Government Inspector on the grade £425 by £25 to £600 by £30 to £720, and was prepared to make economies in the Land side of the work of his Branch, viz. under items 12 and 14 of Head II. Administration, General Staff, to cover the cost of this appointment in 1932.

The Committee accepted these proposals.

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The Committee understands that the following items should be increased :

Uganda Government on account of—

Item 1. *Customs Department.*—Increased from £16,436 to £18,102.

Item 2. *Post Office and Telegraphs Department.*—Increased from £39,036 to £39,279.

The Committee understands that the following items should be inserted :

30a. Nairobi Municipality on account of Municipal Native Affairs Officer, £904.

32a. Mombasa Municipality on account of District Surveyor, £452.

Loan Funds on account of Public Works Department staff : £2,160.

EXPENDITURE ESTIMATES.

I.—HIS EXCELLENCY THE GOVERNOR.

Travelling Allowances. *Item 23.* The Committee was informed that this vote can be reduced from £165 to £65, to cover cost of expenses incurred in connexion with the Chauffeur, Chief Clerk, etc., when accompanying His Excellency the Governor on tour.

II.—ADMINISTRATION.

General Staff.

Elected Members stated that they had discussed the question of general administration and were in agreement that the present form of provincial administration was in their opinion top heavy; they recommended reorganization somewhat on the following lines :

That there should be a secretary for native affairs and a secretary for non-native affairs who would be in direct communication with the Governor, and that the Heads of Departments who are members of Executive Council should meet the Governor and the two secretaries every week and then settle matters which would otherwise entail correspondence. This should, they think, make it possible to dispense with the Secretariat—Elected Members consider it undesirable that junior officers in the Secretariat should come between Heads of Departments and the Governor. They consider that in out-districts native and non-native affairs should be co-ordinated by three or four senior officers, but these should not be called Provincial Commissioners. Their recommendations are set out in greater detail in Appendix II.

Elected Members proposed that Government be asked to draw up a scheme on these lines with a view to doing away as much as possible with correspondence and the writing of minutes so that the work of Government may

REVENUE ESTIMATES.

I.—CUSTOMS.

The Committee had long discussions with the Commissioner of Customs and the Acting Director of Agriculture. By the 13th October, the latter was able to give the Committee estimates of agricultural production in the 1931-32 season, compiled from the reports of crop correspondents. From these it would appear that the value of agricultural produce likely to be exported in 1932 will be only £1,300,000, as compared with £3,400,000 in 1930.

The Commissioner of Customs informed the Committee that in view of these reports Government considered it reasonable to reduce Customs Revenue Estimates to £750,000.

Unofficial Members, however, are of the opinion that this reduction insufficiently reflects the effect on imports of the considerable estimated drop in agricultural exports. They therefore resolve that —

> "After most serious consideration, and in view of the modified figures as to exports, Unofficial Members have agreed *nem. con.* the figure of £675,000 as being one they recommend should be inserted as the estimated Customs Revenue in the 1932 Budget."

In support of the figure of £750,000 Official Members have in mind the following arguments:—

(*a*) The preparation in advance of an accurate appreciation of crop and price prospects is a matter of admitted difficulty even in normal times and too much reliance should not be placed on the figure of £1,900,000 mentioned above.

(*b*) Any comparison between exports and imports must take account of invisible exports and of the transportation and other services performed for neighbouring territories which constitute a very important factor, particularly in view of the favourable reports on the Uganda cotton crop. In addition, the signs of industrial revival in Great Britain cannot be ignored.

(*c*) The tariff was amended in June, 1931, and the 1932 estimates also incorporate the Wines and Spirits Consumption Tax, which in 1930 was shown separately from Customs revenue. Taking this factor into account the estimate of Customs Revenue from import duties for 1932 is nearly £100,000 lower than actual collections in 1930.

(*d*) In 1930 the £ sterling was on a gold basis. The £ sterling is now less in value than the £ gold, with the consequence that the value of imports from countries whose currencies are still based on gold values will increase in terms of £ sterling, with a consequent increase in Customs revenue, which, of course, is collected in £ sterling.

Taking all these factors into account, Official Members consider that the 1932 estimate of Customs Revenue from import duties can reasonably be placed at £750,000.

II.—LICENCES, DUTIES, TAXES, ETC.

Game Licences. *Item 2.*

The Game Warden considered that in view of present world conditions this item should be reduced from £11,000 to £10,000.

Stamp Duties, various Revenue Purposes. *Item 9.*

The Surveyor General informed the Committee that the latest information available renders it necessary in his opinion to reduce this item from £61,300 to £59,300.

Native Hut and Poll Tax. *Item 12.*

The Acting Chief Native Commissioner informed the Committee that the Estimates as drafted should, in his opinion, stand. He considered that they might reasonably be expected to accrue. Locust damage and possible disaster to European enterprises were unknown factors, and could not be taken into account. He admitted that wages had decreased, but thought that this would

be more likely to affect Customs duties rather than direct revenue, as ordinarily the native grows enough to feed himself and to pay his Hut and Poll Tax. The reports from the Provinces generally were promising.

The Committee understands that two new items should be inserted —

(*a*) Licences, Insurance Companies	£1,500
(*b*) Road Transport Licences	£2,000

III.—FEES AND PAYMENTS FOR SPECIFIC SERVICES

Fees of Court *Item 1*

In reply to a query by Canon Burns, His Honour the Chief Justice informed the Committee that his records did not contain any differentiation between the fines paid by natives and non-natives, but in point of fact certainly the majority of the fines are paid by natives.

Agricultural Produce, Grading, Conditioning and Cold Storage Fees. *Item 24.*

The Treasurer informed the Committee that, in view of the anticipated reduction in maize exports for 1932, the Acting Director of Agriculture reduced this item of revenue from £6,000 to £3,000.

IV.—POSTS AND TELEGRAPHS

The Postmaster General informed the Committee that in his opinion it would be prudent to reduce estimated revenue as follows —

Sale of Stamps, from £83,350 to £80,350	£3,000	*Item 1.*
Telegraph Revenue, from £40,500 to £38,500	£2,000	*Item 9.*
Total reduction	£5,000	

This leaves the revised total estimate at £177,675

Mail Transit Dues.

In regard to the absence of any estimated revenue from Mail Transit Dues, the Postmaster General explained that there would be a double payment in 1933.

Telephone Revenue. *Item 16.*

The Committee was informed that the increase in telephone revenue was ascribed to (*a*) new subscribers, and (*b*) the opening of the Nairobi-Mombasa trunk line. This latter will adversely affect telegraph revenue which has already been written down on this account. Telegraph revenue has also been adversely affected by the air mail.

V.—EARNINGS OF GOVERNMENT DEPARTMENTS.

Mombasa Water Supply. *Item 4.* Water Boring. *Item 20.*

The Committee understands that item 4, Mombasa Water Supply, is to be reduced from £37,500 to £36,000, and item 20, Water boring, from £2,956 to £1,847.

Kabete Reformatory Industries. *Item 16.*

The Committee was informed that whereas nearly £1,500 was collected in 1930 only £600 is anticipated in 1931 and that this decrease is largely due to an increase in the fees charged for the services of the Reformatory boys. It is hoped that revenue will improve in 1932 by a readjustment of these fees.

VII.—SALE OF GOVERNMENT PROPERTY.

Ivory and Confiscated Trophies. *Item 3.*

The Game Warden explained that the decrease in this item was due mainly to the decrease in the sale value of ivory, and, in framing his Estimates he had taken into account this year's prices, which had fallen by nearly 45 per cent as compared with 1930. There had also been a fall in the value of rhino horn.

The Game Warden was asked to send in revised estimates of the revenue which he actually expects to collect in 1932 on the assumption that there will be no improvement in economic conditions. The Game Warden subsequently reported that in his opinion this item should be reduced from £6,000 to £5,000.

VIII.—MISCELLANEOUS RECEIPTS.

Kisumu Bazaar Sites. *Item 6.*

The Committee was informed that a new item 6, Kisumu Bazaar Sites, £1,516 should be inserted.

REVENUE ESTIMATES.

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(*c*) The tariff was amended in June, 1931, and the 1932 estimates also incorporate the Wines and Spirits Consumption Tax, which in 1930 was shown separately from Customs revenue. Taking this factor into account the estimate of Customs Revenue from import duties for 1932 is nearly £100,000 lower than actual collections in 1930.

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15. The Committee, however, has received an assurance that Government does not consider the Estimates to be immutable. The situation will be carefully watched from day to day, and every opportunity of effecting further economies will be seized. The fact that financial provision is made in the Estimates does not mean that the money will be spent regardless of circumstances and without necessity.

16. At an early stage of the proceedings, it was apparent to the Committee that the locust menace was a very real factor which could not be overlooked when considering the 1932 Budget. As a result of urgent representations made by the Select Committee, a Locust Committee was appointed by Government with the following terms of reference :—

> "To advise Government in the best method of combating the locust menace, particularly in respect of concerting Government and private action, native and non-native, and also co-operation with the adjoining territories."

Unofficial Members supplement this with the following resolution :—

> "That a vigorous anti-hopper campaign be organized immediately and put into effect in all areas of the Colony in which laying takes place. Elected Members agree to a token vote of only £5,000 for locust destruction on the understanding that Government will add to this amount whatever sum may be necessary for a continuation of the anti-locust policy recommended by the Locust Committee, should need arise."

17. Subsequently a report of the Locust Committee, advocating the conversion of locusts into manure and locust meal, was considered by the Select Committee. The proposal involves the purchase of dried locusts at two cents per pound, their conversion into meal, and the export of the final product. It is calculated that there will also be a considerable local demand for both manure and meal. It appears to the Committee that the only local concern which possesses adequate facilities for the financing and organization of such an enterprise is the Kenya Farmers' Association. The following resolution, which was passed unanimously, was forwarded to Government :—

> "1. With a view to safeguarding agricultural production in 1932, on which revenue for 1932 largely depends, the Committee endorses the principle involved in the furtherance of the campaign for locust destruction, by the creation of an organization for converting locusts into a marketable commodity, and recommends that Government immediately offers to purchase dried locusts at all Government stations throughout the Colony at the rate of two cents per pound.
>
> "2. Recommends the insertion in the Supplementary Estimates of the current year of a token vote of £2,000 to finance such arrangements to implement the recommendation in para. 1 as may be approved.
>
> "3. Recommends instructions be given to the Chairman of the existing Locust Committee to create the organization referred to in para. 1, and to make the most suitable contract with the Kenya Farmers' Association in regard to the method of supply of dried locusts, and the preparation and marketing of locust meal, and considers that such contract should contain clauses—
>
> (a) enabling Government to rescind the contract at any time, should such a course prove to be desirable;
>
> (b) enabling Government to sell dried locusts to purchasers other than the Kenya Farmers' Association in cases where such purchasers made their own arrangements for collecting and carting the dried locusts from the Government centre.
>
> "4. Recommends that arrangements should, if possible, be made with the Conference Lines and Railway Administration to reduce freights on locust meal and dried locusts.

> "5. Recommends that for publicity purposes the following should be asked to join the Locust Committee, namely: Mr. Galton Fenzi, Commander Couldrey, and the Editors of the *East African Standard*, *Times of East Africa*, *Kenya Weekly News*, and the *Uasin Gishu Advertiser*.
>
> "It appears to the Committee, from the evidence laid before it, that such an undertaking would be at least self-supporting if not actually profit-earning, and that the alternative must be an expensive campaign with no return. For this reason, the Committee hopes that immediate action will be taken on the lines indicated in this resolution."

18. It appeared to the Committee that the Colonial Development Fund was a suitable source for the provision of funds for locust destruction as trade with Great Britain would undoubtedly suffer as a result of damage to crops. Consequently the Committee requested Government to telegraph to the Secretary of State enquiring whether a joint application on these lines by the three territories would be likely to be favourably considered by the Advisory Committee. The Committee understands that a reply has been received in the negative.

19. Elected Members recommend that any funds which may be made available should be used for direct action against locusts and not for scientific research.

Terms of Service.

20. The Report of the Terms of Service Committee was circulated to Members, who earnestly invite the immediate attention of Government to such recommendations as will effect economies in 1932 expenditure.

Military and Police.

21. Elected Members have made comparisons of the expenditure on Military and Police in Kenya and Northern Rhodesia in which latter country the two are combined under one headquarters organization.

Elected Members consequently put forward the following resolution :—

> "(1) That in view of the disproportionate cost per capita of the Military and Police Forces in Kenya as compared with those of Northern Rhodesia, the Elected Members urge upon Government the immediate examination of the facts, whereby a scheme is produced capable of providing a combined Military and Police Colonial Force such as will provide adequate protection to Kenya at a cost comparable with that now obtaining in Northern Rhodesia.
>
> "(2) That Government be asked to appoint a committee consisting of the Colonial Secretary, the Treasurer, the Chief Native Commissioner, the Officer Commanding Northern Brigade, King's African Rifles, the Commissioner of Police, Lord Francis Scott, Colonel Durham, Colonel Tucker and Captain Cotter, to undertake the examination referred to in resolution (1) above."

15. The Committee, however, has received an assurance that Government does not consider the Estimates to be immutable. The situation will be carefully watched from day to day, and every opportunity of effecting further economies will be seized. The fact that financial provision is made in the Estimates does not mean that the money will be spent regardless of circumstances and without necessity.

16. At an early stage of the proceedings, it was apparent to the Committee that the locust menace was a very real factor which could not be overlooked when considering the 1932 Budget. As a result of urgent representations made by the Select Committee, a Locust Committee was appointed by Government with the following terms of reference :—

> "To advise Government in the best method of combating the locust menace, particularly in respect of concerting Government and private action, native and non-native, and also co-operation with the adjoining territories."

Unofficial Members supplement this with the following resolution :—

> "That a vigorous anti-hopper campaign be organized immediately and put into effect in all areas of the Colony in which laying takes place. Elected Members agree to a token vote of only £5,000 for locust destruction on the understanding that Government will add to this amount whatever sum may be necessary for a continuation of the anti-locust policy recommended by the Locust Committee, should need arise."

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>
> "4. Recommends that arrangements should, if possible, be made with the Conference Lines and Railway Administration to reduce freights on locust meal and dried locusts."

Elected Members wish to recommend to Government that departmental expenditure for 1932 be further reduced during the course of that year so as to increase the estimated surplus at the end of the year by £100,000, and that Government prepare schemes for effecting such savings before it introduces the Appropriation Bill. They wish to emphasize the point that they oppose the principle of additional general taxation unless and until they are satisfied that expenditure has been reduced to a minimum.

9. Members agreed unanimously that means must be found not merely of balancing the estimates but also of restoring to Surplus Balances as large an amount as possible of the 1931 deficit. The following proposals, made by Government and submitted to the Secretary of State, were considered by the Committee

(i) Tax on Salaries exceeding Sh. 40 per mensem of Officials of the Kenya Government and of Local Authorities, £50,000.

Unofficial Members agree to the principle of a tax on official salaries but they allege that salaries of commercial and agricultural employees have been reduced by a much greater percentage and they point out that according to official statistics the cost of living in 1931 has fallen by 12.6 per cent as compared with the yearly average for 1926. Further, they observe that when European salaries were last considered they were increased by 20 per cent to counteract the increased cost of living caused by the stabilization of the currency.

They therefore record the following resolution :—

"That a graduated reduction amounting to an average of 10 per cent of the total provision for salaries and wages in the 1932 Budget should be made and that reduction should be made in military pay of the King's African Rifles on the same percentage basis as has been made in the Imperial Military Forces.

That in the case of serving officers reduction in emoluments shall not affect the amount of pension that would accrue were no such reduction made."

A sub-committee of Elected Members has considered this proposal in detail, and their recommendations will be found in Appendix I.

On the other hand, Official Members feel that a tax estimated to produce £50,000 comprises an adequate contribution by the Civil Service, as Civil Servants would have real ground for complaint if their pay were related to wages in industry only in the time of low wages.

Official Members also point out that the revision of salaries in 1926 took into consideration the earlier local allowance, and that while Elected Members voted an increase of 20 per cent at a cost of £19,000 per annum, Government introduced a modified scheme costing only £13,000 per annum over the total cost of salaries, including the former cost of living bonus (page 143 of Legislative Council Debates, 1926). Although the cost of living in 1930 and 1931 has admittedly been lower than in 1926, 1927, 1928 and 1929, the inflation of the £ sterling will tend to increase prices and the cost of living generally. In short, the Government's proposal of a 5 per cent tax (with a surtax at the rate of 7½ per cent on that part of any salary exceeding £1,000 per annum) is based neither on short-term fluctuations in the cost of living nor on temporary reductions in salaries and wages of commercial employees. It is a sacrifice which could only be justified in the exceptional circumstances of the present financial position.

(ii) Certain confidential proposals were discussed, and the views of Elected Members have been reported to Government.

(iii) Entertainment Tax, £6,000.

(iv) Licensing of Banks, £1,900.

The Committee agrees to this proposal.

(v) Licensing of Shipping Agencies, £500.

(vi) Annual Motor Drivers' Licences at Sh. 5 per annum, £2,500.

