

1926

Kenya

No. XF 8088

SUBJECT

CO 533/363

Estimates, 1927.

CLOSED
UNTIL

~~17/18~~

Previous

Subsequent

X. 10147/27
See 7061/27 Ea.
(Anthropological Service)

1) Govr. Grigg. Confidential 159 ----12.11.26.

DRAFT ESTIMATES, 1927.

Trs. ---- for approval together with various memoranda etc. and states that they were presented to Legislative Council in form of motion for adoption instead of in form of Appropriation Bill. Submits comments on one or two points.

Sci C Strachey (es)

Please see the attached minute and note drawn up by Mr. Seel and myself in consultation. The immediate financial position disclosed by the Estimates can, I think, be regarded as satisfactory. Kenya has, of course, heavy future loan commitments in view, but the discussion of these cannot be carried any further at the moment, and the whole question will come up again probably in the course of the next two or three months when ~~we will discuss~~ ^{discussing} the final proposals for the Colony loan. You will note that the Colony is now in possession of a surplus of substantial amount and that available balances are being used ~~to~~ ^{for} financing loan expenditure, thus saving a certain amount of interest charge. The whole question of policy as regards surplus balances was put to the Governor some months ago, and we are awaiting his views. There is, therefore, no need to refer to the matter here, and, in any case, the question is complicated by the Treasury claims which have been remitted to 1934. The immediate telegram which the Governor wants might be worded to the effect that he may proceed with the Appropriation Bill on the assumption that the Estimates of Expenditure will be generally approved - ~~and~~ this will avoid any suggestion that the difficult matter of the education cess has been prejudged.

I think the Colonial Govt. deserves the proposed compliment on the way in which the Estimates have been

submitted, and in view of the full explanations
have been given it is doubtful whether there will
be any necessity for the usual departmental memorandum of
reference as most of the matters to which reference seems
necessary appear more suitable for incorporation in a
draft. If the immediate telegraphic action is
approved, the papers should be recirculated for the draft
despatch for conson. and, in addition to the matters
referred to in Mr. Seel's minute, I think reference should
be made to (a) the formation of a Kenya African
Police Corps (page 7 of the detailed note), (b) the
provision of a grant (pages 3 and 8 of the note), (c) the
provision of additional staff for the development of the ghee industry
(item 45 on page 10 of the note), (d) the provision
of giving preliminary effect to Sir R. Biffen's recom-
mendations regarding the wheat industry (item 68 on page
11 of the note) and (e) the provision for the statistical
survey of selected native areas (see top of page 12
of the note).

I would draw your special attention to the last
two items as they may be of special interest to you in
connection with the proposed native welfare research.

There are two other items which are not ade-
quately explained, but may pass without comment: these
(i) heavy increase in expenditure on the travelling
of distinguished visitors (see item 16 on page 11 of the
note) which is merely explained as due to "expanding re-
quirements", and (ii) the provision of £300 (item 39 on
page 11 of the note) for portraits of Kenya Governors, of
which no explanation at all is given!

At Allen
9/12/26
Telegraph as proposed & recirculate
10/12
d'ma

*2. 11 of the Biffen
drawing has been bearing
on the...*

Registre

2. Tel to Gov. 20th Dec. 1926. 4
3-----Gov Grigg ----- 29th Dec 1926
(Tel)
"Appropriation Bill passed third reading 22nd December
totalling £ 2,570,064. Excess of £ 28,016 over estimate
submitted...represents re-vote of non-recurrent expre
sanctioned but uncompleted in 1926.

In Allen (a)
I have submitted dfr despatch on the
Estimates: para. 13 of the dfr. has been
worded in the light of this let.

*G. Seel
4.1.27.*

*4 1/2 Gov. Secy. Nairobi 7/18/27
1/14/27
7/18/27*

*5 To A.M. 8 FEB 1927
(w/ extract from memo in 401
on 17.06.27 Ea.)*

See next sheet

X.F.8088

C. D.
R. G. JAN
P. L.

Mr. Seel 4/1/27
Mr. Allen 7/1/27
Mr.



Downing Street,
27 January, 1927.

Mr. E. J. Harding.

X Sir C. Strachey.

J. Shackburgh.

Sir G. Grindle.

Sir C. Davis.

Sir S. Wilson.

Mr. Ormsby-Gore.

Earl of Clarendon.

Mr. Amery.

Sir,

reference 846-50
I have etc. to acknowledge

the receipt of your Confidential despatch No. 159, of the 12th of November, transmitting copies of the Estimates of Revenue and Expenditure of Kenya for the year 1927, and to confirm my telegram of the 20th of December, in which I approved the introduction of an Appropriation Bill into the Legislative Council on the assumption that the Estimates of Expenditure would be approved generally.

DRAFT.

*Causai:
v. minutes*

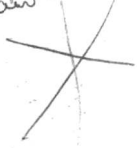
KENYA

(Confidential)

Gov. Grigg.

2. The clearness with which the general financial position is set out in your despatch, and in its enclosure and the full explanations which have been furnished, have greatly facilitated consideration of the Estimates, and I have much pleasure in conveying to you

*Discussion arranged after discussion the Rev. & later the as noted in the minutes the note in the 15th 1927
Print Gov's desk,
tel. 8/20 Dec.
and this dft.*



E.O. Estimates

X.F.8088

C. D.
R 8 JAN
16

Mr. Seel 4/1/27
Mr. Allen 9/1/27
Mr.



Downing Street,

7th January, 1927.

Mr. E. J. Harding.

X Sir C. Strachey.

J. Shackburgh.

Sir G. Grindle.

Sir C. Davis.

Sir S. Wilson.

Mr. Ormsby-Gore.

Earl of Clarendon.

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DRAFT.

Causa: v. menutis

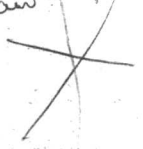
KENYA

(Confidential)

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E.O. Estimates

X No. X.F. 8088/26. + No. X.F. 8088/26.

X.F. 8088b

2

C. D.
R. B. JAN
16

Mr. Seel 4/1/27
Mr. Allen 7/1/27
Mr.



Downing Street,
16 January, 1927.

Mr. E. J. Harding.

X Sir C. Strachey

J. Shuckburgh.

Sir G. Grindle.

Sir C. Davis.

Sir S. Wilson.

Mr. Ormsby-Gore.

Earl of Clarendon.

Mr. Amery.

Sir,

de laun 8416-50
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DRAFT.

Causa: v. minutes

KENYA

(Confidential)

Gov. Grigg.

*J. J. Conson, arrived after discussion in New & Lab. He is noted in the margin of the note in the last 1927
Print Gov's dept.
tel. 820 Dec.
and this dfr.*

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E.O. Estimates

X No. X.F. 8088/26. + No. X.F. 8088/26.

X.F. 8088

X

C.O.
R 6 JAN
1927

Mr. Seel 4.1/27
Mr. Allen 7.1/27
Mr.



Downing Street,
27 January, 1927.

Mr. E. J. Harding.

X Sir C. Strachey.

J. Shackburgh.

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Earl of Clarendon.

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DRAFT.

Casau:
V. menutés

KENYA

(Confidential)

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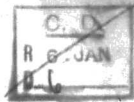
and

20. Estimates

X No. X.F. 8088/26. + No. X.F. 8088/26.

X.F.8000

2



Mr. Seel 4/1/27
Mr. Allen 7/1/27
Mr.



Downing Street,
27 January, 1927.

Mr. E. J. Harding.

X Sir C. Strachey.

J. Stauckburgh.

Sir G. Grindle.

Sir C. Davis.

Sir S. Wilson.

Mr. Ormsby-Gore.

Earl of Clarendon.

Mr. Amery.

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DRAFT.

Causa: v. minutes

KENYA

(Confidential)

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and

90 Estimates

X No. X.F. 8088/26. + No. X.F. 8088/26.

action is taken.

6. I note that you will deal in a separate despatch with the question of the reduction of the ^{Kenya} K.A.R. establishment from a six to a four-company basis.

7. I have now received your ^{Confidential} despatch No. 164 of the 26th of Nov^r, ^{emb. X} as to the ^{correction} creation of anomalies and adjustments in the revised scales of salaries, provision for which is made under Head XXVI, Item 38, of the Estimates of Expenditure.

8. The Estimates of Expenditure of the Medical Dept. ^{actment} (Head XVIII) have been referred to my Chief Medical Adviser who has no comment to offer beyond expressing his concurrence with the proposal to form a Kenya African Medical Corps for which provision is made under items 37 and 91 of this Head.

9. I have now received your despatch No. 949, of the 26th of October, [†] regarding the appointment of an Agricultural

Instructor

X No. X. 8380/26 † No. X. F. 7877/26.

(No. X. 8380/26
in circ^r - reference
checked for register)

(X.F. 7877/26.)
Pt. in circulation
reference the Med.

any cost involved in giving preliminary effect to the recommendations of Sir Rowland Biffen, after his examination of the industry in the Colony.

11. I shall address you in a further despatch, when I have had ^a fuller opportunity of considering the matter, regarding the suggestion in para. 10 of your despatch that steps should be taken to obtain the co-operation of the Abyssinian Govt. ^{examined} in the attempt to co-ordinate meteorological data in E. Africa.

12. I shall be glad to be informed of the results of the statistical examination of selected ^{Native} areas, for which the sum of £300 is provided in Head XXVI, item 41 of the Estimates.

13. In para. 12 of your despatch, it is stated that no provision is made in the Estimates for revotes of expenditure on sanctioned works uncompleted at the end of 1926, and that it is proposed to show

the

Recirc. On this point with C.O. 54357/25 etc.

the amount of these revotes, which would ^{now}
appear ^{from} in your telegram No. 441 of the
29th of December, ^{to} ~~amount of~~ ^{be} £28,016, as
chargeable to surplus balances. I ~~am~~ ^{would}

^{however} - such a course is not, in any opinion,
observable that ~~in ordinary circumstances this~~
~~recourse is desirable~~, and unless there are
special reasons to the contrary, ^{I should prefer that} the amount
required for works sanctioned, but not com-
pleted, by the end of the year, should be
charged to ordinary revenue.

I have, etc.,

I consider, however, that this
~~arrangement~~ ^{arrangement} should not be regarded
as establishing a practice or as
affording a precedent for the future.

Yours,
L. S. Amery

(Signed) L. S. AMERY

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

Dated 29th December.

(Received Colonial Office 12.28 p.m. 29th December 1926)

RECEIVED
30 DEC 1926
COL. No. 441

29th December

no 2

Your telegram of 20th December Appropriation Bill passed third reading 22nd December totalling £2,570,064. The excess of £28,016 over estimate submitted with my despatch of 12th December represents re vote of non-recurrent expenditure sanctioned but uncompleted in 1926.

Instructor and a lady Doctor to the ~~Jeans~~^g

School at Kabete, to be paid from the grant
of £1,500 a year for five years which has ^{is being}

been made by the Trustees of the Carnegie
Corporation. The proposals made in that

despatch, which are supported by Mr. Oldham

and Dr. Jesse Jones, have been communicated

to the Trustees of the Corporation, who have

been asked to place the first instalment

of the grant to the credit of the Govt. of

Kenya ^{with} and to the C.A.A. for the Cols., and

^{on the receipt of the Trustees' reply}
~~steps will be taken as soon as possible to~~

select suitable candidates for the two

appointments ^{will be selected as soon as possible}
in question.

^{Technical enquiries have been made in the various towns.}

10. I note with satisfaction that
provision is made under item 45 ^{of} Head XXII
for the appointment of an additional Asst.