(vii) Miscellaneous Adjustments to the Estimates, £22,000.

These include, amongst others, such items as interest on the loan moneys which will be held in reserve as a result of the decision to defer various loan works, and a reduction in the estimate of rents payable for houses and offices, etc. So far as this Report is concerned the various items are dealt with below, under the appropriate headings.

10. The Committee recommends that a measure providing for the taxation of professional men by an annual licence be introduced at the forthcoming session of the Legislative Council and be referred to a Select Committee in order that this proposal may be fully considered in detail.

11. The Committee was informed that Government had been advised that, owing to present conditions in the London market, the floating of any further loan and the raising of advances or further borrowing of money by the Crown Agents cannot be considered. In view of the fact that the deficit for 1931 will probably reduce the Colony's surplus balances to a figure insufficient to cover existing appropriations, which include Agricultural Advances £100,000, Maize Subsidy £82,000, Grain Subsidies £35,000, and Famine Relief £20,000, Government has decided not to proceed, for the time being, with the undermentioned works from Loan funds :—

Central Offices.

K.A.R. Lines.

Law Courts.

Asian Quarters, Eldoret, Kisumu, Kilifi and Narok.

Eldoret and Narok Offices.

12. This will result in a balance from Loan Funds of £314,308 being held unexpended, but from this sum the following, previously advanced out of Surplus Balances, will be provided :—

Civil Servants' Housing Scheme	£44,000
Loan to Eldoret Municipal Board	1,600
Loan to Mombasa Municipal Board	2,000
	£47,600

13. This will leave £266,708 which will be held in reserve to meet possible emergencies, until it has become possible to restore the revenue position. To remove any possible misunderstanding, it is pointed out that this is in no way a proposal to reimburse Surplus Balances from Loan Funds. The proposal is to conserve a portion of the Loan balances to support the Colony's cash position. Both Official and Unofficial Members realize the objections to this course, but they recognize the exceptional circumstances which call for this action.

14. The attitude of Elected Members is reflected in the following resolution :—

"In view of the fact that the Government has allowed the finances of the Colony to show a large deficit for 1931, Elected Members see no alternative to the credit balance of £266,708 in the Loan Works Building Fund being held as a cash reserve, provided that Government gives a definite undertaking that the necessary economies will immediately be brought into effect, so as not only to balance the 1932 Budget but also to make up the sum of approximately £110,000 which is the probable amount required to balance the country's cash position at the end of 1931. That then the loan money shall be available to be spent on the purpose for which it was originally voted."

Elected Members wish to recommend to Government that departmental expenditure for 1932 be further reduced during the course of that year so as to increase the estimated surplus at the end of the year by £100,000, and that Government prepare schemes for effecting such savings before it introduces the Appropriation Bill. They wish to emphasize the point that they oppose the principle of additional general taxation unless and until they are satisfied that expenditure has been reduced to a minimum.

9. Members agreed unanimously that means must be found not merely of balancing the estimates but also of restoring to Surplus Balances as large an amount as possible of the 1931 deficit. The following proposals, made by Government and submitted to the Secretary of State, were considered by the Committee

(i) Tax on Salaries exceeding Sh. 40 per mensem of Officials of the Kenya Government and of Local Authorities, £50,000.

Unofficial Members agree to the principle of a tax on official salaries but they allege that salaries of commercial and agricultural employees have been reduced by a much greater percentage and they point out that according to official statistics the cost of living in 1931 has fallen by 12.6 per cent as compared with the yearly average for 1926. Further, they observe that when European salaries were last considered they were increased by 20 per cent to counteract the increased cost of living caused by the stabilization of the currency.

They therefore record the following resolution :—

"That a graduated reduction amounting to an average of 10 per cent of the total provision for salaries and wages in the 1932 Budget should be made and that reduction should be made in military pay of the King's African Rifles on the same percentage basis as has been made in the Imperial Military Forces.

That in the case of serving officers reduction in emoluments shall not affect the amount of pension that would accrue were no such reduction made."

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Official Members also point out that the revision of salaries in 1926 took into consideration the earlier local allowance, and that while Elected Members voted an increase of 20 per cent at a cost of £19,000 per annum, Government introduced a modified scheme costing only £13,000 per annum over the total cost of salaries, including the former cost of living bonus (page 143 of Legislative Council Debates, 1926). Although the cost of living in 1930 and 1931 has admittedly been lower than in 1926, 1927, 1928 and 1929, the inflation of the £ sterling will tend to increase prices and the cost of living generally. In short, the Government's proposal of a 5 per cent tax (with a surtax at the rate of 7½ per cent on that part of any salary exceeding £1,000 per annum) is based neither on short-term fluctuations in the cost of living nor on temporary reductions in salaries and wages of commercial employees. It is a sacrifice which could only be justified in the exceptional circumstances of the present financial position.

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The Committee agrees to this proposal.

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REPORT OF THE SELECT COMMITTEE APPOINTED TO CONSIDER THE 1932 DRAFT ESTIMATES

The Committee held its first sitting on the 31st August, 1931, and subsequently sat on the following days :—

September 1st, 2nd, 3rd, 4th, 7th 8th, 9th, 10th, 11th, 14th, 15th 16th, 17th, 18th, 28th, 29th, 30th.

October 1st, 2nd, 3rd, 5th, 6th, 7th, 8th, 9th, 13th, 14th, 15th, 19th, 21st, 22nd, 23rd, 26th, 27th, 28th, 29th.

November 4th, 6th, 7th, 12th, 13th, 16th, 21st.

2. The Committee records with the deepest regret the deaths, on the 13th and 14th November, of two of its members—the Right Honourable Lord Delamere, K.C.M.G., Member for the Rift Valley and Chairman of the Elected Members, and the Honourable H. T. Martin, C.B.E., Acting Colonial Secretary. The Committee desires to express its profound sympathy with the bereaved relatives.

3. The Committee first reviewed the estimates of expenditure in order to obtain detailed information of the nature and extent of economies proposed by Government and with a view to ascertaining where and in what measure further economies might be found should the necessity for them arise.

4. The Committee then focussed its attention on the general economic situation of the Colony with particular regard to its relation to the 1932 Budget. Members were supplied with detailed statistics relating to the annual trade of the Colony, banking and cost of living, and with the latest information available concerning the prospects of agricultural production.

5. As regards the general economic situation, Unofficial Members conclude from the various reports and statistics laid before them that the unfavourable balance between imports and exports will considerably increase in 1932, and they feel that there is an urgent need for the introduction of measures designed to assist the increase of production and export and to decrease imports. They hold, too, that no budgetary provision should be made which would tend, directly or indirectly, to have an opposite effect. Another serious factor which they emphasize is the inevitable repercussion upon Government revenues generally as the result of the anticipated diminution in the amount of money normally circulating in the Colony.

6. The Committee understands that the amount of the Colony's expenditure which is paid outside Kenya totals approximately £1,000,000, and recommends that the desirability of reducing this total be kept in view. In particular it recommends that attention should be given to the use of locally produced articles wherever possible in substitution for articles which have to be imported from overseas.

7. The following resolution was put forward :—

> "That Elected Members urge upon Government the desirability of appointing a Committee on which there is adequate unofficial representation to examine and report on the balance of trade and the present position of the Currency Board."

8. The Committee understands that the deficit for 1931 is now estimated at £200,000 which will reduce the surplus balances of the Colony to approximately £310,000 by the end of the year. Further, owing to the disappointing crop reports for the season 1931–32, a considerable reduction has had to be made in the estimate of Customs revenue. A more detailed note concerning this reduction appears later in the Report.

(i) The following words should be inserted immediately above the Clerk's signature on page 34 :—

> " Mr. O'Shea attended the greater part of the meetings but declined to sign the Report."

(ii) The last sentence of the paragraph on page 27, the marginal note to which is " Postmasters and Junior Postmasters—items 3 and 4 " should be deleted and the following substituted therefor :—

> " Apropos of this, he informed the Committee that under the agreement which included the transfer of the Mombasa Wireless Station, there would be a total general saving to Government and the public of approximately £14,000 "

COLONY AND PROTECTORATE OF KENYA

REPORT OF THE SELECT COMMITTEE ON DRAFT ESTIMATES 1932

NOVEMBER, 1931

Price 3/50

PRINTED BY THE GOVERNMENT PRINTER, NAIROBI

APPENDIX.

I. New Appointments.

Head II. - Administration.

Item 56a. Assistant Local Government Inspector £425 by £35 to £600 by £30 to £720.

Vide Report of Select Committee, page 9.

Head XX. - Post Office and Telegraphs.

Item 19a. Senior Wireless Telegraph Engineer Operator, £500 by £20 to £600.

This is an Uganda appointment, vide Appendix G, item 9.

II. Alterations in Titles, Emoluments, etc.

Head III. Agricultural Department.

Item 88. Title changed from "Deputy Director (Animal Industry) to "Deputy Director (Animal Industry) and Chief Veterinary Officer." The reason for this alteration is that the Chief Veterinary Officer is vested by statute with certain powers. The alternative to this alteration in title would be the more cumbersome method of an amending ordinance.

Item 94. Title changed from "Deputy Chief Veterinary Officer" to "Assistant Chief Veterinary Officer" which is considered to be more appropriate.

Head XXII. - Prisons.

Item 7. Title changed from "Chief Warders" to "Chief Officers" in order to conform with the provisions of Section 6 of the Prisons Ordinance, No.XXXVII of 1930.

the Chairman of the Advisory Committee. In this letter the Committee unanimously recommended to you that the connection which at present exists between the London Office and the Department of Overseas Trade should not be severed for the next year or two.

17. Explanations of the various changes made in all Heads of Expenditure Estimates are given in the Memorandum and in the Report of the Select Committee. For convenience of reference I append a schedule of new appointments and of alterations proposed in the titles, emoluments or status of certain officers.

18. Separate despatches will be forwarded enclosing

(a) a provisional statement showing the total revenue derived from the direct taxation of natives, and the total amount expended upon services directly benefitting the native population;

(b) a statement showing the amounts which it is expected to raise by way of contributions or cesses arranged through the Local Native Councils, and the objects upon which it is proposed to expend these monies.

19. With reference to the last paragraph of Lord Passfield's despatch No.204 (Reserved) of the 19th March, 1931, the total expenditure from central funds on roads is shown as Appendix N to the Estimates.

20. I regret that it has not been possible to transmit the Estimates to you earlier. The Draft Estimates were prepared in August and the subsequent delay is due to the protracted deliberations of the Select Committee.

I have the honour to be,
Sir,
Your most obedient, humble servant,

Brigadier-General.

GOVERNOR.

£5,000 and I propose to meet them to this extent. The original objection, however, still applies, but for the sake of political conciliation, I trust that this will be approved. Being a token vote it will not be included in the General Warrant.

(iii) MILITARY.

Item 1. Northern Brigade, K.A.R., Kenya share of Expenditure.

The Block Estimates appear as Appendix M to the Estimates.

In regard to the Inspector-General, the necessary alteration in the share of salary has been made, but I am not certain as to the extent to which other items under this sub-head are affected, and I have made provision similar to that shown in 1931.

(iv) PUBLIC WORKS DEPARTMENT.

You will see from the Report of the Select Committee that Elected Members have formed the opinion that public works can be undertaken by District Councils in certain areas with a considerable saving in expenditure. This opinion is based on estimates prepared by the District Council engineers and there is considerable doubt as to the ~~lim~~ reliability of these estimates. From a political, as well as economic, point of view it would in my opinion be wrong to refuse to give full consideration to any suggestion which aims at economy, and consequently I have agreed to the appointment of a Committee whose personnel will be qualified to examine the proposals in detail.

(v). TRADE AND INFORMATION OFFICE.

A separate despatch will be forwarded dealing with the proposals made by the Select Committee in regard to the institution of a separate Kenya office. In this connection my attention has been drawn to a letter dated 10th October, 1931, addressed to you by Sir John Davidson,

No 7 on 26043/8/31 E.A.

of this recent Select Committee discourages contemplation of a purely local Committee, which I understand to be in the minds of Elected Members, and I therefore prefer to await the appointment of the independent authority to which reference is made in paragraph 105 of the Joint Select Committee's Report on Closer Union in East Africa.

15. The only heads of expenditure which show any increase over the amounts sanctioned in the Estimates for 1931 are:-

(i)	Miscellaneous Services	Increase £11,657
(ii)	Public Debt Funded	" 195,500
		Net Increase 67,681
(iii)	Pensions	Increase £5,000.

These increases are explained in paragraph 20, page 6, of the Memorandum.

(iv) Agricultural Department Extraordinary

Increase £4,640.

16. All other heads show decreases, and there is but little to add to the detailed comments in the Memorandum on the Draft Estimates, and in the Report of the Select Committee.

(i) AGRICULTURAL DEPARTMENT.

Item 35. Expenses of Board of Agriculture and Committees, £1,000.

The question of the future of the Board and of the remuneration of the Chairman, which is a major item of the expenditure, is still under discussion.

(ii) AGRICULTURAL DEPARTMENT EXTRAORDINARY.

Item 2. Locust Campaign, £5000.

Elected Members first urged for the insertion of £60,000. This was resisted as it is contrary to Colonial Regulations to estimate for unforeseen expenditure. Subsequently they agreed to a token vote of

is a token vote under under "Agricultural Department Extraordinary" to provide for the possible extension of the campaign against locusts. Any substantial reduction in expenditure can therefore only be found from departmental recurrent votes which would definitely necessitate curtailment of services and cause the closing of hospitals, schools, police stations or prisons; the curtailment of laboratory services, field agricultural and veterinary services and the restriction of administrative and judicial services. My advisers support me in the view that any such event would be little short of calamitous. The policy underlying the 1932 Estimates is that of weathering the storm.

13. Any further depression of revenue, beyond the margin of the estimated surplus, will necessitate drastic measures on the lines indicated in the preceding paragraph, but it would, in my submission, be unwise and uneconomic to undertake such steps now. In fact I would venture to express the hope that the signs of industrial and commercial revival already reported in Great Britain and the consequent tendency towards stabilisation of markets will in due course show that our estimates of revenue have been framed at least on conservative lines. At the same time, I do not propose to allow that hope to obscure reality, and every effort will be made to secure still further economies in expenditure whenever the opportunity can be found.

14. At this stage I would refer to the Elected Members' resolution in para.I, page 1, of the Select Committee's Report:-

> "That Elected Members urge upon Government the desirability of appointing a Committee on which there is adequate Unofficial representation to examine and report on the balance of trade and the present position of the Currency Board."

I had already suggested to Lord Passfield that a Special Financial Commissioner should be appointed. The experience

"Reimbursements" and "Colonial Development Fund" which inflate both sides of the Estimates, the position at the time when Draft Estimates were presented to Council was that they showed a reduction of £326,818 on actual expenditure in 1930. In the final estimates, this reduction is increased to £347,826, the greater part of which is in Extraordinary Expenditure. The net decrease in Departmental Recurrent Expenditure (i.e. excluding Public Debt Funded, Interest, Miscellaneous Services, Pensions, Rent and Interest to H.H. the Sultan of Zanzibar, Colonial Development Fund and all Extraordinary Expenditure) is £138,235. In making this comparison with actual expenditure in 1930, it should not be forgotten that the Estimates for 1932 include salary increments both for that year and the intervening year, 1931. The real reduction in Departmental Recurrent Expenditure is therefore increased accordingly.

11. The effect of these reductions in the Estimates of Expenditure is that it will be barely possible to maintain existing services in 1932. In spite of increasing demands, particularly in the case of Medical, Health and Educational Services, no provision has been made either for new services or for expansion of existing services except for the extension of revenue-earning services under the Heads "Post Office and Telegraphs Extraordinary" and "Public Works Extraordinary", to which reference is made in the Memorandum. Although these extensions are provided for in the Estimates, I propose not to include them in the General Warrant, but to defer final sanction until there is evidence to contradict any supposition of a further decline in revenue.

12. You will observe that the total provision for Non-Recurrent Expenditure is only £32,250 of which £11,400 is for the extension of revenue-earning services, and £5,000

against £110,098 which was the estimate when Draft Estimates were presented to Council in August. The estimated excess of assets over liabilities on the 31st December,1931, will thus be reduced to £310,120 which is insufficient to cover existing appropriations from Surplus Balances. The resultant shortage of cash for working requirements can be met by temporary borrowings from surplus deposits, or from a temporary overdraft from the National Bank of India against the security of our frozen Revenue assets, or from both, thus avoiding any use even temporarily of the unspent balances of loan funds to which there are obvious objections.

9. The question of restoring Surplus Balances to a satisfactory figure is one which I have had constantly in mind. As I have already implied, if conditions generally do not become further depressed Surplus Balances will have recuperated by the end of 1932 to the extent of £359,057; any improvement should increase this figure. I share with the Elected Members the desire for a much larger surplus for 1932, but unfortunately there are serious practical difficulties which lie in the way of achievement of that desire. A larger surplus will require either more revenue, less expenditure, or both. Elected Members already oppose increased taxation and I agree with them to the extent that in a time like the present it can only be justified when it tends to equalize the incidence of a sacrifice or when it is so designed that its application will not appreciably be felt by the individual taxpayer. Taxation of this description has already been introduced and it is improbable that any large additions to revenue would accrue even if attempts were made further to exploit this limited source.