Agricultural Officer to specialize in the

development of ^{the} Ghee industry. I ~~have~~

also observed that a sum of £800 is pro-

vided under item 68 of this Head to meet

any

Recirc. On this point
with C.O. 54357/25 etc.

7
any cost involved in giving preliminary
effect to the recommendations of Sir
Rowland Biffen, after his examination of
the industry in the Colony.

11. I shall address you in a
further despatch, when I have had ^a fuller
opportunity of considering the matter,
regarding the suggestion in para. 10 of
your despatch that steps should be taken
to obtain the co-operation of the

Abyssinian Govt. in the attempt to co-
ordinate meteorological data in East Africa.

12. I shall be glad to be informed
of the results of the statistical examina-
tion of selected ^(Native) areas for which the sum
of £300 is provided in Head XVI, item 41
of the Estimates.

13. In para. 12 of your despatch, it
is stated that no provision is made in
the Estimates for votes of expenditure
on sanctioned works uncompleted at the end
of 1926, and that it is proposed to show

the

the amount of these revotes, which would ~~have~~
appear ^{from} in your telegram No. 441 of the

29th of December, ^{to} ~~amount of~~ £28,016, as

chargeable to surplus balances. I ~~am~~ ^{would}

^{however} observe that ~~in ordinary circumstances this~~
~~recourse is desirable~~, and unless there are

special reasons to the contrary, ^{I should prefer that} the amount

required for works sanctioned, but not com-
pleted, by the end of the year, should be

charged to ordinary revenue.

I have, etc.,

I ~~consider~~ ^{consider} however, that this
arrangement ~~should~~ ^{should} not be regarded
as establishing a practice or as
affording a precedent for the future

Yours etc.

(Signed) L. S. AMERY

X No. 1.5 - 50. 2. 24

XF.8088/26.

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

(Sent 12.45 p.m. 20th December 1926)

20th December.

Your despatch 12th November Confidential 159
You may proceed with Appropriation Bill on the assumption
that estimates of expenditure will be generally approved.
Despatch will follow.

AMERY.

8088

Seel. 20.12. By a/c

~~C.D.~~ Ind

8415-50

10

- Mr.
- Mr.
- Mr. B. J. Har...
- Mr. Strachey.
- Sir J. Shuckburgh.
- Sir G. Grindle.
- Sir C. Davis.
- Sir S. Wilson.
- Mr. Ormsby-Gore.
- Earl of Clarendon.
- Mr. Amery.



C. D.
R 20DEC
D 20 1

A.F. 8088/26 Kenya.

Codes & Serial
12.45 pm
20th Dec 26.

20th December.

DRAFT.

Important
Governor
Nairobi

Your despatch 12th November,

Confidential, 159.

You may proceed with
Appropriation Bill
on the assumption that
Estimates of expenditure
will be generally
approved. Despatch
will follow. - AMERY

SECRET

~~Re-circulate~~
Estimates

Minute

Mr. Allen:

We have been through the Estimates together, and have collaborated in producing the attached note on details.

The Governor asks in paragraph 3 of his despatch for a telegraphic reply, to enable him to proceed with the presentation of an Appropriation Bill before the end of the year, and it has therefore been necessary to deal with the Estimates expeditiously. Fortunately the form in which they have been drawn up is very clear, and the explanations furnished in the printed memorandum by the Treasurer and the other papers enclosed with the despatch are very full, so that consideration of the Estimates has been greatly facilitated.

~~_____~~ Accomplishment ~~_____~~
on the manner in which the Estimates have been presented would seem to be quite justified.

With regards to the general position; ~~_____~~

~~_____~~ observe:-

(a) The Estimates, for 1927 show a surplus of £46,207, but of this figure £15,901 represents the balance of Widows' and Orphans' pension contributions over payments, so that the real margin is regarded as approximately £30,000.

(b) The proceeds of land sales, amounting to £20,000, are ~~_____~~ ^{created} as ear-marked for Public Works Extraordinary (see paragraph 2 of the printed memorandum.)

(c)

1 copy Mr. Allen
" Mr. Gifford
" Mr. [unclear]
" Mr. [unclear]
Shaw to [unclear]

+

Estimates. (The urgency this year is no doubt due to the decision to dissolve the Legislative Council early next year.)

✓ (c) Paragraph 6 of Governor's despatch. Refer to the proposed examination of the question of pensionable status for certain European clerical posts, and say that a report on the matter will no doubt be sent for the Secretary of State's consideration before any action is taken.

✓ (d) Paragraph 8(b) of the despatch. Ask for further information regarding the criticisms raised in the Council as to the post of Deputy Chief Native Commissioner.

✓ (e) Paragraph 8(d) of the despatch.

Note that the Gov^r. will send a separate despatch regarding the suggestion made in Council as to the reduction of the K.A.R. Establishment. (It is understood from Mr. Nächlig that the despatch will be sent after discussion with the Inspector-General.)

✓ (f) Note that a separate despatch will be sent regarding the provision under head XXVI, Item 38 for the correction of anomalies in the revised salary scheme.

✓ (g) Paragraph 10 of the despatch. Meteorological service. The Governor ^{is presumably} appears to invite the Secretary of State to take up with the Foreign Office the question of obtaining the co-operation of Abyssinia in an attempt to co-ordinate meteorological data. This question can be considered later, but it would appear, prima facie, to be a matter which

might

*We have had the
press report of the
L.C. debate, &
it seems unnecessary
now to refer to this.*

*JMS
2/1*

*This is now in
- Dr. ...
4.1.27.*

*JMS
2/1*

(c) ~~With~~ The total surplus at the end of 1927

(see Appendix C) is expected to be £255,605.

(d) ~~The~~ Although the estimated expenditure for the year is over £2,500,000, it is explained on page 4 of the printed memorandum that £564,953 of this represents expenditure covered by reimbursements or other receipts ^{of a similar nature} so that the actual expenditure from ordinary revenue is under £2,000,000.

(e) ~~The~~ The Governor states in paragraph 13 of his despatch that it is hoped to confine supplementary estimates within the limits of the Estimates now transmitted, at any rate in so far as the ordinary recurrent expenditure is concerned.

Apart from these points, the general position is sufficiently explained in pages 1 to 8 of the printed memorandum.

~~Recommendation~~ A letter should be sent giving the Governor authority to proceed with the introduction of an Appropriation Bill as he requests, and ~~the~~ ~~despatch~~ could then be re-circulated for a despatch, if within the following points can be covered:-

(a) A general compliment on the presentation of the Estimates.

(b) (para nos 3 and 4 of the Governor's despatch) Note the ~~change~~ ~~in~~ ~~the~~ ~~procedure~~ from previous procedure, but express the hope that if the same procedure is followed next year, it will be necessary to allow the Secretary of State a little more time for consideration of the Estimates.

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We have had the press report of the L.P. debate, & it seems unnecessary now to refer to this.

*VMS
2/11*

*This is now in
- D.P. reviewed acceptly
2.1.27
VMS
2/11*

V. reviewed dfr

might

(c) ~~With~~ The total surplus at the end of 1927 (see Appendix C) is expected to be £255,605.

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v. revised dfr.

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JMS
2/1

This is now in - Dr. revised despatch 4.1.27.
JMS
2/1

Estimates. (The urgency this year is no doubt due to the decision to dissolve the Legislative Council early next year.)

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how to refer to this.

✓MS
5/1

This is now in
-Dr. revised copy
4.1.27.

✓MS
5/1

MEMORANDUM

* See Appendix B
page 11.

	Actual	Approved Estimates.	Revised Estimates	Estimates
	<u>1925</u>	<u>1926</u>	<u>1926</u>	<u>1927.</u>
	£.	£	£	£
Revenue	2,430,509	2,373,994	2,516,315 *	2,588,255
(including land sales)	18,586	35,010	2,542,867 48,000	20,000)
Expenditure	2,339,096	2,338,753	2,483,692 .	2,548,048

The table in Appendix B shows that the estimated excess of assets over liabilities on 31st December, 1926, is £209,393. The estimated surplus for 1927 is £46,207, but paragraph 12 of the Governor's despatch shows that between £10,000 and £12,000 will be required for revotes of expenditure now sanctioned in 1926 but uncompleted at the end of the year, and the Government proposes to show this in Appendix C as chargeable to surplus balances.

Revenue 1927.

The estimated revenue (exclusive of land sales) is £299,940 in excess of the revised estimates for 1926 (which was itself an increase of £129,331 over the approved estimate for that year). The 1927 figure is exclusive of Port revenue (£19,000) which has been carried over to the separate Port estimates. (It is shown on page 3 of the Treasurer's printed memorandum that the total revenue which is being transferred ^{in this connection} is £26,505, and that the transfer of the Port revenue and expenditure to separate estimates adversely affects the Colony's budget by £3,057 ^{on} over the 1926 estimates.)

* £ 72,888.
taken the figure for
1926 shown in
APP. B.
+ n. 1156,383.

The main heads on which increases over the

revised

* See Appendix B, page 11.

MEMORANDUM

	Actual	Approved Estimates.	Revised Estimates.	Estimates
	1925	1926	1926	1927.
	£	£	£	£
Revenue	2,430,509	2,373,994	2,548,315*	2,588,255
(including land sales)	18,586	35,010	48,000	20,000
Expenditure	2,339,996	2,338,753	2,465,692	2,542,048

The table in Appendix B shows that the estimated excess of assets over liabilities on 31st December, 1926, is £209,338. The estimated surplus for 1927 is £246,207, but paragraph 12 of the Governor's despatch shows that between £10,000 and £12,000 will be required for re-votes of expenditure on works sanctioned in 1926 but uncompleted at the end of the year, and the Government proposes to show this in Appendix C as chargeable to surplus balances.

Revenue 1927.

The estimated revenue (exclusive of land sales) is £299,940 in excess of the revised estimates for 1926 (which was itself an increase of £129,331 over the approved estimate for that year). The 1927 figure is exclusive of Port revenue (£19,000) which has been carried over to the separate Port estimates. (It is shown on page 3 of the Treasurer's printed memorandum that the total revenue which is being transferred ^{in this connection} is £26,505, and that the transfer of the Port revenue and expenditure to separate estimates adversely affects the Colony's budget by £3,057 ^{on} over the 1926 estimates.)

The main heads on which increases over the revised

might be considered at the Governors' Conference this year.

(h) Paragraph 11 of the despatch. We should refer to the new revenue under Head III, items 20, 21 and 22, to be raised to meet the cost of European and Indian education. It is for consideration whether, having regard to the objection raised by the Indians to the imposition of a poll cess ~~and~~ and the tentative suggestion which has been made that this cess, and the corresponding expenditure on Indian education, should be omitted, some caveat should not be entered to the effect that general approval of the Estimates must not be taken, as precluding the Secretary of State from re-considering this question. The matter is rather a delicate one, and might be better to make no reference to it at all, on the ground that the Secretary of State's power to re-consider can be taken as a matter of course.

in this telegram

(i) Paragraph 12 of the despatch mentions that no provision is made in the Estimates for re-votes for works uncompleted in 1926. It is proposed to show this amount (between £10,000 and £12,000) as chargeable to surplus balances. The correctness of this course has been previously considered in connection with Estimates, but the point was not mentioned last year. The charging of these re-votes to surplus balances does not seem, however, to be a desirable practice, especially when there is available in the following year a margin sufficient to meet the expenditure, since at the very least this course offers no incentive to thrift. The opportunity might perhaps be taken to express generally the view that approval for such expenditure should be included in the Estimates for the succeeding year.

See Memorandum - all having no financial effect but a vote for the Government to be substituted in the Revenue etc.

*£ 72,888, being the figure for 1926 shown in App. B.
T. n. 156,883.*

JMA. See App. with them.