10. After deducting the amounts shown under the Heads

to examine the possibility of combining the Military and Police Forces, but even if such a combination should prove to be practicable it is most unlikely that it could be brought about before the end of 1932, and I do not think it has been appreciated that the Military problem is an East African question. It is suggested too, that the Secretariat should, practically speaking, be abolished and that the number of Provinces should be reduced. It appears that this proposal was considered at a short afternoon meeting of a Sub-Committee of Elected Members and that no attempt was made to obtain first hand information on a subject which is not only highly technical but also of importance in regard to the efficient performance of public business. The reorganisation of the Provinces is under the consideration of a Committee and awaits the Colonial Secretary's return.

7. In view of the Legislative Council debate of the 5th June, 1931, when Elected Members were emphatic in their claim to be able to reduce expenditure more effectively than the Government, I have been disappointed to find that after spending over two and a half months on consideration in detail of the Draft Estimates their only practical result in regard to expenditure is in effect to return the problem unsolved.

8. The final estimates show an estimated surplus of £48,937. The Colony is almost entirely dependent upon agriculture, and in view of the disappointing reports of the coffee crop and of the uncertainty which still prevails in the markets for other agricultural products, I prefer to regard this estimated surplus as being a marginal precaution against any possible further shortfall in revenue. You will see that the estimated deficit for 1931 is now £200,582 as

theory, but observe merely that the proposed duties are so small in relation to the difference in cost of locally produced and imported commodities in each case as to have no appreciable effect on local production. In the case of beer and tea particularly, the local producer will be protected by the amendments to the Customs tariff.

In regard to the Entertainments Tax and Annual Motor Drivers' Licences the objection is one which Elected Members apply generally to all forms of additional taxation (excepting in this year the Levy on Official Salaries and the Licensing of Banks and Insurance Companies); it is that expenditure must first be reduced to a minimum, and in their view the minimum will not be reached until a further £100,000 has been subtracted. Here again, it appears that their figure is not related to actuality as apart from a few nebulous proposals to which I refer below, Elected Members have put forward no concrete suggestions as to the means by which a reduction of £100,000 can be effected.

In regard to the Levy on Official Salaries, Unofficial Members press for a 10 per cent levy. The arguments for and against are, I think, adequately set out on page 2 of the Select Committee's Report.

6. The main opposition to the Estimates can be summarised briefly as follows:-

(a) that the estimates of Revenue are too optimistic,

(b) that the Estimates of Expenditure are capable of further reduction of £100,000 without curtailment of services.

My attention has been invited to the Report of the Terms of Service Committee, but I am unable to make any recommendation whose immediate adoption would result in any great saving in 1938. I am also asked to appoint a Committee

to be an attempt to give mathematical expression to a vague fear. On the other hand, the reduction of £114,000 was computed on a detailed and expert scrutiny of actual Customs returns and allows for a still further decline in imports for 1932 as compared with 1931.

?? (ii) New Taxation.

As you are aware, certain proposals were formulated with a view to strengthening the budget and I caused them to be referred to the Select Committee. They include

(a) Excise Duties

(b) Levy on Official Salaries

(c) Entertainments Tax

(d) Licensing of Banks

(e) Licensing of Shipping Agencies

(f) Licensing of Insurance Companies

(g) Annual Motor Drivers' Licences.

The only items to which Elected Members were able to agree were the Levy on Official Salaries and the Licensing of Banks and of Insurance Companies. In regard to the proposed licensing of Shipping Agencies, Elected Members prefer, as an alternative, a tax on steamer tickets, and although I am not convinced that this suggestion is either sound or practicable, I have met them to the extent of appointing a small Committee to examine the proposal in detail.

The Elected Members' objection to Excise Duties is that restoration of prosperity depends on the achievement of a favourable trade balance and that the imposition of Excise Duties must tend to have an opposite effect in that they handicap the local producer in his competition with producers overseas and particularly with those who pursue a policy of "dumping". I make no effort to contest the

to a Select Committee of the Legislative Council, consisting of the Colonial Secretary, the Treasurer, the Chief Native Commissioner, the Commissioner for Local Government, Lands & Settlement, all the Elected Members, the Nominated Unofficial Member representing the interests of the African community and the Official Members of Council ad hoc in respect only of the votes of their particular Departments. The Committee began its deliberations on the 31st August and concluded on the 21st November, having held forty-three meetings.

5. Perusal of the Select Committee's Report will show that with only a few exceptions the variations in the Estimates of Expenditure were proposed by the individual Heads of Departments concerned and are not therefore the results of the Committee's discussions. There are, however, certain main points of difference between the proposals of Government and those of Unofficial Members. These are:-

(i) Customs Revenue.

Elected Members press for an additional reduction in revenue generally on the argument that because crop reports indicate a further decrease in 1932 of exports of agricultural produce, the probability is that imports will also decline and that the amount of money circulating in the Colony will be diminished. After reviewing the situation carefully, in consultation with my advisers, I authorised the Commissioner of Customs to announce a reduction of £114,000 in Customs Revenue Estimates. Elected Members urge a further reduction of £75,000. I have no information as to the basis upon which this figure is calculated, but so far as I am aware it is not the result of any detailed study of Customs collections and it appears

By Air Mail.

1866

KENYA.

No. 700

RESERVED.

GOVERNMENT HOUSE.
NAIROBI,
KENYA.

10th December, 1931.

Sir,

I have the honour to forward for your consideration the Estimates of Revenue and Expenditure for 1932 as passed by Legislative Council on the 9th December, 1931. A further 13 copies are being sent separately by ordinary mail.

2. I also enclose for your information

(a) a memorandum on the Draft Estimates of Expenditure for 1932, as presented to the Legislative Council,

(b) the Report of the Select Committee on the Draft Estimates for 1932, as adopted in the Legislative Council on the 9th December, 1931,

(c) a resolution embodying further alterations to the Estimates, as adopted in the Legislative Council on the 9th December, 1931.

3. The Draft Estimates were laid before the Council on the 18th August, and provided for an expenditure of £3,256,648 against an estimated revenue of £3,318,891, leaving an estimated surplus of £62,243. They are fully explained in the memorandum.

4. On the 28th August, the Draft Estimates were referred

Answered in Dep. 29 Feb 1932

THE RT. HON. MAJOR SIR PHILIP CUNLIFFE-LISTER, P.C., G.B.E., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W.

10

Note Canon Burns's suggestion as to hut and poll tax receipts (R.p.31); note also the recommendation for an increase in the charge for Renewals of Certificates. The Select Committee repeated their recommendation that the Chief Registrar should examine the possibility of formulating a scheme by which employers of artisans might be able to get into touch with trained Africans anxious to obtain employment. The cost of the Registration of Domestic Servants Ordinance (Nairobi only) is £1,471 as opposed to £2,035 last year. The cost of the Finger Print Bureau is £6,473, as opposed to £8,391.

Head XXXI. Trade and Information Office.

Note the report of the Sub-Committee. A separate despatch is promised (despatch page 10) and there is no need to comment here but a note should be made on 26043/J/01 S.A. now in circulation.

Paragraph 7 of the Report of the Select Committee contains a recommendation by Elected Members for an enquiry into means of improving the balance of trade. In paragraph 14 of his despatch the Governor says that he prefers to await the appointment of the Financial Commissioner. A copy of the Report of the Select Committee would no doubt be among the documents given to the Commissioner and it seems unnecessary to make special arrangements to bring this recommendation to his notice.

This might be entered for enquiry but it involves a reference from Treasury. JSA

Note the first & no comment needed - it was what I mentioned last year JSA

This might be mentioned in the minute JSA

Copy of this Report had better be put with them in an extract of the relevant paper. JSA

Done

x as the present position of the Currency Board & the Governor does not refer to this point specifically but wishes to bring it to Mr Chotzner's notice. I imagine it would be very undesirable, in any case JSA

Noted with Dale

The point had better be noted as an addendum to the Dep. as to the effect of a Commission JSA

be necessary to conserve the capital. The Governor says in paragraph 11 of his despatch that the expenditure in question will not be covered by the General Warrant, but will be deferred until there is evidence that there will not be a further decline in revenue.

Head XXI. Note the recommendation of the Select Committee(R.p.28) against the printing of the Native Affairs Department Report in this country. This should be noted on the papers.

Head XXIII. Public Debt Funded.

The increase is £195,500 but the nett amount payable by the Colony is only £155,751, or £67,681 more than last year (m.p.24).

Head XXIV. Public Works Extraordinary.

A decrease of £42,427, or about 28 per cent. Note the discussion (R.p.28/29) as to public works if being done by contract or by local District Councils. The Governor says on page 10 of his despatch that he proposes to appoint a Committee competent to consider this matter and we might ask to be informed of its recommendations.

Head XXV. Public Works Recurrent.

Item 1.

Maintenance of roads and bridges £70,000 as against £87,000 in 1931. The allocation of this expenditure is shown in Appendix H. The provision allows only for maintenance (M.p.25-26). See also Appendix N and separate note.

Head XXIX. Statistical Department.

The expenses of native registration are estimated at £8,829 as compared with £11,383 in 1930.

Note

Item 24. Provision for training camps increased by £500 at the request of Lord Francis Scott to enable the training camp postponed from 1931 to be held (R.p.24).

Head XVII. Miscellaneous.

Item 12. One would have thought they might have cut the contribution to the local Natural History Society, in the same way as the grant to the Agricultural Society (Head XII item 26 M.p.10) I can find no paper on the point. We might enquire whether a cut would not be possible.

Item 14.

Branch Line Guarantees have increased very largely. The total cost is now £25,566. Note the discussion on Accountancy methods R.p.24-25.

Head XVIIA.

The grant to rural libraries for Europeans might perhaps have been cut, but perhaps the Carnegie contribution (as to which see 16342/30) is dependent on the Kenya contribution remaining constant - see Memorandum on 1931 Estimates, page 40.

Head XIX. Police.

There is an economy of £26,698.

Note the recommendation in R.p.26 that the extension of the Weights and Measures Ordinance to the native reserves should be considered by Government. Attention might be drawn to this point, and a report asked for in due course.

Head XXA. Posts and Telegraphs Extraordinary.

See the full explanation, M.p.22.

Expenditure of £9,500 could be deferred, if necessary. It would be revenue-earning but it may be

is shown in Appendix N. (see separate note).

Item 20. There is no explanation of the increase of £505 in the grant to District Councils under vehicle licence fees, but it is perhaps hardly worth while to enquire on the point.

Head XV. Medical.

A decrease of £32,704 or about 13 per cent. This large decrease has been brought about by the re-organisation of the Department without the closing of any hospitals or dispensaries. The list of retrenched officers is given on M.p.18. We have had information regarding these retrenchments. Note the recommendation on R.p. 20, last paragraph but one, that Government should investigate the possibility of charging hospital fees to natives.

(pp.in circulation)

[The Minutes were of some importance in August.]

Item 68.

See the discussion as to malaria prevention R.p.21.

Items 97/99.

The contributions to the Tropical Diseases Research Fund, the Tropical Diseases Bureau and the C.A.M.S. Committee remain unchanged.

Mr. Acheson may have further comments.

Head XVI. Military.

The expenditure on the Northern Brigade will no doubt be vetted by Mr. Seel.

Items 2 and 9.

As the Bandmaster is said to have been engaged locally (R.p.23) the provision for a passage in Item 9 seems unnecessary. Perhaps hardly worth mentioning.

Defence Force. Expenditure decreased by £2,985.

Item 24.

This section is a further defender case of an the healthy case involves the draft estimates & the proposed commission JMP

(R.p.18/19) as to payment of fees for Counsel defending natives (Item 25)

Head XIII large sums are paid by Crown Counsel & related in aforegoing.

Flag G.

Flag H.

Head XIV. Local Government Contributions.

Most of the grants under this head are obligatory under Section 87 of the Local Government (Municipalities) Ordinance, or Section 104 of the Local Government (District Councils) Ordinance (copies herewith). In some cases a grant may however be made "in such proportion as the Governor-in-Council may determine" of the total expenditure to be incurred by the Municipality. It will be seen that in the case of the traffic revenue the grant has been decreased both in the case of Nairobi and Mombasa from two-thirds to one-half (Items 6 and 13)

The whole system of these contributions needs revision under the financial crisis JMP

Flag I

Items 8 and 18.

It was stated on page 30 of the Memorandum on the Estimates for 1931 that this diminishing grant on account of public health would come to an end at the end of 1931. It is perhaps hardly worth enquiring as to the reason for including £370 and £380 during 1932.

Item 18.

The basic road grants were fixed by the Local Government (District Councils) Ordinance at the 1927 expenditure on the roads concerned, plus 25 per cent for overheads, plus such further sum as may be deemed necessary by the Governor-in-Council. The first grant made (in 1929) was £36,234. The grant this year is very little in excess of this.

Flag H.

(The 1930 grant was £35,904)

N.B. There is no provision for road expenditure under Head XIVA. The comparative expenditure on roads in native and non-native areas is

(Item 31, R.p.16). The capitation grant to Indians has been reduced from £3.10.0. to £3.(Item 61 M.p.14) There is to be no increase in the grant for Goan education (Item 62, R.p.16).

The expenditure on the boarding of European pupils is £16,092 as against which fees received amount to £13,300 (Revenue, Head III, Item 17). See the correspondence on this subject last year on 17249/31. If 10% is deducted from £16,092 on account of free places, this leaves expenditure £1,183 in excess of receipts.

Item 68. The number of teachers for African education has been reduced from 37 to 32.

Item 79 The number of apprentices at Kabete will be reduced from 600 to 500. There is less demand for the trained boys owing to the depression (M.p.14; R.p.17).

Items 80 and 81. (M.p.14) The grant-in-aid for African education has been reduced by approximately 3%.

Head X. Game Department.

Provision is made for a Senior Assistant Game Warden for three months of the year. The memorandum states that "a candidate having the necessary qualifications" may then be found. A similar statement is made in the report (M.p.16, R.p.18). No doubt the person they have in mind is Mr. Worthington who has applied for the post. Consideration of necessary action is being taken on 15738/29 Kenya and no action is necessary here.

Head XII. Judicial Department.

Note recommendation of the Select Committee (R.p.18/19)

The question of the recommendation of the Indian Commission (Sir Benjamin Rau) on the Indians' Tariff will come before the Council. The Council should consider the whole question of the Indian's position for Consultation. JMP

Item 17. The recommendation of the Select Committee is not adopted in the Estimates. JMP

that the vote may be allowed to stand for political reasons. The Secretary of State may agree?

Head IV. Audit Department.

There is at present one vacancy for an Examiner of Accounts. As soon as another occurs an additional Assistant Auditor will be appointed, and the remaining three Examiners will be succeeded in due course by two further Assistant Auditors. "The stipulation has been made that local candidates having the necessary educational and other qualifications should have a prior claim for consideration when the new appointments are made". The Director of Colonial Audit does not agree to this stipulation. A copy of the relevant extracts from M and B has been put on 17265/31 on which a despatch to the Governor is now required. No action necessary here.
(M. p.12; see also H.pp.13 and 14).

Head VIII. Educational Department.

The estimates show a substantial reduction:-

European education £3,632, or about 6%.
Indian and Goan education £3,676, or about 10%
Arab and African education £9,254, or about 10%.

×

Note the discussion regarding compulsory education for Europeans (H.pp. 14 and 15). The Committee recommend that primary education should be made compulsory as soon as possible, and the majority recommended that if it were made compulsory it should also be made free. In view of the cost estimated roughly at £10,000, it is not proposed that compulsion should be introduced before 1933. Mr. Vischer to see later.

A grant-in-aid is to be made to the European School at Rumuruti at the rate of £6 a head

(Item

These decisions will be conveyed to the Governor in despatches on general papers to which reference might be made in the memorandum sent to the Governor.

Item 35. The provision for the Board of Agriculture is reduced from £3,000 to £1,000. The future of the Board and the remuneration of the Chairman are still under consideration (despatch paragraph 16). The Governor regards the Board as a fifth wheel on the coach and would like it to disappear entirely. A note has been made on the papers.

Item 47. See M. pp.10 and 11, and H. pp 11 and 12. Note the discussion in the report as to the most suitable type of Agricultural Officer. A telegram is now in asking when the three new officers for whom provision is made will be available. The answer is that two are due to sail in the middle of February and that the third will not be available till August (by which time the position may have changed). Papers in circulation. No need to say anything in the memorandum for the Governor.

Items 110 and 112. The Select Committee recommend that the post of Chief Veterinary Research Officer should be abolished on the retirement of Mr. Walker. This recommendation does not appear to be reflected in the Estimates. I have made a note on 17192/B/31.

Head III (a). The Governor agreed to the request of Elected Members for the insertion of a token vote of £5,000. This is contrary to Colonial Regulations (230) but the Governor asks (despatch, paragraph 16) that -

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It had been hoped to raise the pay of Chiefs and Headmen, but this has not proved possible. The economies do not, however, involve any cutting down of the pay of individual Chiefs or Headmen (M. p.9). In Nyanza the further cuts in Provincial Admin. will make it difficult to maintain the service adequately / efficiently. £9M.