*9.7.26.
9.19.26.*

revised estimates for last year are shown as follows:-

Head I Customs ^{Anticipation} £53,750 anticipated, in view of further ^{Trade} expansion.

Head III Licences, dues, taxes etc. £38,270; but under this head £51,500 is new provision (Items 20-22) to meet the cost of European and Indian education.

Head IX ^{Sale of Govt. Property} There is a decrease of £10,000 under this head which is attributed to the increase in smuggling owing to the cession of Jubaland. Correspondence is proceeding on separate papers as to the possibility of getting the Italian Government to agree to discussion of this ^{question}.

Head XII ^{Forest Dept. Revenue} The increase of £25,950 under this head is largely accounted for by transfer of provision previously made under Heads VII-IX.

As regards details-

Head III ^{Licences, etc.} It may be remarked that the native poll tax, ^{which} is up by £19,000.

The profits of the petrol tax are expected to be more than double (£21,600 as against £10,000).

Head IV ^{Fees, etc.} Item 24 Widows and Orphans Pensions contributions

The Treasurer's memorandum on page 2 and the Governor's speech (page 9) both refer to the fact that although these contributions are credited to revenue they are held against contingent liabilities, and ~~that~~ although at present they help to swell the revenue, the time will no doubt come when owing to the increase of pensions granted the expenditure under the scheme will be greater than the contributions. The Governor says in his speech that the balance of the fund at present will be held in the surplus balances of the Colony.

Re-imbursements Head V Items 13-22.

The following items are shown in the Kenya & Uganda Railway Est. 1927, as re-imbursements:-
2

(New) Head V,
Kenya Est.) f

KUR.
Est.

Abk. G.(6) Medical f 10000

- 13. Medical 7,500
- 14. Dental 400
- 15. Legal 1,000
- 16. Interest 255,131.
- 17. (Ken) Fund 55,278
- 18. Management 425
- 19. Audit 4,000
- 20. Police 9,050
- 22. Housing 1,000

G.(4) Legal 1700

- Abk. II Interest 255,131. *
- 250,000 loan 207,297. *
- Abk. D. III(b) 4,300
- Abk. D. IV Watch Ward 11,356
- Abk. D. I(e) Housing 1,000 *

5,000,000
loan.

The provision in the Railway Estimates includes interest on
subbursements to the Uganda Govt. - except in items marked *

Item 23 Carnegie Trust Fund. Proposals have now been

received from the Governor in a separate despatch as to
the purposes to which the grant of £1,500 should be
devoted, and the Secretary of the Carnegie Trust is to
be approached with a view to obtaining the concurrence
of the Trust in these proposals.

Example of Govt. Dept.

Head VII Item 16. The provision of £5,000 for the
plant for timber seasoning has been approved in the third
supplementary estimates, 1926. The annual revenue now
estimated is £35,000 and Appendix J shows that the
anticipated expenditure, including the services of an
Adviser for eight months is £2,500. The service is
therefore expected to show a substantial profit.

Gen. X 291/26

Interest.

Head XI. See separate note on ^{Interest} Item 3 Advances pending
the raising of loans.

Expenditure. (a1)

Head IV His Excellency the Governor. The main
increases in this head are explained in the typed
memorandum regarding alterations made during consideration
of the estimates in Council. It may be noted that the
increase in the clerical work entailed by entertainments
etc., has necessitated the appointment of a clerk to

the

the ~~A.D.G.~~ ^{Governors' Conference} Aides-de-Camp.

Head V. Details of the expenditure for the Governors' Conference Secretariat are shown in Appendix E. It may be noted that while the expenditure ~~now~~ agrees with what has been approved, it is ^{to be} anticipated that a considerable increase will be involved by the proposal to retain the services of Colonel Walker permanently, at a higher salary. Of the total expenditure of £8,000, £329 is shown under Item 3, Special Expenditure, as available from the total accepted at the last Governors' Conference.

Secretariat

Head VI. Item 8. It is proposed to appoint an Assistant Establishment Officer, one post of European Clerk being abolished. There can be no doubt that this change is necessary.

Item 24. The report of the Select Committee on Kenya Hansard (5022) estimated the cost of extra reporting staff at £600. The provision now made is £1,200, but against this must apparently be set off the £250 which has disappeared from Item 11, though ~~the~~ is not clear as the explanation against Item 24 says that one post has been transferred from Item 9 (European Clerk).

Head VII Item 2. Approval was given on X.F.6736 for the engagement of Mr. Knightley from South Africa at a salary of £1,000. Apart from this appointment the estimates for the Printing Department do not yet provide for the proposed amalgamation of the Government and Railway Presses, and this is in accordance with the procedure which has been followed in drawing up the railway estimates.

Item 6

Official Gazette
and
Printing

4

Item 6

Item 15

Item 22 and

Head 7(a) Expenditure.

Provision under these items is on account of the proposed establishment of a Kenya Hansard. The estimated cost of the linotype machines etc., is greater than the Select Committee (X.F.5652/26) supposed (£5,280 as against £3,850). The two linotype machines being expected to cost £1,000 more. This is no doubt the result of further enquiry as to the prices.

Head VIII: On page 12 of the printed estimates it is explained that this head has been re-arranged into three sections so as to simplify the estimates. The table there given shows how the increased expenditure of £12,071 on this Head is shared by General Staff, Non-native Areas, and Native Areas.

Item 7. The establishment of District Officers, which was increased in 1926, has been reduced by 7.

Item 71 Para. 5(b) of the Governor's despatch shows that the Elected Members proposed the abolition of the post of Deputy Chief Native Commissioner, but the Governor regards this as a matter which need not be examined exhaustively in his despatch.

Items 75, 78(a) 85, 95, 105, 131,

144, 145, 152.

Particulars of the increased provision for labour inspection are given in the typed memorandum of alterations made during consideration in Committee. The new Labour Inspector is to be stationed at Kisumu, as the Inspector at Eldoret cannot carry out the heavy duties in connection with the large

number

Administration

Look at details
in the
press cuttings.
J.M.D.

number of labourers passing through that port.