Flag B. - Conservation work - Lately it was to be restored JMP

Head II (a). Reconditioning of Kamasia Reserve. See M. p.10 R. p.10 - 11 also 16323/30. See more more report. No comment necessary.

Head III. Agricultural Department.

Item 5. No provision has been made for a Superintendent of Fencing. If the Fencing Law is brought into force the work will be done by the Departmental staff, (R. p 11).

Last 4 Statistical Officer clerkships - work will be done by Statistical machine. £10 M.

Items 27 - 33. The Governor telegraphed asking whether these contributions could not be reduced. The reply was that the matter was being considered generally and that a further telegram would be sent as soon as possible. That was on November 3rd, but a decision has only now been taken. I have spoken to Mr. Allen who agrees that as the Estimates have now been passed it is no longer necessary to telegraph. The Governor will anyhow know from No.35 on 26020/A/31 that no decrease in the Amani contribution can be allowed. The decisions taken are as follows:-

The full provision has in fact been made JMP

Flag C. (copy h.w. pp. in circ.)

Imperial Institutes of Entomology and Mycology Imperial Agricultural Bureaux	No cut allowed.
Agricultural and Veterinary Scholarship Funds	10% cut for this year only.
Agricultural Service Fund - only 1/5th of "maximum" required	i.e. in the case of Kenya £140 instead of £700.

81322/3/31 (in circ.)

These

A55

1

NOTE ON DETAILS.

(N.B. M. = Memorandum on Estimates.
R. = Report of the Select Committee).

Revenue.

Head II. Licences, Duties, Taxes, etc.

Item 1. An increase in the revenue accruing under the Native Registration Ordinance from £1,450 to £2,000 is said to be a "normal increase".

Stamp duties down £17,700 owing to effective decrease in land transactions JMA

Head VI.

Item 2. Royalties on Magadi Soda are estimated at £2,000 as against £6,000 in 1931.

We can't check this JMA

Heads X and XI.

Various changes have taken place as the result of the flotation of the 1930 Loan.

The figures are relevant considered with those in the Grant-in-Aid Estimates JMA

Item 46. £6,130 appears on account of the Sudan contribution to Military expenditure.

Head XII. Stand Premia for farms. The Estimate for 1931 was £20,000 - an underestimate. That for 1932 is £25,000. Of the £20,000, £17,700 was estimated to come from premia on farms already sold. (see 1915 0/31).

Flag A

Expenditure.

Head II. (No reductions proposed in Cannon's draft) - see page 8 JMA

Item 27. P.A.S. Cannon - no provision - the salaries of the Cannons [illegible]

Item 28. Elected Members and Canon Burns recommend that if the post of Chief Native Commissioner is filled, it should be by local appointment.

Lord Cannon said he showed normally have C.N.C. appointed JMA

Item 58 (a). Provision occurs for a new appointment of "Assistant Local Government Inspector", - see R. p.9. Equivalent savings are to be made under Items 12 and 14.

? They may be abolished JMA

N.B. See p. 9 of P.C. Report where exception to promotions. It to P.C. - the Gov. does not refer to this.

Annexure II

54

XXTRACT from a telegram from the Governor of Tanganyika to the Secretary of State for the Colonies.
Dated 18 November, 1931. Received at 3.30 p.m. 18 Nov. 1931.

x x x x

No.357 Confidential.

Have carefully considered in Executive Council alternative proposal for levy on official salaries. Agree with Kenya that abatement not advisable for reason advanced because an abatement must lead to additional impost on other officers in order to attain sum required.

An introducing Bill 4th December giving Governor in Council powers to impose levy up to 10 per cent of official salary with effect from 1 January and under this an imposing scheme of tax on all salaries exceeding 70/- per month of following amounts 5% on the first £480 7½ on excess of all salaries over £480 up to £960 10% on excess of all salaries over £960. This should bring in approximately £46,000 from territory and £13,000 from railway in first year.

I propose also to introduce with effect from 1st April non-native poll tax in substitution for Education Tax which will be equivalent to roughly further 1% levy on all official salaries and will bring in from territory officials about £8,000 and from Railway officials about £2,200 per annum.

Total annual contribution from officials under both schemes will therefore be about £54,000 territory and £15,200 Railway and in view of reduced staff abolition and reduction of allowances rise in cost of living owing to abandonment of gold standard taxation etc. commitments of officers with dependents in England I am strongly of opinion that higher imposition is not justifiable. Will report as soon as possible maximum economies for next budget.

x x x x

Marketing Board expire next year, and it is uncertain whether they will be renewed. Therefore, even the present very economical organisation for locust research is threatened because of the general crises. To discontinue this work would be a very short sighted policy, and one which would seriously affect the future agricultural development of tropical Africa.

Moreover, the present organisation could develop certain other lines of research, which would be of great immediate value for locust control. While the methods of control as practised now are on the whole very successful, there is no doubt that modern resources of science and engineering should be more thoroughly exploited in the search of new means, or with a view to improving the old one. It must be fully realised, however, that every method of insect control must be very thoroughly tested from all points of view before being applied in practice. This applies particularly to such little studied methods as the application of gases and fumes, the use of aircraft, etc. There are theoretical possibilities in these methods, but they should be, first of all, studied in great detail on a small scale, as any large scale field tests would lead in most cases to heavy expenditure on purely experimental work. It appears a practical and necessary proposition that arrangements should be made for the existing locust research organisation to be extended in the direction of experimental research on control. This would require a relatively small additional expenditure, but unfortunately the present critical period makes it scarcely possible to hope that the necessary funds would be provided by the Governments.

five years, which has found support from all colonial Governments concerned. The Empire Marketing Board has agreed to contribute towards the scheme an amount equal to that contributed by all Colonies combined. The actual work has been entrusted to the Imperial Institute of Entomology, and is carried out along two main lines. One is the collection and summarising of all available information on locusts, concerning their breeding, migrations, etc., in all countries of Africa and adjoining parts of Asia. Another line of research consists of the actual investigations of breeding areas by experienced field entomologists appointed solely for this purpose. This work of the Institute has produced some important results, and already a great deal more is known on locusts now than two years ago. The scientific and practical value of the Institute's work has received full recognition at the international meeting of specialists engaged in locust work, which took place in September last in Rome, and all the Governments of the countries concerned are being asked to cooperate in the Institute's work by supplying current information on locusts. The information is now being received from 14 British and 25 foreign countries and territories, so that a connected picture is obtained of the general situation with regard to locusts. All the information received is classified and indexed by subjects, and in this way full data on any particular aspect of the locust problem is easily obtained.

The final practical value of the Institute's work depends primarily on its continuity for a sufficient period of years. It must be pointed out that at present this community is not at all assured. Thus the grants made by the Empire

Marketing

The experience in the organisation, and technique of control, gained during the present outbreak will undoubtedly serve to increase the efficiency of any future anti-locust measures. The main lesson, however, is somewhat discouraging, for it is seen that once an invasion has been permitted to spread over large territories, the problem of controlling locusts under the African conditions becomes not merely very difficult, but quite impossible in practice, owing to the immensity of the areas affected. There is no reason to hope that these conditions will alter materially during the interval which separates the present invasion from the next one.

These considerations make it imperative to attempt to find methods which would prevent a repetition of invasions in future. The evidence collected at the Imperial Institute of Entomology suggests that invasions of locusts in Africa have their origin in certain definite areas, from which locust swarms gradually spread over the greater portion of the continent. Such permanent breeding areas appear to be relatively few in number and are probably of not a great extent. Their discovery would, therefore, constitute the first step towards efficient locust control in future, based not on the mere defence of crops, but on the prevention of invasions by exterminating locusts before they have left the breeding areas.

It was with this purpose in view that a Locust Committee of the Economic Advisory Council was appointed in 1929, in order to devise means for extensive research on the breeding areas, migration routes, habits, and methods of control of the tropical African locusts. The Committee has put forward a scheme of locust research, calculated for

five

Against flying swarms are recommended smoke screens, produced by various means. This measure, of course, only prevents locusts from settling on a plantation, but does not affect them fatally.

Any suggestions as to new control methods are examined by the local Department of Agriculture, and the Kenya Government have earmarked a sum of £1,000 for the purpose of giving rewards to any person who should submit any new method which comes to be adopted on its merits.

Further outlook.

While it can be positively stated that all possible measures are being taken to deal with the immediate menace from locusts, on the lines indicated above, it must be fully realised that the coming campaign will not be the last one. It is impossible to make predictions when the actual knowledge of locusts and their habits under East African conditions is still very limited, the present outbreak being the first since the establishment of an entomological service in the country, but there is scarcely any doubt that it will continue for at least one to two years, and possibly much longer.

Moreover, this is not the last invasion to be experienced in East Africa. It is well known that locust outbreaks occur periodically, though the exact periods are not yet known, and they may be not the same in case of different locust species. There can be no doubt, therefore, that a repetition of the terrible experience of the last few years will occur sooner or later within the next 10 or 15 years, and the economic consequences of such a visitation will be still graver than of the present one, since the extent of cultivated areas, and the total value of crops in East Africa will be increased by that time.

The

Amongst other methods of control, the use of flame-throwers has been often suggested, but recent experience in Palestine where this method was extensively used, showed that it is very costly, not always applicable, and dangerous for the workmen. Special experiments arranged in Kenya corroborated these conclusions. At the same time, it was found that direct spraying of settled locusts with crude oil is just as effective, while being cheaper and free of any danger.

The use of aeroplanes for dusting locusts from the air with dry poisons has also been advocated, but the results of applying this method in other countries are not encouraging, the cost of the method being prohibitive, and the results uncertain. It is possible that certain special types of aircraft, autogyro for example, may be more suitable, but this problem has yet to be studied.

Another method often suggested is the use of poison gases. However, the respiratory system of insects is very different from that of the higher animals, and the effects of gases definitely poisonous to man are usually disappointing. Certain gases can be and are used against insects with success, but only in closed spaces, while it appears impossible to attain in the open air the high concentration that would be necessary for locust control. This method has to be studied experimentally before a final decision is reached, and in the meantime there is no justification for its introduction in practice now.

In the native areas more primitive methods of control are used, owing to the possibility of accidents when baits are employed, although it should be pointed out that with the minimum amount of care the danger is very slight.

Against

support given to the Government measures by the whole population.

As regards the technique of control, it is not considered advisable to adopt a single method, but to use any means which would produce the desired results. Therefore, a wide range of methods is used, but the chief stress is laid on poisoned baits, which in the vast majority of cases, proved to be the simplest, cheapest and most effective of all methods. The use of poisoned baits is particularly suitable when the organisation is based on the cooperation of farmers, because the application of baits is very simple and does not require any apparatus. The Government's part in this case is to organise stations for mixing bait for issuing to the farmers who distribute it on their land. Mixing stations are established for each campaign, in all places which are considered as central for the respective areas. Locust officers in charge of mixing stations instruct farmers in the use of bait, and supervise generally the control operations in the respective areas.

During the last hopper campaign it was found in certain parts of East Africa, that baits were not always effective, and a request has been addressed by the Uganda Government to the Imperial Institute of Entomology for a specialist to be sent to investigate the reasons for the failure of baits, and to advise on the technique of their application which would be suitable to local conditions. Mr.H.B.Johnston, special locust research entomologist of the Imperial Institute of Entomology, who has had a wide experience in locust control by baits in the Sudan, has been sent to Uganda, and it is hoped that his technical advice will be of value in the organisation of the present campaign.

Amongst

The actual organisation of control measures varied somewhat in each territory, but speaking generally, the administration adopted the principle of the closest possible cooperation with the population. Special legislative acts passed by each Government made all owners and occupiers of lands responsible for the destruction of locusts on their ground, while Government organisations provided them with the necessary technical means to do so. To ensure better contact between the administration and settlers, the Farmers' Associations of Kenya have been asked to appoint Honorary Locust Officers to take control of operations in the areas of such associations, and groups of farmers to appoint group leaders to co-ordinate the efforts to destroy hoppers on their farms. Early in October a special Committee of the Hon. Acting Chief Native Commissioner, Lord Delamere, Hon. Conway Harvey, Hon. J.L.Cotter and the Director of Agriculture, were appointed by the Governor of Kenya "to advise Government on the best methods of combating the locust menace particularly in respect of concerting Government and private action, native and non-native, and also co-operation with the adjoining territories". This Committee has frequent meetings and submits its recommendations to the Government.

In native areas Government locust officers are appointed, and Headmen are equipped with the necessary authority to order their people to destroy locusts in any stage of development. Particular stress is laid on the necessity of reporting settled or flying swarms.

There is no doubt that the extensive experience in the organisation of control, gained during the previous hopper campaign, will be fully utilised in the present campaign, the success or failure of which will depend entirely on the

support

of the territories invaded at present makes such a policy absolutely impracticable. It would amount to organising an anti-locust campaign on a colossal scale, and at an expense which could not be seriously considered even in normal times, still less in the present critical period. Moreover, even assuming that the funds, the necessary equipment, and the labour were forthcoming, and a campaign of extermination organised, there could be no guarantee given that it would be completely successful. It must be remembered that enormous territories in East Africa, where locusts now breed, are not, or scarcely, inhabited; others cannot be penetrated owing to the absence of roads; still others are virtually closed to man as sleeping sickness areas. Again, a continuous interchange of swarms with foreign territories would render futile all efforts to eradicate locusts within the British possessions alone. All this means that the organisation of an effective campaign for the extermination of locusts in East Africa is, under the present circumstances, beyond practical possibility.

This has been realised by local Governments already early in the year, and a less ambitious, but more practical policy was adopted. It has been decided, namely, to abandon attempts at exterminating locusts on a large scale, but at the same time to concentrate all efforts on the protection of crops by destroying locusts as completely as possible in all areas where their presence constituted an immediate danger to the crops.

This general policy has been pursued during the last hopper campaign (in May-July last), and it forms the basis of the plans for a new campaign which is just beginning.

The

and most of the Tanganyika Territory are infested either with eggs, or with flying swarms, while in some areas the hatching of hoppers has commenced. The extent of the areas infested is absolutely without a precedent in the recent history of locust invasions in any country. Moreover, there is no reason to hope for a rapid termination of the outbreak. On the contrary, the latest reports from the Sudan and from Nigeria are very disquieting. From Nigeria it is reported that during October the number of swarms increased considerably, and egg-laying has commenced to take place. As the progeny of locusts bred in Nigeria usually appear to migrate mainly eastwards, the swarms already present in the Sudan in large numbers will be augmented within the next months by fresh immigrants from West Africa. On the other hand, from the Sudan comes a recent report that a large number of swarms present in Central and Southern Provinces, are expected shortly to start a southward migration, i.e. to invade Uganda and Kenya, already overrun by locally bred swarms, which, in their turn, will almost certainly move farther south into Tanganyika and Northern Rhodesia. Vast areas in the Belgian Congo are also reported to be invaded by locusts of the same species, and a free exchange of swarms takes place between that country and British East Africa. In addition, a third species, the Red Locust (Nomadacris septemfasciata, Serv.) is also present in large numbers in the Belgian Congo; swarms of this species have been known in the past to appear in Uganda.

Immediate control measures.

In the ordinary circumstances, the only reasonable policy of locust control is its organisation on a scale sufficiently large to ensure complete extermination of the pest throughout the whole area of its mass appearance. The enormous extent

of

MEMORANDUM

ON THE LOCUST PROBLEM IN EAST AFRICA.

A brief outline of the present situation.

During recent years the East African territories have been subjected to extensive invasions of locusts belonging to two species which differ widely in their origin and habits.

The first species to appear in East Africa was the Desert Locust (Schistocerca gregaria, Forsk.), the swarming period of which began in winter 1925/26, when small concentrations were observed on the Red Sea littoral of the Anglo-Egyptian Sudan. By 1928 the locusts in East Africa spread over the greater part of the Sudan, invaded Kenya and Uganda from the North and migrated farther South into Tanganyika Territory. The peak of the outbreak, as far as East Africa is concerned, has been reached in 1929. By the end of 1930 only Kenya remained infested, and in the following year it was possible to consider that the danger was over. However, the respite was only temporary, for in the second half of 1930 immense swarms of another species, the Migratory Locust (Locusta migratoria migratorioides) made their appearance in the Sudan, coming from the West. In the early part of 1931 swarms of this locust moved southwards into Uganda, Kenya and Tanganyika. These territories proved to be very favourable for the breeding of the locust, and the number of swarms increased rapidly. It may be stated, without entering into details, that at this moment practically all provinces of Uganda and Kenya,

and

leave no margin for any emergency. As already stated no assistance from the Imperial Exchequer can be contemplated, and in present circumstances resort to borrowing to meet current expenditure would be virtually impracticable. The danger of damage by locusts affecting the Estimates very considerably cannot be disregarded. Taking all these considerations into account the Secretary of State cannot regard the estimated margin of £48,400 on working for 1932 as really adequate. He realizes the difficulties however, & does not ~~he does not, however,~~ wish to upset the Estimates as passed, ~~and probably to~~ approve them, but at the same time, he wishes to emphasise that all possible expenditure should be postponed until the situation becomes clearer. And he requests that ~~this~~ clear instructions to this effect may be conveyed to all officers of the administration. In addition, it may prove necessary to increase the levy on salaries to the Tanganyika rate, and an estimate of the increased revenue from this source should be sent home. Figures of the actual collections of revenue to date and of the total revenue of expenditure to the end of the year should be telegraphed home at the end of each month.

Perhaps a telegram might be drafted on these lines and sent to the Treasury for concurrence. The letter to the Treasury would require a certain amount of consideration, but it does not seem necessary to set out the terms of it in detail here as it would follow the lines indicated in the previous minute. They are only interested in the general financial position of the Colony.

A covering despatch would also be necessary in which ~~also~~ would be enclosed a memo. on points of detail based on the attached memos.

C.G. Sanford 31

No. 1 on this file.

It is also for consideration whether the Governor should not be pressed on the income tax point – or whether this may now be allowed to drop.

Apart from this no further cut would be possible without reduction of services.

The Governor does not discuss this possibility at any length. It is, however, a subject which has been definitely faced in Uganda, and it would seem that it must also be faced in Kenya. No doubt, however, the Governor would prefer to await the arrival of the Financial Commissioner.

E. SUGGESTIONS FOR ACTION.

The Governor has several times emphasised that the Estimates are only estimates, that because the money is voted it will not necessarily be spent, and that the situation will be carefully watched and further economies made if they prove necessary. In present circumstances, estimating must be particularly difficult, and must necessarily be little better than guesswork. Nevertheless, I would suggest that the "minimum" action which the Secretary of State should take would be a telegram on the following lines:-

See e.g. Select Cttee's Report. p. 44 para 12.

According to present indications there is no justification for counting on a revival of trade or ~~of~~ an increase in prices sufficient to affect the revenue during 1932 at all considerably. In the circumstances, it seems more than likely that the estimates of customs revenue and hut and poll tax will prove to be too high, especially when account is taken of the big fall in the estimated value of exports of agricultural produce.

On the general financial position which already has the benefit of Sir J. Campbell's advice in connexion with the Transport Loan, the general is confirmed by Gatmond's recommendations and it is a matter for early review with a drastic reconsideration of Public expenditure if it appears that the estimates are likely to be justified. JMM

Surplus balances are already below the minimum requirements and at their present figure

leave

* In his Estimates despatch just received the Gov. of Uganda expresses the hope that the Kenya & T.T. may be persuaded to recognize the existence of income tax, which he regards as the only logical method of increasing revenue.

imposed if necessary in 1933. The Kenya and Tanganyika representatives at the Conference of Treasurers and Commissioners of Customs were strongly opposed to the tax, both on political and administrative grounds.*

(See Section 3 of the Report).

(b) Decrease of Expenditure. The Elected Members pressed for a further decrease of £100,000, but when it came to the point were unable to make a concrete recommendation. Their suggestions were:-

(See Select Cttee's Report, page 5).

(i) An amendment of the terms of service in accordance with the recent report of the local Committee. Copies of this report have been received, but the Governor's observations are still to come. He says in paragraph b of his despatch that he is unable to make any recommendation whose immediate adoption would result in any great saving in 1932.

There is the immediate possibility of a small postponement of the increase now referred to

(Report, page 5.)

(ii) A Combination of the Military and Police. The Governor was asked to appoint a committee. He does not say whether this will be done, but even if such a combination proved practicable he considers it unlikely that it could be brought about before the end of 1932.

Military economies are already under consn & have little advantage in pursuing the particular line now

(iii) Re-organisation of the secretariat etc. and Provincial Administration.

Elected Members recommended the virtual abolition of the secretariat and a reduction in the number of Provincial Commissioners. The former is clearly ~~observed~~ absorbed, but the latter will be further considered by a committee when the Colonial Secretary returns from leave.

In addition to ~~this~~ these suggestions means of effecting savings some £20,000 could be saved by the postponement of revenue earning services which it is proposed to carry out under Posts and Telegraphs Extraordinary and Public Works Extraordinary.

Apart

5 per cent on the first £480.

7½ per cent on the excess of all salaries over £480 up to £920.

10 per cent on the excess of all salaries over £920.

This is estimated to bring in £59,000 from the Territory and Railway combined. No easy means exist of computing what increase in the yield of the levy in Kenya would be obtained by imposing the Tanganyika rates. It could, however, hardly be less than £15,000 or £20,000. It would seem legitimate in an emergency to increase the Kenya rates to the Tanganyika rates.

The Governor says in paragraph 9 of his despatch that Elected Members already oppose increased taxation, and that he agrees with them "to the extent that in a time like the present it can only be justified when it tends to equalise the incidence of sacrifice, or when it is so designed that its application will not appreciably be felt by the individual taxpayer. Taxation of this description has already been introduced and it is improbable that ~~[illegible]~~ any large additions to revenue would accrue even if attempts were made further to exploit this limited source." The Conference of Treasurers and Commissioners of Customs held last October recommended various minor increases in taxation, practically all of which have been carried out.

The Governor makes no mention of income tax.* The basis upon which the Secretary of State originally agreed to a levy of salaries was that it should be a temporary measure pending the introduction of income tax. The legislation is being introduced in Uganda with the object of enabling preparatory work to be undertaken during 1932, so that tax may be imposed

17302/B/31

* The Treasury are I believe against an income tax in these countries at present, whereas the salaries levy stands in the way of income tax & likely to be the same for other services. (See No.4 on this file). [illegible]

balances will still be considerably below the minimum requirements.

(ii) We must consult the Treasury before any decision is taken regarding the Estimates. ~~to allow Kenya to budget for a smaller surplus than £50,000.~~

JHA

~~(iii)~~ The above conclusions take very little account of the possibility of damage by locusts. There is a Token Vote of £5,000 for expenditure on locust destruction, but this appears to be the only provision against a menace, which, if it is fulfilled, may quite possibly have a far-reaching effect on the budget. A memorandum prepared about a month ago by Dr. Uvarov of the Imperial Institute of Entomology on the present situation is attached. It will be seen that the position must be regarded as serious.

Annexure I

In short, the conclusion of the Elected Members, as expressed in the passage marked (A) on page 33 of the Report of the Select Committee seems to be perfectly sound.

In the circumstances, it is a matter for consideration whether the Kenya Government should not be asked to take steps to increase the margin between the estimated revenue and estimated expenditure during 1932. This could be done by -

(a) An increase of revenue. The only practical suggestion made by the Elected Members in Select Committee was an increase in the cut in official salaries to 10 per cent in order to yield a further £50,000. The arguments against this are set out on page 2 of the Report of the Select Committee and at the end of paragraph 5 of his despatch the Governor ~~says~~ implies that he agrees with these arguments. In Tanganyika, however, the salary levy is to be at the following rate:-

See tel. attached as annexure II

5 per cent

The Financial Commissioner has not yet been appointed.

excise and internal taxes, amounting in the aggregate to some £30,000, and a levy on official salaries estimated to yield £50,000.

It will be seen from this summary of recent correspondence that the Secretary of State is under a definite (virtual) obligation to consult the Treasury before approving these Estimates, and that he has reserved full liberty to criticise them and ask for their reconstruction if he considers it necessary.

D. GENERAL CONCLUSIONS.

The general conclusions so far reached may be summarised as follows:-

(a) The Kenya Government appear to have been too optimistic in framing their Estimates of Revenue. Present indications are that the Estimates of Revenue from customs duties are on the high side, and it also seems doubtful whether the Estimates of Revenue from native hut and poll tax will be realised.

(b) The Estimates of Expenditure have been cut to the greatest possible extent consistent with the maintenance of existing services. The policy has been to weather the storm, and in all probability some of the economies will involve increased expenditure in future years.

(c) (i) Surplus balances at 31st December, 1931, will be reduced considerably below the minimum requirements. The resultant shortage of cash will be met temporarily without using the unspent balances of loan funds, but even if the estimated surplus of £48,937 during 1932 is realised (and it is more than doubtful whether it will be) surplus balances

disclosed when the Estimates were submitted.

At the end of July it became known that the position was much worse than previously realised and that so far from there being a surplus of £73,000 there was the prospect of a deficit of £115,000. After consultation with the Treasury the Secretary of State agreed to certain reductions in the allocations against balances and asked the Governor to do everything possible to avoid a deficit during 1931. The Governor was told that if it was not possible to balance the 1931 budget, he must show a surplus for 1932 equal to the deficit during 1931, plus £60,000 (which was the figure he then proposed to show in his draft estimates). A telegram conveying these decisions to the Governor reached him very shortly before the draft estimates were to be presented to the Legislative Council (19th August 1931), and would have involved a recasting of his whole budget. After further consultation with the Treasury the Secretary of State therefore agreed to the Estimates being presented as printed on the understanding that he adhered generally to the views which he had already expressed, and that pending receipt and consideration of the Estimates as passed, he reserved his opinion as to the necessity for reconstructing the budget before the end of the year, a matter on which he hoped that it might be possible to obtain the advice of the Financial Commissioner.

17302/B/31.

Since the date of this correspondence there has been a Conference of Treasurers, Commissioners of Customs and other officials at Nairobi to discuss possible means of increasing taxation and practically all the measures considered practicable by them have been adopted. There have been slight increases in customs duties, various

(See 17302/B/31)

excise

temporary overdraft from the National Bank of India, against the security of our frozen revenue assets", or from both. He says that it will not be necessary to use even temporarily the unspent balances of loan funds to which course there are obvious objections. A sum of £266,708 will however be available from this source as a final resort in case of necessity.

Mr Ayshe has since come of a a cancer form 1977

Report of Select Committee see page 3.

The Budget for 1932 allows for a surplus of £48,937. Even assuming that this is realised, it would seem that there will still be a certain shortage at the end of the year, and the Governor is clearly right in saying (paragraph 9) that "any improvement should increase this figure". He says, however, that in view of the disappointing reports of the coffee crop, and of theuncertainty which still prevails in the markets of other agricultural products, he prefers to regard this surplus as a marginal precaution against any possible further short-fall in revenue (par. 8) and he evidently considers it doubtful whether it will be realised.

I share the doubts. [illegible]

16088/30.

Under an arrangement reached with the Treasury early in 1931 Kenya were to budget for an annual surplus in each year from1932 to 1936 of such amount as would bring the total surplus up to £1,000,000 by the end of 1936.

The arrangement was cancelled 1931 also 1933

In July of this year it was necessary to tell the Treasury that it was impossible to obtain a surplus during 1931, and also that the Governor saw no prospect of being able to budget for a surplus of £80,000 during 1932 (£80,000 was the surplus that would have been necessary to fulfil the undertaking, had the balances at 31.12.31 stood at the original estimate of £611,600, instead of the actual figure of £310,120). The Treasury acquiesced in the postponement of the agreed plan for one year, but the Governor was told that the question of further postponement must await consideration in the light of the financial position disclosed

(4 & 5 on 17222/31).

35 10

	£
Working capital,	100,000
Unallocated stores	95,000 80,000
Advances to local authorities.	10,000 2,500
Agricultural advances.	100,000
Grain subsidy.	35,000
Maize subsidy, 1931.	82,000
Temporary famine relief expenditure.	20,000
	£442,000 419,500
Cash balance £211,000	310,120 187,000

The allocation will thus be at the end of the year about £131,880 more than the existing surplus balances. £232,000 £18,500

The allocations for Working Capital and Unallocated Stores are more than are considered necessary locally. In August last, the Governor said that a deficit of £41,000 could be met temporarily from these allocations and the actual shortage of cash during 1932 is not perhaps (on the figures given) likely to exceed £80,000. The Governor says in paragraph 8 of his despatch that it can be met by "temporary borrowings from surplus deposits" (I am not quite sure what this means), or "from a temporary

(2 on this file)

A figure of £276,000 Miscellaneous Deposits occurs in the Balance Statement of Assets & Liabilities at 31.12.30, Appx A to Ken Estys.

the closing of hospitals, schools, police stations or prisons, the curtailment of laboratory services, field agricultural and veterinary services, and the restriction of administrative and judicial services.

The economies have been effected by a number of methods. Actual retrenchments of officers (except in the Medical Department where a wholesale re-organisation has been carried out) have been comparatively few. Travelling allowances have been cut, and in many cases leave has been deferred, thereby causing savings in passages and acting allowances. In some cases, Government will carry on during 1932 with accumulated stocks of goods, and no new orders will be placed (e.g. there is a saving of £1,153 in material for use in connection with the Native Registration Ordinance). Generally speaking, the policy has been to weather the storm and not to cut services. Savings due to the postponement of leave and the use of accumulated stocks cannot, of course, be repeated indefinitely.

* Should be a suggestion for adding a new Pte Gov as a special measure but this is no mention this year.

* Similarly a saving of £1,000 on Education etc. for which Authority

* Though with and in the deficit has been mentioned

3. SURPLUS BALANCES AND GENERAL FINANCIAL POSITION.

	£
Surplus balances on the 1st January 1931 amounted to,	510,702
The Governor now says that there will be a net deficit on the year's working of,	200,582
	327,000
Thus the surplus balances at the 1st January 1932 will amount to,	£ 310,120
	211,000 *
	(117,000)

At present the following are the various allocations against the surplus balances:-

	£
Working capital,	100,000

* This is the figure given in para 6 of the Gov's new Dispatch

the closing of hospitals, schools, police stations or prisons, the curtailment of laboratory services, field agricultural and veterinary services, and the restriction of administrative and judicial services.

The economies have been effected by a number of methods. Actual retrenchments of officers (except in the Medical Department where a wholesale re-organisation has been carried out) have been comparatively few. Travelling allowances have been cut, and in many cases leave has been deferred, thereby causing savings in passages and acting allowances. In some cases, Government will carry on during 1932 with accumulated stocks of goods, and no new orders will be placed (e.g. there is a saving of £1,153 in material for use in connection with the Native Registration Ordinance). Generally speaking, the policy has been to weather the storm and not to cut services. Savings due to the postponement of leave and the use of accumulated stocks cannot, of course, be repeated indefinitely.

* Should be a [illegible] for adding a [illegible] as a [illegible] but this is no [illegible]

* Similarly a saving of £1,000 in [illegible] [illegible]

* Though a certain [illegible] [illegible] has been inevitable

C. SURPLUS BALANCES AND GENERAL FINANCIAL POSITION

	£
Surplus balances on the 1st January 1931 amounted to,	510,702
The Governor now says that there will be a net deficit on the year's working of,	200,582 ~~327,000~~
Thus the surplus balances at the 1st January 1932 will amount to,	£ 310,120 ~~211,000~~ * (117,000)

At present the following are the various allocations against the surplus balances:-

	£
Working capital,	100,000

* This is the figure given in para 6 of the Gov's new despatch

The most striking thing about these figures is perhaps that the nett recurrent expenditure for 1933 is down to within £20,000 of the figure at which it stood in the Estimates for 1929 which was before the policy of rapid expansion was begun. Savings on non-recurrent expenditure bring the total estimated nett expenditure for 1932 to £77,500 below that for 1929. It is about £238,000 below the actual expenditure for 1930; £258,400 below the Estimate for 1931 as passed, and about £~~98~~,000 below the latest revised Estimate for 1931.

Surely the expansion began when Colony resignedness of the bank. JMA

See also our examination of the figures in Report last on p. 7 of the Memo in the bottom (Journal 20-25)

(N.B. These figures do not tally with those in paragraph 10 of the Governor's despatch since the Governor takes account only of reimbursements and not of cross entries. He gives the decrease over actual expenditure in 1930 as:-

Recurrent	£138,235
Non-recurrent	209,591
	£347,826

Increased expenditure has been inevitable during the last two or three years on account of:-

(1) Debt charges. The increase in the Colony in 1932 over 1931 is £67,681, and there were ~~similar~~ smaller increases in previous years. 70 - 75

(2) Branch Line Guarantees. In 1929 the Colony was paying £5,500 in guarantees. In 1932 it has to pay £25,566. 25

(3) Subsidy of £15,000 to Imperial Airways. 15

(4) Pensions and gratuities which amount to £130,700 in the 1932 Estimates as against £112,840 in the 1929 Estimates. 18

£128,000 - £55,000

When account is taken of these increases it will be admitted that the figures of expenditure given above show that the Kenya Government have made a real effort at economy. No provision has been made for new services this year, and the Governor says (despatch, paragraph 11) that it will be barely possible as it is to maintain existing services. Any further reduction can only be made by curtailment of services and would, the Governor says, cause the

K. Ces: anything further will mean curtailment of important services - see below. JMA

	GROSS EXPENDITURE.			NETT EXPENDITURE.		
	Recurrent	Non-recurrent	Total.	Recurrent	Non-recurrent	Total.
	£.	£.	£.	£.	£.	£.
Estimates, 1929	3,060,441	127,724	3,188,165	2,189,982	127,724	2,317,706
Actual, 1929	~~3,087,775~~ 2,987,775 (a)	517,297 (a)	3,505,072	(not available)	(not available ?£517,297)	2,634,000 (c)
Estimates, 1930	3,319,653	164,209 (plus £105,537 from surplus balances)	3,~~5~~19,419	2,375,099	164,209 (plus ?£105,537 from surplus balances)	2,644,835
Actual, 1930	~~3,114,912~~	307,875 (a)	3,422,787 (a)	(not available)	(not available ?£[illegible])	2,478,000 (c)
Estimates, 1931	3,344,231	98,701	3,442,932	2,403,145	95,558	2,498,703
Revised Estimate August, 1931	(not available)	(not available)	3,307,182 (b)	(not available)	(not available)	~~2,[illegible]~~ 2,318,000 (c)(b)
Revised Estimate, December, 1931	(not available)	(not available)	3,282,005 (a)(b) ~~3,[illegible]~~ 3,320,000 (b)	(not available)	(not available)	~~2,[illegible]~~ 2,288,000 (c)(b) 2,384,000 (b)
Estimate, 1932, as passed	3,214,227	32,250	3,246,477	2,208,010	32,250	2,240,260

Note (a) excluding £16,087 from C.D.F.
(b) excluding £31,343 from C.D.F.
(c) The actual figures of reimbursements and gross entries during these years do not appear to be available. The figures of nett expenditure have therefore been obtained by deducting from the actual gross expenditure the figure given in the original estimates as passed. They must therefore be regarded as approximate only.