Item 111 (a) Tembo supervision. The appointment of extra Supervisors is explained in the typed memorandum ^{regarding} alterations in Committee. It is stated that these payments will certainly mean increased revenue, and probably less drunkenness.

Item 144. Local Transport and Travelling. The general increase in the estimates for this service ^{under the various Heads} is referred to on pages 12 and 13 of the Governor's speech, and also on page 14 of the printed memorandum. The increase ~~in~~ these estimates is due to the fact that for many years the votes taken have proved ^{necessitating supplementary votes;} inadequate, (but the Governor is alive to the necessity of economy on this service, and lower rates of motor allowances are to be introduced ~~as~~ from January 1, ^{in spite} ~~instead~~ of the fact that a representative committee recently reported against such a reduction. Officers are also to be made to understand that claims in excess of the totals allotted to them in the estimates will be regarded as a sign of carelessness and inefficiency, except for exceptional causes.

Head X. Customs.

Items 3, 7, 13 & 17. The increase in staff involved in the establishment of a customs collectorate in Uganda and ^{in the opening of} ~~at~~ the new wharves is explained in the Treasurer's printed memorandum.

Head XVI. Police. The expenditure under this Head is increased by approximately £17,000 over the sanctioned estimate for last year, but further provision amounting to £7,720 was found necessary in the supplementary estimates. Of the total expenditure under this head £9,030 represents

the

the cost of police for the Kenya and Uganda Railway, which is shown as a reimbursement from the Railway under Head V (Revenue) Item 20. The proposed increases in staff are considerable, but are fully explained in the printed memorandum by the Treasurer (page 19). In this connection it will be remembered that ^{at the time of} ~~in connection with~~ the Stock Theft Commission's report, dated September, 1925, the Commissioner of Police submitted a long report on the subject of Police policy, in which he said that the Police required a very considerable and early increase of European personnel.

Item 62 It is proposed to establish a boys' brigade to train the sons or relatives of serving police askaris.

Items 84-85. These are new heads of expenditure providing respectively for post-mortem fees, and courses for Police officers in this country. In both cases the new services were sanctioned in the supplementary estimates, 1926.

Head XVII. Prisons.

Item 8. The Governor foreshadowed in his despatch of July 30 (X.6575/26) the question of permanently replacing Asian Chief Warders by European Chief Warders with a view to improving discipline. Accordingly the provision formerly made under Items 17 and 18 for twelve Asiatic Chief Warders is replaced by Item 8 which provides for six European Warders.

Head XVIII. Medical.

Mr. Stanton has gone through the Schedule & has no comments, beyond expressing concurrence with the ~~provision~~ provision (Items 37 & 41) - see lot 8 page 22 of the printed memorandum - for the formation of a Kenya African Medical Corps.

X.

7

Head XIX Education.

Items 5, 7, 8, & 9. The increase in the headquarters office staff of the Education Department is explained on page 23 of the Treasurer's memorandum as due to the appointment of new Inspectors, the organisation of local committees and the growth of the number of schools.

Item 19. The increase in provision for local transport and travelling is very considerable, but there can be no doubt as to the necessity for the continuance of the inspection of schools which necessitates this expenditure.

Items 24-44. European Education. The estimate for this service is increased by £12,165. The increases in so far as they have not previously been approved are explained fully on page 23 of the Treasurer's memorandum. It may be noted (Item 33) that provision is made for duty allowances to staff in charge of boarding houses.

Items 45-61. Indian Education. The increase on this service is about £8,745.

Items 62-87. Arab and African Education. The increase on this service is £15,101, the total provision in 1927 being £61,927.

Items 53-64. These items include provision for the Agricultural Specialist and the lady doctor, whom it is proposed to pay for from the grant approved by the Carnegie Trustees (see note under Head V (Revenue) Item 23) As the first instalment under this grant has not been applied for it will be necessary to warn the Governor that no expenditure is to be incurred until the agreement of the Carnegie Trustees has been obtained to the Governor's proposals for the allocation of the money. This is being

dealt

*For memo
with Dr. Patel*

dealt with on separate papers.

Item 57. The increase in provision for native teachers is £1,036. The Treasurer's memorandum refers to the necessity of avoiding the creation of a class of illpaid teachers.

Item 52. In explaining the very considerable increase of £2,520 under "Boarding Expenses (Food Account)" the Treasurer's memorandum (page 25) remarks that the new industrial training depot at Kabete is growing rapidly.

Head XX. Military. In paragraph ^{2(a)} 26 of his despatch, the Governor says that amongst the points of detail raised in the Legislative Council was the question of reducing the establishment of the King's African Rifles from a six to a four company basis. The Governor proposes to refer to this question in a separate despatch; and in the meantime the estimates are framed on the basis of a six company organisation. *Mr. Naughton has gone through the Schedule & considers that no comment is necessary as to the details.*

Head XXI. Post Office.

Items 4, 5, 13, 18, 22-34. The various increases of staff proposed are explained on page 28 of the printed memorandum.

Head XXII. Agricultural Department.

Item 6. The appointment of a Livestock Officer is explained on page 29 of the Treasurer's memorandum.

Item 38. £600 is provided for a Marine Biologist in order that a preliminary enquiry may be made into the sea and lake fisheries. The proposals on foot are a survey of the coast fisheries by the Government of the Union of South Africa, the cost of which is to be undertaken jointly by Kenya and Tanganyika (see on X.331/26); and also a survey of the waters of Lake Victoria, the cost of which is to

be



be borne by Kenya, Uganda and Tanganyika. For this latter survey it will probably be necessary to employ an official of the Ministry of Agriculture and Fisheries. It is not possible to say at present whether the provision of £600 now made will be adequate. *Ask in his subject was newly sent to the Gov?*

X

Item 45. An additional Assistant Agricultural Officer is to be provided to specialise in developing the ghee industry.