(a) Annual Report [illegible]

(b) ~~[illegible]~~ Revenue 2,112,766 [illegible] Capital [illegible] [illegible] Capital funds

draft Estimates. When examined in Select Committee regarding it the Acting Chief Native Commissioner stated that "these Estimates might reasonably be expected to accrue. Locust damage and possible disaster to European enterprises were unknown factors and could not be taken into account." He admitted that wages had decreased, but thought that this would be more likely to affect customs duties rather than direct revenue, as ordinarily the native grows enough to feed himself and to pay his hut and poll tax."

We here ~~[illegible]~~ cannot have sufficient information to contradict the Acting Chief Native Commissioner's assertion unless it be on the general ground that he was too optimistic as to his expectations of trade revival. This appears to be at least possible.

No comments on the remaining heads of Revenue.

Heads VII. Reserve [illegible] [illegible] means [illegible]
Reserve of prices [illegible]
Head [illegible]. Indian Contribution [illegible]

B. EXPENDITURE.

The following table may be of interest:-

P.T.O.

In these circumstances, the ~~calculation~~ conclusion is irresistible that the estimate of the yield of customs duties is a good deal too high, and that it would be much nearer the mark if it were ~~exceed~~ short by the £75,000 for which the Elected Members pressed.

I am afraid this is so. [illegible] 20/5/32

Head II.	£.
Approved Estimate, 1929	912,417
Actual receipts, 1929	902,566
Approved Estimate, 1930	975,740
Actual Receipts 1930	948,774
Approved Estimate, 1931	1,012,318
Revised Estimate, August 1931	925,160 (£944,160)
Revised Estimate, December 1931	875,960 (£894,960)
Estimated Receipts, 1932	999,096 (£955,096)

N.B. The Wines and Spirits Consumption Tax, estimated to yield £38,000 in 1931 was incorporated in the customs tariff as from June, 1931. For purposes of comparison, therefore, about £19,000 must be added to each of the revised estimates for 1931, and £38 000 to the estimate for 1932. The estimate for 1932 also includes £82,000 of new taxation. The comparable figures are therefore those given in brackets. From these it appears that the yield for 1932 is expected to exceed that for 1931 by some £60,000 - or £49,000 if an increase of £11,000 on account of estate duties is deducted. (This increase is no doubt due to the death of Lord Delamere.)

× £68,000 on the revised approved estimate for 1931. See matter below

By far the most important item under this Head is native hut and poll tax, the yield of which is estimated at £586,000 for 1932, or £23,000 less than the approved estimate for 1931. It would be interesting to know what is the revised estimate for 1931.× This, however, is not given. The figure is the same as that appearing in the draft

× £533,000 at the beginning of Dec. now £521,000.

£40,000 due this year will be paid in 1932.

On this basis the figure would be:-
Estimate 1931 .. £609,000
Estimate 1931 December .. £561,000
Estimate 1932 less £40,000 £545,000

reluctant to differ from him on this subject. A further very important factor must, however, be taken into account, namely, the prospect of world trade during 1932, and on this account it is perhaps legitimate to question the soundness of the Commissioner's conclusions.

In supporting his Estimates the Official Members of the Select Committee "had in mind" among other factors, "the signs of industrial revival in Great Britain", and the increased value of goods from countries still on a gold standard, and it seems, from paragraph 13 of his despatch, that the Governor shares the optimism of the Official Members of the Select Committee; he "ventures to express the hope that the signs of industrial and commercial revival already reported in Great Britain and the consequent tendency towards stabilization of markets will, in due course, show that the Estimates of Revenue have been framed at least on conservative lines".

Since the date of the Select Committee's report, the signs of trade revival here (if there ever were any) have disappeared, and it may be said, without any fear of contradiction, that there are at present absolutely no grounds on which to predict a revival of trade sufficient to affect customs collections during 1932. Nor is there at present any sign of a rise in the general level of sterling prices sufficient to affect collections to any considerable extent. Moreover one would imagine that the increased value of goods from gold-standard countries would be just about off-set by a decrease in quantity.

	£.
Actual yield, 1930	815,280
Approved estimates, 1931	953,239
Revised estimate, August 1931	778,700
Revised estimate, December 1931	(say) 710,000
Estimate for 1932, as passed, (£701,179 less ~~£50,000~~ less say, ~~£80,000~~ £80,000)	666,000 702,679 +

(+ This figure corresponds roughly with that given in (c) on page 6 of the Report of the Select Committee.)

The estimated decrease for 1932 on the actual yield for 1930 is therefore about ~~£150,000~~ £113,000, but on the revised estimate of the yield for 1931 it is only about ~~£50,000~~ £12,000 — were an increase of ~~£50,000~~ nearly £37,000.

The value of the agricultural produce exported in 1930 was £3,400,000. ~~The estimate for 1931 is~~ ~~[illegible] of the Report of the Select Ctee. [illegible]~~ ~~reliable estimate of the figures for 1931, nor a~~ A tentative figure for 1932 is £1,300,000, that is to say, a drop of about ~~50~~ 62 per cent on 1930 & 48% on 1931.

So given on p. 6 of the Report of the Select Ctee. but the figure in the 1931 Report Council is £3,157,457.

*50% of the figure of £1,300,000

The original estimate for 1932 was £114,000 higher ~~& [illegible]~~ but was reduced after a careful review of the situation by the Governor and his advisers. Elected Members, however, urged in Select Committee that a further reduction of £75,000 should be made. The Governor says that so far as he is aware this is not the result of any detailed study of Customs collections "and it appears to be an attempt to give mathematical expression to a vague fear".

The Commissioner of Customs must be allowed to be in the best position to estimate the yield of customs duties for 1932 on the basis of Customs collections up to the present. Presumably he has also taken into account the fall in the value of agricultural exports between 1930 ~~and 1931~~, tentatively estimated at ~~50~~ 62 per cent, but certainly very large, and whatever the appearances, one would be

reluctant

The estimate allows for a still further decline in imports in 1932 — [illegible] of detail [illegible]

The latter conclusion is rather startling in present circumstances, and it is worth while to examine certain of the revenue estimates in more detail so far as this is possible without detailed figures of the revised estimates of the 1931 yield.

(N.B. In framing the Estimates very small account has been taken of the possible effects of damage by locusts).

Head I - Customs.

	£.
Approved estimate of Revenue, 1929	927,412
Actual receipts, 1929	949,725
Approved estimate of Revenue, 1930	903,357
Actual receipts, 1930	815,280
Approved estimate of revenue, 1931	953,239
Revised estimate, August, 1931	803,700
Revised Estimate, December, 1931	740,300
" " December 1931	650,000
Estimate for 1932 as passed	701,179.

The above figures are not strictly comparable since:-

(1) From June 1931 the wines and spirits consumption tax previously shown under Head II, and estimated to yield £38,000 in a full year, has been incorporated in the Customs tariff.

(2) Both the revised estimates for 1931 include provision for the yield of new duties imposed in June 1931. They were estimated in August to yield about £25,000 in October & June £15,000 from the Wines & Spirit Consumption Tax.

(3) The estimate for 1932 similarly contains provision to cover the yield of these new duties which must be nearly £50,000 i.e. £20,000 plus £30,000.

(4) The estimate for 1932 also includes new duties estimated to yield £8,500.*

Omitting new taxation the comparable figures will therefore be something as follows:-

* See Minutes of Leg.Co. meeting of 9th December. enclosed in R.

P.T.O.

18 B 26

MEMORANDUM.

	£.
Estimated Gross Revenue, 1932	3,295,414
Estimated Gross Expenditure	3,246,477
Estimated Surplus	£ 48,937
Estimated Nett Revenue	2,289,197
Estimated Nett Expenditure	2,240,260
	£ 48,937

A. REVENUE.

	Gross Revenue. £.	Nett Revenue. £.
1930 Estimates	3,486,612	2,542,058
1930 Actual	3,225,513	2,281,000 x (approx:)
1931 Estimates	3,515,983	2,571,754
Revised Estimates	3,081,423	2,137,000 x (approx:)
1932 Estimates	3,295,414	2,289,197

x The actual amount of reimbursements and cross entries does not appear to be given, but it is presumably very close to the Estimate since the figures remain fairly constant from year to year. I have therefore deducted the amount provided in the Estimates in each case.

The yield of new taxation included in the revised estimate for 1931 is about £10,000, and the yield of new taxation first imposed in 1931 or 1932, is estimated to be about £111,000 in 1932.

Therefore, excluding new taxation, the nett revenue for 1931 is expected to fall short of the nett revenue for 1930 by about £154,000, but, on the other hand, the nett revenue for 1932 is expected to exceed that for 1931 by about £51,000.

The

* Excluding £16,000 from C.D.F.
† Excluding £31,000 from C.D.F.

Revenue Head II. Levy on salaries £50,000
Other new taxes 32,600

Head I. Tax of customs duties imposed June 1931 20,000
Tax of customs duties imposed June 1932 8,500
£111,100

18 B 26

MEMORANDUM.

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Estimated Gross Expenditure	3,246,477
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1931 Estimates	3,515,983	2,571,754
Revised Estimates	3,081,423 †	2,237,000 x †
" " Dec. 1930	3,092,000 ϕ	2,287,000 (approx:)
1932 Estimates	3,295,414	2,289,197

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Therefore, excluding new taxation, the nett revenue for 1931 is expected to fall short of the nett revenue for 1930 by about £154,000 ‡ (£120,000), but, on the other hand, the nett revenue for 1932 is expected to exceed that for 1931 by about £51,000 ‡ (£101,000).

The

† Excluding £16,086 from C.D.F.
ϕ Excluding £21,000 from C.D.F.

* Revenue Head II. Levy on tobacco £50,000
other new taxes 32,600
Head I. Yield of customs duties imposed during 1931 20,000
Yield of customs duties imposed during 1932 8,500
£111,100

18 B 26

MEMORANDUM.

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Estimated Gross Expenditure	3,246,477
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* Excluding £16,000 from C.D.F.
† Excluding £31,000 from C.D.F.
* Revenue Head II. Levy on salaries £50,000
other new taxes 32,600
Head I. Yield of customs duties imposed June 1931 20,000
Yield of customs duties imposed June 1932 8,500
£111,100

1	2	REVENUE 3	4	EXPENDITURE 5	6	7	8	9	10	11	12	
Year	Reimbursements and Gross Entries. (Estimated)(a)	Revenue Estimated	Revenue Actual	Recurrent Estimated	Recurrent Actual	Extraordinary Estimated	Extraordinary Actual	Total Estimated	Total Actual	Surplus balances at 31st December.	Effect of Years working on balances (+ or -)	NOTES
1926	not given	2,373,994	2,627,224	2,310,550	2,305,500	78,203	109,181	2,388,753	2,414,681	362,265	+212,543	
1927	not given	2,588,255	2,846,110	2,449,867	2,404,484	92,181	110,631	2,542,048	2,515,115	593,260	+330,995	included some £55,000 of new taxatio;
1928	not given	2,859,404	3,080,694	2,635,126	2,635,599	205,071	199,047	2,840,197	2,[illegible]	879,307	+186,048	
1929	870,459	3,265,174	3,338,742	3,060,441	3,097,775	127,724	527,297	3,188,165	3,505,072	707,976	-171,350	Excess expenditure of £150,791 is directly attributable to locust invasion & Native Hut & Poll tax fell short by £35,589 for the same reason. Excess on extra-ordinary made up of a large number of small items. In 1929 a deliberate policy of expenditure from surplus balances was followed
1930	944,554	3,486,612	(b) 3,225,513	3,319,653	3,114,312	164,202 105,537(c)	(b) 207,875	3,484,682 105,537 (c)	(b) 3,422,787	510,702	-197,294	
1931	944,229	3,515,983	(d) 3,081,423	3,344,231	(e)	98,701	(e)	3,442,932	(d) 3,282,[illegible]	(f) 310,120	(f) -200,582	Yield of new taxation 1931/1932 Considerable expenditure incurred ~~£[illegible]~~ on locust destruction.
1932	1,006,217	3,295,414	-	3,[illegible]	-	[illegible],250	-	3,246,477	-	(f) 359,057	(f) +48,937	Yield of taxation first imposed in 1931 or 1932 about ~~£85,000~~ £111,000 (g)

(a) the actual figures do not seem to be available

(b) Excluding £16,087 from C.D.F.

(c) From surplus balances.

(d) Revised estimates, excluding £31,343 from C.D.F.

(e) Figures not available

(f) Estimated.

(g) Revenue Head E New ~~duties~~ imposts imposed Jan 1st 1932 £82600
Head I New duties imposed June 1st 1931 £20,000 (approx)
" " " " " Jan 1st 1932 £8500
£111,100.

Telegram from the Governor of Kenya to the Secretary of State for the Colonies.

Dated 4th January, 1932 Received 6.55 p.m. 4th January, 1931.

No 4 Confidential. My despatch of 24th December Confidential. No 185 paragraph 5. Latest return indicates greater general saving for 1931 than previously anticipated but revenue position in some directions remains obscure. Request you withhold comment upon figures contained in my despatch until I can report more definite appreciation of result of year's working. But with reference to paragraph 7 of my despatch I should be grateful for advice requested.

for 1931 will be about £100,000 and loss on transactions for 1931 between £200,000 and £225,000 as against £300,000 reported in paragraph 5 of my despatch 24th December Confidential No 186. In these circumstances he anticipates that with January revenue which normally exceeds expenditure by substantial amount they will have no difficulty for the time being in meeting all cash demands without encroaching on the loan fund or obtaining overdraft. Should emergency arise however such as unanticipated short fall of revenue or famine conditions arising from locust invasion it would be necessary to arrange for temporary borrowings and in preparations for such emergencies I shall still be glad of early advice as to which course you prefer.

Original kept 17302 D.

21

Telegram from the Governor of Kenya to the Secretary of State for the Colonies.

Dated 18th January. Received at 6-45pm 18th January 1932.

No 14 Confidential.

See No 20

Your telegram No 4 Confidential. Present amount of miscellaneous deposits will not be known until March when the Colony's December accounts are completed. At the end of September miscellaneous cash deposits eliminating court deposits and special invested funds amounted to £125,000 comprising main items of Currency Board £33,933 Native Trust Fund £15,000 Post Office £34,000 Mombassa Water Renewals Fund £10,000 Immigration £7,000 Sundries £25,000. The total of the deposits is a liability theoretically payable on demand. Adjustment and repayment occurs from day to day but no appreciable reduction of the total occurs on the average over normal years.

Unspent balances including reserve balance of £265,708 estimated to amount to £1,020,000 at end of December 1931 are held partly by the Crown Agents for the Colonies and partly locally.

Whole of the cash held by the Crown Agents for the Colonies represents unspent loan moneys. Unless transfers of surplus cash are made from here it is anticipated that the balance with the Crown Agents for the Colonies will be exhausted next July by payments for interest stores leave pay pensions etc. Meanwhile the balance will of course accumulate here. The position of the Currency Board and Joint Colonial Fund is implicated in this consideration.

It is not possible accurately to estimate cash position at the end of December until the accounts are closed. A rough estimate however indicates that cash held in London and locally amounts to £1,090,000 against loan liabilities of £1,020,000 leaving cash excess of £70,000 to meet current requirements.

The Treasurer now reports that general savings

Copy sent for Treas

Extract from letter from Sir J. Byrne to Sir S.Wilson of the 25th December, 1931.

X X X

Now if things do not get worse in 1932 I am confident that our Budget, based on Walsh's carefully worked out customs figures, will prove fully justified: It shows a surplus of £50,000.

One must, however, be prepared should the depression deepen so I am now getting Heads of Departments together with a view to having in readiness a scheme for further retrenchment amounting to from £50,000 to £100,000. I sincerely hope that this will not be required for it would have a deplorable effect on the administration and it would cripple our recovery indefinitely when the tide turns. In addition to this scheme we could, if the situation became serious, take another £50,000 from the officials but this should be avoided if possible, not only on account of the hardship it would inflict, but also because it would considerably affect our Customs revenue .