X

Item 68. Arrangements for the visit of Professor Sir R. ~~Allen~~ ^{Biller} to advise the Government regarding the wheat industry are recorded on X.F.3227/26. The provision now made is to meet any cost involved in giving preliminary effect to his recommendations.

Item 77 (a)-(d) This provision for the introduction of a meteorological service is explained at length in the typed memorandum of alterations made during consideration in Committee. In paragraph 10 of the despatch the Governor also refers to the question of taking steps to obtain the co-operation of the Government of Abyssinia in the attempt to co-ordinate meteorological data. The papers should be recirculated for consideration of this point after the estimates have been dealt with. In addition to the provision in these items, £750 is also provided for capital expenditure in this connection. (Head XXII A)

1

X

Head XXIII Forest Department.

Item 4. The papers should be recirculated to consider ^{bearing of the deletion} the ~~allocation~~ of one post of Assistant Conservator on the question of a vacancy in the Department, which is now being considered on other papers.

Head XXIV. Game Department.

Item 11. There is a big reduction of £4,500 in the

revenue

*Proposed
P-see
with note 4(6) X
on XFS220/26.*

revenue anticipated from the sale of ivory and confiscated trophies. This reduction is ascribed to the effect of the cession of Jubaland - see P. 11a XIX (Revenue).

It is noted that no provision is made for the cost of fencing the game reserves.

Head XXVI: Miscellaneous.

X. Item 14. Contribution to the Civil Service Athletic Association. The explanation on page 32 of the printed memorandum should be noted, as the arrangement now agreed to represents a departure from the original decision to assist the Association by contributing on a pound for pound basis.

X. Item 16. Provision of £1,800 has recently been approved in the third supplementary estimates for 1926 on account of travelling of distinguished visitors. The sum now provided for 1927, £1,000, is an increase of £600 over last year's estimate, and this is explained on page 32 of the memorandum as due to "expanding requirements".

Item 20. In connection with the explanation opposite this item, a sum of £10,000 was approved in the second supplementary estimates, 1926, in respect of the maintenance of roads in Nairobi for 1925-26.

X. Item 38. It will be seen that provision of £3,600 is made to cover the rectification of anomalies under the revised salary proposals.

X. Item 39. No explanation is furnished regarding the provision of £200 to cover the cost of portraits of Kenya Governors.

Item 41. The provision of £300 for the statistical

examination

87
250
X examination of selected native areas is explained in the typed memorandum of alterations made in Committee and has been inserted at the instance of the Statistician. The results of these experiments should be interesting.

Item 43. £2,000 is provided to cover preliminary action following upon recommendations of the local Government Commission.

See page 8 of the typed memorandum regarding the alterations in Committee.

Head XXVIII. Public Works Department.

Items 81 - 98. Government Coast Agency. In connection with the estimates for 1926, reference was made to discussions which had been taking place between the Governments of Kenya and Uganda as to the future of the Coast Agency. It appears from the papers on this subject (Gov. 46270/26 Kenya) that there are no further developments, and the provision in the Kenya estimates for 1927 is on the same lines as last year.

Items 116-128. Water Boring Plant. In his despatch No. 775 of the 30th July (X. 6576/26), the Governor intimated his intention to make provision for this in the 1927-estimates. The recurrent charges were then estimated at £8,500, and the provision now made is £8,350.

Item 129 Timber Seasoning Plant. See note on Head VII (Revenue) Item 16.

CA X 8757/26 etc
↑
Note
on the paper

KENYA ESTIMATES 1927.

Note on the position as regards interest on loans or on advances pending loans.

		<u>Revenue.</u>	
Head V.16 -18.		Reimbursement by Kenya and Uganda Railway on account of Interest, Sinking fund, and Management, £500,000 Loan.	£. 305,834.
Head XI. 3.		Interest on advances pending the raising of loans.	<u>145,000.</u>
	(a)		<u>£450,834.</u>
		<u>Expenditure.</u>	
Head I.		Interest and sinking fund, £5000,000 loan.	365,000.
		Interest on Advances by Crown Agents against £3,000,000 loan and Colonial loan.	<u>170,000.</u>
	(b)		<u>£535,000.</u>
The difference between (a) and (b) above is			
£84,166, and this is mainly accounted for as follows:-			
		Colony's share of interest and sinking fund on £5000,000 Loan (Head I. Expenditure)	£54,591.
		Interest on advances of £500,000 on Colony Loan at 5% (see explanation on p.191 of Ests.)	<u>£25,000.</u>
			<u>£79,591.</u>

This leaves a balance of £4,575 as interest received on advances - and not off-set by interest due.

X.F. 8088



GOVERNMENT HOUSE,
NAIROBI,
KENYA.

KENYA.
No. 159

CONFIDENTIAL



X.F. 8088
4 DEC 1926

12th November, 1926.

5414-20

Estimates.

I have the honour to forward for your consideration ten copies of the Estimates of Revenue and Expenditure for the year 1927 as passed in the Legislative Council.

Memorandum.

2. I also enclose for your information (1) Memorandum on the draft Estimates of Expenditure for 1927 as presented to Legislative Council on October 12th, 1926.

Speech.

(2) Report of my speech to the Legislative Council on the draft Estimates.

Treasurer's Statement.

(3) Statement of the Colony's Financial Position, October, 1926.

Supplementary Memorandum.

(4) Supplementary memorandum explaining alterations made in the draft Estimates during consideration in Legislative Council.

(5) Statement of new posts, pensionable and non-pensionable.

3. The procedure adopted this year differs in two respects from that which has hitherto been in force. In the first place I decided that it would be more convenient to place the draft Estimates before Legislative Council for consideration on a motion for their adoption instead of in the form of an Appropriation Bill. By this means I was able to ensure the simultaneous presentation to Council of the draft Estimates and of a memorandum explaining in general terms the principles upon which those Estimates had been

- framed -

THE RIGHT HONOURABLE
LIEUTENANT COLONEL L.C.M.S. AMERY, P.C., M.P.
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W.