X X X

22 20

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X X X

view of the position now revealed in the enclosures to this letter, Sir Philip Cunliffe-Lister feels that there is no practicable alternative to postponing the agreed plan for a further period of 12 months i.e. until the end of 1938, and he trusts that he may receive an early expression of Their Lordships' concurrence in this view.

I am etc.

(Signed) H. T. ALLEN

necessity remain obscure, events may compel the Kenya Government to undertake, at whatever sacrifice of efficiency, a drastic reconstruction of the budget in the course of the year. With this possibility in view it will clearly be necessary to continue the ~~monthly~~ running appreciation of the financial position in the light of the latest returns, and to formulate a programme, in successive stages, of further retrenchments in expenditure, which should be completed well in advance of the time when the enforcement of each stage becomes inevitable.

It is understood that Sir Joseph Byrne fully recognises the importance of these considerations, and is ~~keeping the situation under constant review.~~ already taking action on these lines.

(See No. 22 – also an undertaking was given to his Select Committee that a day to day watch on the situation. JH.)

In

In the ninth para. of his despatch of the 10th December, Sir Joseph Byrne stated that the question of restoring surplus balances to a satisfactory figure is one which he has had constantly in mind. He is fully aware of the obligation which rests upon his Government to build up a surplus of not less than £1,000,000 at the earliest possible date, in accordance with the plan agreed between the Lords Commissioners and the S/S. With the concurrence of Their Lordships (expressed in their letter of 8th July 1931 (S.32902/03/5)) the Governor was informed that the question of a further postponement of the agreed plan for 1932 must await consideration in the light of the financial position disclosed when the Estimates for that year were submitted. In

(No. 4 on 17222/31)

view

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(No. 4 on 17222/31)

view

5. A careful study of these Estimates has convinced Sir Philip Cunliffe-Lister that the Colonial Government has made a real effort to secure economies in departmental expenditure to the greatest extent compatible with efficient administration. With trifling exceptions, no new services will be undertaken during the year, and many pressing claims must perforce remain unsatisfied. Further retrenchment which would involve ~~the abrogation by the Colonial Government of its primary functions~~ a serious lowering of the standard of administration, could be justified only in the event of a ~~serious~~ marked deterioration in the position, as envisaged in the Estimates. Additional revenue could be secured only by fresh taxation, of which the yield from a purely agricultural community, already impoverished by the world depression in prices, would be, at the least, doubtful.

6. In conveying his approval of the Estimates, the S/S proposes to emphasise, in view of the grave uncertainty as to the prospects of an early revival in trade, which alone can rehabilitate the finances of Kenya, the importance of maintaining the utmost vigilance in effecting every possible economy which will not cripple the Colony's ultimate recovery. Reference will also be made to the risk that the forecasts of revenue, particularly from Customs, although framed with great care, may well prove to have been unduly sanguine; and the Governor will be reminded that no indication is yet discernible which would justify the hope, expressed in the 13th para. of his despatch of 10th December, of an early industrial and commercial revival. While the future must of necessity

The possibility that it may be necessary to provide for an extension of the campaign against locusts has also to be borne in mind.

on 1st January, 1932. Increased ~~Additional~~ customs duties, which were brought into force in June 1931, were estimated to yield £10,000 in ~~in the latter half of~~ that year, and are estimated to produce an annual £7250 ~~£20,000~~ in 1932. It must also be borne in mind that a substantial increase in ~~In additional £50,000 is envisaged as a result of~~ reimbursements (Head XI) and cross entries, the total of which is placed in 1932 at about £1,000,000 ~~£905,000~~.

Further changes in the tariff adopted in the East

The £50,000 shown under Item 24 (Levy on Official Salaries) represents the estimated proceeds of a special temporary tax, for which legislative process has now been made, of 5% on the first £400, and 7½% on the remainder, of the total emoluments (including allowances) of all officers in Government or municipal employment, provided only that no officer's emoluments shall thereby be reduced to below £2 per mensem

1932 Expenditure.

The gross total of £3,246,477 represents a decrease of £140,33 on the revised estimate and of £196,455 on the sanctioned estimate, for 1931. If reimbursements and cross-entries are excluded, the net expenditure appears as £2,240,260 - a reduction of £258,443 below the corresponding figure in 1931.

It

It will be seen, from the table on page 7 of the Estimates, that increases have inevitably been provided for in respect of certain recurrent services; deduction of these heads reveals that, as compared with the revised estimates in 1931, the net expenditure on recurrent departmental services is being curtailed from £2,139,844 to £1,853,559 - a reduction of about 13½ per cent. In addition, non-recurrent expenditure shows a corresponding decrease from £95,558 to £32,250.

Surplus Balances 1932.

It will be observed that the Estimates provide for a favourable balance on the year's working of £48,937. If realised, this balance will increase the surplus of assets held by the Kenya Government to £332639 ~~£335,000~~ on 31st December 1932.

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On the basis of the above figures, the deficit on the year's working is shown to be ~~approximately~~ £227,000, in place of the favourable balance of £73,051 which was anticipated when the Estimates for 1931 were approved. The net surplus of assets on ~~8th~~ 31st December, 1930 was £510,702, and it was expected that by the end of 1931 the surplus would have been increased to £583,753, it now appears that this total will have been reduced to ~~£286,000~~ £283,702 as at 31st December, 1931.

It will be understood that the above figures must be regarded as subject to revision in the light of the actual results of 1931, as the ~~Government~~ latest estimate of the deficit is given as between £200,000 & £235,000

4. 1932 Revenue

The estimate as passed by Legislative Council stands at £3,295,414 - an increase of £261,914 over the revised estimate for 1931. Of this increase ~~£70,000~~ over £80,000 is ~~expected to accrue from new taxation imposed on~~ shewn under Head II as accruing from new taxation & an increase in the beer duty imposed

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a revised forecast of the financial position at the end of 1931.

(d) Extract from telegram from the Governor of 18th January, indicating that the revised forecast contained in (c) requires modification.

2. I am to state that the reply to be returned to the enquiry in the 7th paragraph of Sir Joseph Byrne's despatch of 24th December is engaging Sir Philip Cunliffe-Lister's consideration.

3. 1931 Revenue.

According to the latest figure the gross amount likely to be realised is ~~now~~ placed at £3,033,500, i.e. £482,483 less than was estimated at the beginning of the year, and £208,100 less than the actual gross receipts for 1930.

1931 Expenditure

The gross total ~~is~~ now appears to be placed at £3260,500 representing a saving of £182,432 on the sanctioned estimate, and a reduction of £178,574 on the expenditure actually incurred in 1930.

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Surplus

C. O. 17302A/Kenya.

Mr. Freeston
Mr. Allen
Mr. Campbell
Mr. Tomlinson.
Sir C. Bottomley.
Sir J. Shuckburgh.
Sir G. Grindle.
Perm. U.S. of S.
Parly. U.S. of S.
Secretary of State.

C.D.
R 26 JAN
D 27

Downing Street,
January, 1932.

DRAFT.

(5)

THE SECRETARY,
TREASURY.

Sir,

With reference to the letter from this Office of the 19th August 1931, and previous correspondence relating to the financial position of the Government of Kenya, I am etc. to transmit to you to be laid before the Lords Commissioners of the Treasury, copies of the undermentioned documents:-

(a) Kenya Estimates of Revenue and Expenditure for 1932, as passed by Legislative Council

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(Printed volume)

Fr. Gov. 10th Dec. 18 (~~without encl.~~)

Fr. Gov. 24th Dec. (~~without encl.~~) (1 on 17302D)

Tel. 18.1.32 (last para. only)

(121)

C. O. 17302A/Kenya.

23

Mr. Freeston
Mr. Allen
Sir L. Campbell
Mr. Tomlinson.
Sir C. Bottomley.
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Pr. Gov. 10th Dec. (~~without encl.~~) 18

Pr. Gov. 24th Dec. (~~without encl.~~) (1 on 17302B)

Tel. 18.1.32 (last para. only) (121)

Recirculate early
to Treasury 30/1/32.

(~~[illegible]~~)

C. O. 17302A/Kenya.

Mr. Freeston
Mr. Allen
Mr. Campbell
Mr. Tomlinson.
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C.D.
R. 26 JAN
D. 27

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(1 on 17302)

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(121)

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(b) Despatch from the Governor of the 10th December 1931, containing his comments on the Estimates.

(c) Governor's despatch of the 24th December 1931, forwarding a

Recirculate Cab. 6
to Treasury 30/1/32.

taken as probable that in the interests of economy it has been decided to suspend the annual training of the Reserve in 1932.

As regards Head XVI proper (pages 72 and 73 of the Estimates) the cost of the Band is reduced from £2,268 to £1,917. Uganda according to her 1932 Estimates has found it possible to reduce the cost of the 4th Battalion Band to £1,000.

The cost of the Kenya Defence Force is reduced from £11,015 to £8,030 in view of the need for economy. This is clearly effected by reduction in training.

As regards Head XVI little comment on detail is necessary. The Head shows a considerable reduction in the cost of the Northern Brigade, King's African Rifles, mainly due to the economy in personnel and upkeep of the Supply and Transport Corps, and the reduction of one platoon of the 4th Battalion in Karamoja. These reductions were accepted in the autumn. The question of further reductions in both the Northern and Southern Brigades has been before the Committee of Imperial Defence, and is being further discussed by the Oversea Defence Committee to-day. It is hoped to be able to communicate very shortly with the Governor on this subject; but these further reductions cannot be taken into account in discussing the present Estimates.

Of the details given in Appendix M. the following may be noted:-

Item 8. In a recent despatch the Governors were told of the decision to raise the Staff Officer's consolidated allowance from £1 to 30/- a day. It can safely be assumed, however, that the provision made will be adequate in view of the shortness of this year's tour and the fact that there will probably be no tour to East Africa next autumn.

13742/31.

Item 47. The establishment of subalterns in the three Battalions is reduced from 31 to 28. This is not explained, but the point can safely be ignored as the further reductions mentioned above will bring the establishment down to a much lower figure.

Item 90. All provision for K.A.R. Reserve is deleted except for the monthly pay of reservist rank and file. No explanation is given but unless B.A.D. wish to enquire as to the reason it can be taken

Hardly necessary

In drawing up to Head XVII item 17 (Contribution to the International Institute of African Languages & Cultures) should also be incorporated in the menu. – It now in cire.

4/2

See separate note on Head XVII Military

As regards the suggestion in para 21 (p. 5) of the Select Ctee's report, that a Ctee be appointed to consider the institution of a combined military & police force on the lines of that obtaining in N. Rhodesia, it is of interest to note that N. Rhodesia is departing from that arrangement (with the concurrence of the C.O.) & in future will have a separate military force with an organisation distinct from that of the Police

(B 6229/31, NR. 7 June 31)

S Steel
5/2

I have no comments to make on the medical head. The reductions made in the Estimates have

already been effected for the most part by the retrenchments or by leaving vacancies unfilled; and as far as our records show the only further retrenchments which will have to be imposed are

1 European Clerk,
1 Nursing Sister
1 Sanitary Inspector
1 Laboratory Assistant.

We cannot object to any of these.

A B Schuler 17/2

See now Part II

Sun. The danger of European children growing up without any school education is becoming more serious all over Tan. Africa and compulsory education does not solve the problem when there is no money from P. Rico to pay for it.

Hanns Vischer 27.6.32

The Adm.

As regards the Estimates, only the last paragraph of this letter need be considered.

Result of Year's Working, 1931.

	1931 Revenue	1931 Exp^t	±
1. As forecast in 1932 Estt (p. 10 of Volume)	£ 3,112,766	3,313,348	−200,582
2. Para. 5 of dftp. of 24th Dec. (on 17302D)	3,033,500	3,360,500	−327,000
		less "general savings" = 27,000	−300,000
3. Last para of p. 21		less "general savings" = 100,000	−227,000

Revised draft to Ty hereunder; revise promptly

[illegible] 20/1

Mr. Eastwood has dealt fully and I think admirably with the position generally in his memo.B.

I have already gone through his memo. A as to details and annotated it.

It is obvious that the objective of building up surplus balances to £1,000,000 by the end of 1937 as agreed with the Treasury will have to be postponed for a further year and we must ask Treasury to concur.

see File 17222/31

[illegible] 22/1/32

In order to avoid delay it will be best at once to approach the Treasury on this aspect of the matter, leaving details for further consideration in the interval until they reply. It is of course necessary to give the Treasury an explanation of the position with an expression of the S. of S's views. The accompanying draft has accordingly been prepared for conson. and I hope it is self-explanatory and will minimise further minuting at present.

The question of financing current needs - see No. 21 - is the subject of the separate file below - 17302 D - and I suggest that the first action on that file should be to refer it by minute to the Crown Agents for their early observations.

[illegible] 22/1/32

J.H. Allen 21/1/32

[illegible] 23/1/32

Mr. Preston has added an important reference to the closing days - it is too important to have to search for the Estimates themselves, and it will, of course, show the basis.

[illegible] 26.1.32

*Last paragraph of 21.

23 To Treasury w/c Estimates, & 18/also 1 on 17302/D/31 cons. 30 JAN 1932

Mr. Scott.

Mr. Cheson.

(Put to Mr Preston) While we are awaiting the reply from the Treasury, a memorandum on details (to be sent to the Governor) has been prepared. You have, however, not yet seen Head XVI which concerns you. Perhaps if you have any other observations than those contained in my memo. 'A' above No. 18 you would add separate notes and also paragraphs in the draft herewith.

PSA

[illegible] 9.2.32

I have inserted the revised figures in red ink. Note a sub-file indicates however that there may be further general savings & that the revenue position remains obscure. The Govr. asks therefore that comment may be withheld till he can report more definitely on the position.

S. 1. 32

In order to expedite consideration of these Estimates I took them home for the week end and have annotated the details. On the financial position generally we have already had the benefit of Sir J.Campbell's advice in connexion with the Transport Estimates. It seems clear that it is safer to err on the side of pessimism as regards the future and that Kenya will have to continue in 1932 the month to month comparative appreciation of the position with a view to a reconstruction of the budget, and possibly a drastic one, if (and as soon as) it becomes clear that the revenue estimates are unlikely to be realised.

These Estimates do not provide the surplus necessary on the basis agreed with the Treasury of building up the surplus balances to £1,000,000 by the end of 1937. They agreed in connexion with the 1931 to postponement for one year, the original date, 1936, and we shall have to ask them to agree to postponement for another year. In doing so

so it will be necessary to set out the position succinctly and also indicate the line which the Secretary of State proposes to take. I think therefore the most convenient course, from the point of view of the consideration of the Estimates by higher authority, would be for such a letter to be drafted now for consideration.

(Sgd) H.T. ALLEN.

11.1.32. at once.

Original desp and telegram registered on 17302/31 Sub File "D", and action taken on that paper.

19 Gov.Kenya 185 Conf. 24th December,1931
Submits a revised forecast of the financial position in respect of the year 1931.
Asks if he may be informed by telegram as to the best course to be pursued in regard to temporary borrowings for the Colony's cash requirements.

20 Gov.Kenya Tel.4 Conf. 4th January,1931
States that latest Return indicates greater general saving for 1931. Requests that comments on figures in no 19 be withheld until he can report more definitely, but would be grateful for advice as to temporary borrowings.

(The duplicate of ⓪ on 17302) required for comments & Notes on that paper cannot for the moment be found)

Draft herewith to Tr. When it has yet received from preparation of memo. to accompany desp. to Gov.

Decode regd No 4 on Sub File "D".

21 Gov. Kenya Tel. 14 Conf. 18th January,1932
States that present amount of misc. deposits will not be known until March when Colony's December A/cs are completed. States position as at end of September, gives figures of unspent balances and now held. Rough estimate of cash held in London and locally shows cash excess of £70,000 over loan liabilities to meet current requirements. States revised figures for loss on transactions in 1931, and in circs. anticipates that with January revenue there will be no difficulty for time being in meeting all cash demands.

To/

22. Extract from Personal letter 28/1/32
from Sir J. Campbell to Sir J. Wilson

17 Gov. Kenya tel. 376 12th December, 1931

"Estimates for 1932 approved by Legis. C'cil 9th December show estimated revenue £ 3,295,414, estimated recurrent expenditure £ 3,214,227, non-recurrent expenditure £ 32,250 total £ 3,246,477 estimated surplus £ 48,937. Appropriation Bill providing for total estimated expenditure as above was passed by Legis. C'cil 11th December. despatch follows air mail."

? await Dep. – sent for info only.

Ormsby-Gore
17.12.31

	Draft Estimate	Diff. Estimate	±
Revenue	£ 3,318,891	3,295,414	– 23,477
Recurrent Exp.	3,218,000	3,214,227	– 3,773
Non-recurrent Exp.	23,000	32,250	+ 9,250
Surplus	77,891	48,937	– 28,954

Pending the receipt of the Estimates a table should be drawn up showing revenue & expenditure for the last 5* years (1926-1930 incl.) & also look up the forecasts of revenue & expenditure at home in connexion with the loan proposals (or Kampala Extension) – the data to be noted in the table also.

Wallace
17/12/31
Africa

* The figures which the 1930 will give them all – the table should note expenditure from surplus balances

JAP

Sugd

18. Govr. Kenya 700 Reserved 10th December, 1931

Forwards, for consideration, Estimates of Revenue and Expenditure for 1932, as passed by the Legislative Council on 9th December, 1931. Encloses
Memorandum on the Draft Estimates
Report of the Select Committee on the Draft Estimates.
A resolution embodying further alterations to the estimates, as adopted by Legislative Council on 9th December.

(13 copies of Estimates to follow by ordinary mail).

I attach:-

A. A memorandum on details. This is, I hope, complete except that:-

(i) Mr. Acheson should see Head IV Medical Dept.

(ii) Mr. Seel should see Head XVI Military Expenditure, on which I have not attempted to comment.

There is, however, no hurry about this and the paper might perhaps be referred to them after the letter, which must go to the Treasury, has been sent.

B. A memorandum on the general financial position, at the end of which will be found my suggestions for action.

[redacted]

C. A table of statistics.

In making suggestions for action (see pages 17 and 18 of Memorandum B), I have refrained from making any suggestion on the income tax point – i.e. whether or not Kenya – and Tanganyika – should be pressed to introduce it.

Action necessary regarding the levy on salaries is being taken on a sub-file.

Ormsby-Gore
31-12-31.

The figures in my memo. B. are now made out of date & nos 1 & 2 a sub-file

12 Gov. Tel 316 8. 10. 31

Reports that financial considerations have necessitated deletions of provision for buildings under Public Works Extraordinary. Adds that Govt Architect, the Crown Surveyor & the Draughtsman will consequently be engaged entirely on loan works in 1932, ~~which~~ emoluments were not provided for in draft Estimates & will now be paid from loan funds. Requests approval of Comm of Secondment as indicated.

G.D. Clerk.

For your views please. Not very attractive perhaps. But the only alternative is personally to terminate the pensionable service of the man in question & to engage them temporarily on agreement.

In the circs the proposal seems reasonable.

Gardner
12.10.31.

Ottawa Oct. 12, 931

I agree: it might be suggested by Regulation that, in order to make it clear that the pension rights of these officers are being preserved, provision for them should be made in the estimates with an equivalent reimbursement from loan funds under head XI of this revenue estimate.

If this is not done the ~~status~~ pensionability of the 2 officers will be forfeited by Regulation 13(2) & if that were strictly applied their pensions ~~they would~~ would be lost unless they later return to a pensionable office — ~~the~~ ~~pensionable pensions~~ at home to be based on their pensionable emoluments at the time of secondment to loan works.)

9

(Sgd) J. I. Lloyd
13.X.31

(Sgd) C. J. Jeffries.
13.10.31

This suggestion had better be put by tel as in a. b.

Original of this minute is on 81332/3/Gen

(Sgd) L. B. Freeston
14/10

(Sgd) H. T. Allen
14/10
at once.

13 Tel to 316 to Gov. Kenya — 14.X.31.

14 Departmental letter regarding possibility of introducing cut in salaries.

Original Secret paper on 81312/2/31 General

See relating minutes on that file.

15 Gov. Kenya Tel. 328 21st October, 1931

"The Select Committee on the 1932 Estimates has recommended a 10% reduction in this Govt's contributions under Head 3 items 27 to 30 and deletion of items 31 to 33. In view of salaries revision and other economies I presume that expenditure on institutions covered by items 26 to 30 will be reduced in 1932 and subject to your reply to this telegram I propose to accept recommns and also to apply it to item 33. As regards items 31 & 32 should be glad to know whether it is possible to effect economies in or possibly partial suspension of administration of these services next year and to what figure the Kenya contributions could be reduced on these grounds."

16 To. Gov. Tel 331. 3rd November, 1931

10 H.H.Rushton s/o .....17th August 1931.
Encloses copy memorandum on Income Tax and comments on Budget position.

11 Minute by Mr. Allen.

Sir S. Wilson:

Please see Mr.Allen's notes on Mr.Rushton's letter, the duplicate of which you will notice has been filed as No.8 in file X17302/31 Kenya.

I have little to add. I have already sent to you the file of Sir J.Byrne's airmail letters to me, and you will see that in his letter of the 14th August he said that the proposal to transfer capital expenditure met from revenue to loan account was a scheme of Mr.Rushton's which he joined with us in disliking (but it has been done - and may be done - elsewhere).

Letters from Heads of Colonial Departments embarrass me. I showed you one from Mr.Rushton to me (? January) in which he complained that he was regarded as a mere accountant and not as a Treasurer, and that instructions on financial matters were being sent to him from junior officers in the Secretariat. I dealt with that letter by discussing the matter with Sir J.Byrne and I did not reply to it - perhaps that is why Mr.Rushton now forgets my existence. If you can bring yourself to a similar discourtesy I think it would be a good thing in more ways than one. Such letters sent behind the Governor's back have to be discouraged in some way and it is not to the officer's ultimate good that he should be led to dissociate himself from the Government of which he forms a part.

I have never replied to a letter he wrote me in November 1930! SHB

W.C.S.
23.9.31

R for return with 17302 JHB

Sir C. Bottomley
I don't propose to reply.
24.9.31 SHB above

W.C.S. 25/9

Mr. Rushton says one doubts the revenue estimate has to stand or fall. He added "The revenue estimate has been prepared with most precise care. Sir Reginald Coubrough I have every field confidence in. Walsh, who is acting not an official. We know more about the Colonies trade the ramifications of inter-colonial trade than anyone else in the country. He defends his estimate, on a very able speech."

We shall let that speech. And the proposed tax smacks too much of teaching the Governor his job. I cared not send it moreover for this.

J H Allen 8/9/31

I agree. We shall be finally informed, and any estimate for 1932 may be altered in the meantime.

Philip 8/9/31 [illegible]

Mr. Allen.

I opened the enclosed confidential letter from Mr. H. H. Rushton, Treasurer of Kenya, addressed to Sir S. Wilson, which arrived by air mail today.

Will you kindly consider whether it should be registered and minuted to Sir S. Wilson to await his return on the 25th September? If, on the other hand, you think it should be forwarded to Sir S. Wilson, I will send it on to him in Scotland, with other papers in the ordinary way.

E A Boyd

7.9.31

Mr. Boyd.

I do not think it necessary to trouble Sir S. Wilson with this while he is away. I do a courtesy action a [illegible] the Treasury but I propose to let Sir C. Bottomley see it on his return next Monday.

J H Allen 7/9/31

Mr. Allen

I agree. E A B 8/9/31

Contributions to a)

Local Authorities	... £10,600	(11%)
Medical Department	... £26,600	(11%)
Military	... £18,000	(15%)
Police	... £21,800	(13%)
P. W. D.	... £40,500	(26%)
P.W. Recurrent	... £33,450	(17%)

I have no further comments at this stage.

? Reply.

Passfield
11.9.31.

See also 17174/A/31 below.

Perhaps Mr Allen should also ask, with a view on behalf of Sir S. Cripps, with a suitable expression of thanks.

Mr. Allen

(1) Income Tax. It is to be hoped that para. 2 of Mr. Rushton's letter of August 17th overstates the case. In the course of a recent (and wholly unofficial) conversation with a partner in a substantial business firm in Nairobi, I was assured that on an income of the order of £3,000 he paid in direct taxation the sum of 50 shillings; he expressed astonishment that Government did not take the obvious course of imposing some form of taxation of incomes. The argument that such a tax would discourage capital is valueless, unless and until the rate of taxation reaches that prevailing in the United Kingdom.

(2) Customs Revenue. Mr. Eastwood's inability to share Mr. Walshe's optimism seems justified.

Last week the published index of commodity values (raw materials) stood at 67, compared with 100 as the average for the whole of 1930; and the trend is still downwards. Taken broadly, this indicates that the Kenya producer will receive during 1931 for an equal volume of exports only two-thirds of the value received in 1930. The close correlation of imports with exports is clearly shown by the graph on page 189 of the Trade Report for 1930. It is not surprising, therefore, that the 1931 customs receipts, as estimated in August, are £150,000 short of the original estimate; the amount actually realised by the end of the year is likely to show a further shrinkage. Unless, therefore, there is a wholly unexpected upward turn in commodity values in the near future, the volume of exports in 1932 will have to exceed the 1930 total by somewhere about 70 per cent., if Mr. Walshe's estimate is to be realised.

? Telegraph as in draft herewith, and re-circulate for drafting reply for you to send to Mr. Rushton.

C. Rushton
14/9.

I sent an a memo on No 8 when it was recd.
Mr Walsh was not responsible for his optimistic estimate of revenue for 1931 – in fact I believe they horrified him & he did what he took immediate steps to reverse them. In a recent letter to Sir S. Cripps said that the

arguments against an income tax. The memorandum on the financial position is particularly interesting. This memo. seems to show that a considerable proportion of the £815,000 received from Customs revenue in 1930 was on account of imports paid for by capital and not by exports. Presumably the expenditure of capital will now be falling off, this being balanced during 1931 by (a) increased imports due to record crops in 1930 and (b) increased taxation which with the transfer of the wines and spirits consumption tax will amount to £25,000 in the half year, so that the revised estimate for Customs revenue during 1931 remains substantially the same as the actual revenue for 1930 - namely £803,700.

(p.6)

* Exports of agricultural commodities from Kenya..

	£
1927	2,731,794
1928	2,747,[illegible]
1929	2,[illegible],903
1930	3,157,457

(Note 1930 April Crops)

The estimated yield for 1932 is £866,800, an apparent increase of £63,100 over the revised estimate for 1931. Allowing for the fact that the increased taxation and the transfer of the wines and spirits consumption tax would produce another £25,000 in a full year, the actual increase would be about £38,000.

One would have imagined that the only grounds on which it was justifiable to estimate for an increase were (1) the prospect of as the maintenance of the 1930 volume & value of exports, (2) the prospect of larger capital expenditure in 1932 than in 1931. I believe that where they have not been damaged by locusts the 1931 crops are good, but it must surely be too early at present to

to form any estimate of the crops for 1932, and it is difficult to imagine that there can be any grounds for hoping for larger capital expenditure in 1932. In these circumstances it is difficult to see how Mr. Walsh can justify his estimate. Mr. Rushton confesses that he had some doubt about it himself and Mr. Walsh came up from Mombasa to discuss the matter. It would have been interesting to learn how he convinced Mr. Rushton that his figures were reasonable. In fact, I think it would be worth while telegraphing with reference to No.4, and saying that the S. of S. notes that the Draft Estimates allow for a substantial increase in the yield of customs duties as in 1932 over the revised estimate of the yield in 1931, and ask that in forwarding the estimates as passed the Governor will give a full explanation of the reasons which led to the adoption of this estimate, as the S. of S. finds it difficult to believe that it is justified.

p.2 of letter.

... after taking into account the new taxation etc.

Compared with the Estimates for 1931, the Draft Estimates for 1932 provide for reductions in recurrent expenditure by Departments, amounting to £246,385 in all, against which must be set increases on other heads of £80,608, mainly on account of public debt funded and branch line guarantees. The largest decreases are:-

p.7 of Memo.

Administration ...	£18,800	(6¾%)
Agriculture ...	£26,000	(14%)
Education ...	£18,000	(9%)

Contributions

Mr. Allen

D.A.C. on your instruction.

Recir. file for comm. of 34-37 of 16300/30.

18/8.

5. To Treas. (38 on 16300/31 Ans) — 19 AUG 1931
w/c's 1. 2. & 4

As regards No. 4, draft herewith.

The General papers contain a large number of documents which may be of assistance to the Government of Kenya in operating the Income Tax Ordinance if it is enacted. A list of these documents has been prepared and sent to the General Department which is having copies made. When the copies are available a further despatch should be sent to Kenya forwarding the documents. A copy of the list is attached.

Recir. in 14 days

To Gov. Conf. (c/e encls. as shown on draft) 21 AUG 1931 (By Air Mail)

K.E.A.

17302/31.K.
(Estimates 1932.)

On the Kenya Income Tax papers it is contemplated that further documents relating to the Model Income Tax Ordinance will be sent to Kenya and a list of the documents is attached to the paper. I have now received from the General Department four sets of documents which I send you herewith. The action will be to check the sets against the list, then to send them out in a short despatch to Kenya, referring the Governor also to the three circular despatches mentioned in the list, copies of which, the General Department tell me, have already been sent to the Colony.

(Sgd) A. B. ACHESON,
27/8.

6A.

Sets are correct.
(Itld) R.M.
1/9.

PP. have been in circn. until to-day, with 16300/30.
R.M.
1/9.

Mr. Chamberlain.

Please see Mr. Acheson's minutes of 20/8/31 and 27/8/31. (Sets of correspondence are below).

(Sgd)
1/9/31.

To Gov. Conf. (With enclos. as shown on draft).
8 Sep.1931.

DESTROYED UNDER STATUTE

8

H. H. Rushton (Treasurer) - 18 August.

Encloses copy memorandum on question of introducing income-tax and comments on financial position.

9

1 copy to Mr. Allen
1 " " "Freeston
1 " " Chamberlain.
1 with pp.
Spares to library.

A/Col. Sec. 3 p.m. - 18 August.

Trs. 12 copies of Draft Estimates for 1932 and 12 copies of memorandum.

No.8. An interesting letter. Despite the figures of the yield of the income-tax in 1921, etc., I fear I am not convinced by Mr. Rushton's arguments

of transferring to loan the £200,000 on public works. Otherwise it is, I am for some time well aware, as I have prepared it for discussion with the Treasury.

The Sys. previously rejected the salary cut proposal; but he did not, as far as I know, give any reason.

A.C. Parkinson
14/8/31

Sir S. Wilson.

(1) The Treasury came into this matter primarily because of the outstanding debts (Uganda Railway and War debt) which interest them in respect of the importance of Kenya keeping up a sound financial position. Apart from that, they are only concerned in Kenya keeping off the rates, and the Governor shows great confidence on that point. In the circumstances the Secretary of State will no doubt feel himself at liberty to depart from Mr. Waterfield's view if he desires. But for security I think it is a question of I.T. or a cut.

(2) As regards the reference in the telegram to sacrifice already made in respect of travelling allowances, we cannot judge with any exactness what this amounts to, but I think the Governor will ~~feel himself at~~ ~~liberty~~

~~liberty to~~ state his views fully as to a salary cut, taking this point of travelling allowances into account.

(3) As regards the £200,000, I agree that it is undesirable, if it can be avoided, to put money into the till by transferring past expenditure from revenue to the Loan Schedule, but it is essential that we should be prepared for that emergency.

W.C.S. 14.8.31

Sec. of State.

You should see. If we can't have Income Tax I suppose one must agree to a cut in salaries as an emergency measure.

Knowing as I do how many public officers live from "hand to mouth" I think a 10% cut is too much. I see no objection however to telegraphing as in draft.

B.M.
15.8.31

P 17/8

4 Tel. No 256 to Gov. on. 17 Aug/31

of transferring to loan the £20000 on public works. Otherwise it is, I am for some small alteration, as I fear I shall have prepared it for discussion with the Treasury.

The Syd. previously rejected the salary cut proposal; but he did not, as far as I know, give any reason.

A E Parkinson
14/5/35

Sir S. Wilson.

(1) The Treasury came into this matter primarily because of the outstanding debts (Uganda Railway and War debt) which interest them in respect of the importance of Kenya keeping up a sound financial position. Apart from that they are only concerned in Kenya keeping off the rates, and the Governor shows great confidence on that point. In the circumstances the Secretary of State will no doubt feel himself at liberty to depart from Mr. Waterfield's view if he desires. But for security I think it is a question of L.T. or a cut.

(2) As regards the reference in the telegram to sacrifice already made in respect of travelling allowances, we cannot ju[illegible] with any exactness what this amounts to, but I think the Governor will ~~feel himself at~~ ~~liberty~~

1 To Gov. tel. 241 Conf. on 16300/30 8 August
Copy attached. 2

2 Gov's tel. 254 Conf. _____ 12 August
States position of surplus balances and expe
of prepaid to agree to amount expended
capital works during last five years being
transferred to Loan Account and corresponding
refund to revenue being invested as surplus
revenue fund. States as to Income Tax and
increased Customs Duties both of which are
deprecated.

3 Gov's Dep. tel. 256 Conf. _____ 13 August
(Letter No. 2 should have been signed "Governor")

DESTROYED UNDER STATUTE

3a I attach a memorandum.

This matter was discussed in a preliminary way with Sir J. Campbell and Sir C. Bottomley, and the draft herewith is sent on for consideration after discussion with Mr. Waterfield of the Treasury. It was made clear to him that the suggestion in the draft as to a purely temporary salary cut had not yet been submitted to the S. of S. He said that if the S. of S. did not feel able to approve the salary cut, the Treasury would wish to press for income tax legislation to be passed at the autumn session in such a form as to make the tax applicable to the last half of 1931.

I don't like taking money much of which has already been spent. W.A.

J. H. Allen
17/8/31

The Off. tel. was strongly criticised by Mr Waterfield in the point