Ans'd Tel. 20th Dec 1926
Award bank

E.O. Estimates

Not printed Not printed

framed and in detail all the more important variations that had been made as compared with the sanctioned Estimates for 1926. This procedure implies that, when the Estimates have been examined and accepted by the Council, an Appropriation Bill shall be prepared containing the provision so accepted against each Head. This Bill should be introduced into Legislative Council before the end of the year. I shall therefore be grateful if your decision can be communicated to me by cable before the Christmas holidays.

4. The second variation in procedure was introduced with the concurrence of the Unofficial Members who preferred that the draft Estimates should this year be considered in Committee of the whole Council without prior reference to a Select Committee. The item for Maintenance and Improvement of Roads and Bridges in the Head Public Works Recurrent and the Schedule of Public Works Extraordinary were referred to a Select Committee during consideration of the Estimates in Committee of the whole Council. I attach a copy of the report of that Select Committee. Before the Public Works Extraordinary Schedule had been referred to the Select Committee I had found it possible to increase the total of the vote from the £65,000 shown in the draft Estimates to £70,000.

Report of
Select
Committee.

5. A number of amendments were introduced by my direction after the draft Estimates had been presented to the Council. A supplementary memorandum is attached explaining the reasons for these amendments item by item. In this supplementary memorandum are also included explanations of changes made in Head IV, His Excellency the Governor.

6. In the detail column of these Estimates references to the scales of salary appropriate to the post have in some instances been omitted owing to doubt as to the new scale to be laid down on conversion to new salaries. These

x not printed

omissions will be corrected in the Estimates for 1928. The question of pensionable status attached to certain European clerical posts will also be examined before the Estimates for 1928 are prepared.

7. The policy underlying the Budget for 1927, the reasons for all new appointments and the various alterations which have been made as compared with the sanctioned Estimates for 1926 are fully explained in my speech, in the memoranda enclosed with this despatch and in the explanation column of the Estimates. I do not therefore propose to elaborate those explanations in this despatch. I attach for convenience of reference a statement showing all additions proposed to the establishment, divided into pensionable and non-pensionable appointments, with an index giving reference to the pages in the memoranda where explanation will be found.

8. The debates in Council and in Committee showed that the Elected Members were in general agreement with the principles upon which the Budget had been framed and were prepared to accept in toto the draft Estimates as placed before Council with the amendments proposed. No attempt was made by them to secure any general reduction on the Estimates. Such criticism as they made was on points of detail only and on matters which need not be examined exhaustively in this despatch. Among these were the following:-

- (a) The revision of regulations governing the grant of outfit allowances with particular reference to the payment of such allowances to persons engaged on work which entails no travelling or requires no special equipment.
- (b) The abolition of the post of Deputy Chief Native Commissioner.

(c) The possibility of reducing the cost of administering the Northern Frontier Province.

(d) The reduction of the King's African Rifles establishment from a six to a four-Company basis was moved. I shall refer to this question in a separate despatch.

(e) The Unofficial Members were inclined to oppose the inclusion in Estimates of the item of £2,000 inserted under the Head "Miscellaneous Services" for the development of Local Government in Nairobi and Mombasa on the ground that the Local Government Commission had not yet presented its report and that it was premature to provide for a contingency which could not arise until the Commission's recommendations had been considered and accepted. I was unable to accept the contention put forward as I believe that certain preliminary expenses in connection particularly with the preparation of voters' and valuation rolls in Mombasa will have to be incurred before the end of 1927.

9. In regard to the provision made under item 38 of the schedule of Miscellaneous Services, I undertook, in response to representations from Unofficial Members, to recommend for your approval that the proposals for the correction of anomalies and adjustments in scales of salaries should be introduced with retrospective effect from the first of January, 1926. I am placing these proposals before you in a separate despatch.

10. One other point requires reference here. In considering the proposed establishment of a Meteorological Service, details of which are given in the supplementary memorandum, the suggestion was made that steps should be taken through the proper channels to obtain the co-operation of the Government of Abyssinia in the attempt to co-ordinate meteorological data

in Eastern Africa. I have the honour to bring this suggestion to your notice for such action as you may be disposed to take.

11. The Revenue Estimates as originally presented to the Council showed a total of £2,580,955 and included a temporary Head entitled "New Revenue" to an amount of £51,200. Certain minor adjustments made in these Estimates since the draft was originally prepared bring the total to £2,588,255, of which a sum of £51,500 now appearing in items 20, 21 and 22 of Head III represents new revenue to be raised to meet the cost of European and Indian Education other than overhead and loan interest charges.

12. The Estimates of Revenue and Expenditure as passed in Legislative Council show a surplus of revenue over expenditure amounting to £46,207. No provision has yet been made for revotes of expenditure on sanctioned works remaining uncompleted at the end of 1926. I propose to include provision for these in the Appropriation Bill later in the year when the amount required for this purpose can be more accurately gauged. The sum involved is at present estimated to be between £10,000 and £12,000 and I propose in revising the Summary and Appendix "C" to the Estimates to show the necessary amount as chargeable to surplus balances.

13. The Estimates of Expenditure for 1927 have made provision for a necessary expansion in the Education Services, for consolidation in Medical Services, for the reorganisation of the Police Force, for an enlarged Printing Press and for certain new services of which Water Boring and Timber Seasoning are the most important. The votes for other departments have been prepared on conservative lines providing only for the normal growth in the Colony's

requirements. Every effort has been made to avoid recourse to Supplementary Estimates and it is hoped that it will be possible to confine Supplementary Estimates during 1927, as suggested in your despatch No.852 of September the 6th, within the limits of the Estimates now transmitted, at any rate in so far as ordinary recurrent expenditure is concerned. The Estimates are framed so as to show a considerable margin between revenue and expenditure in order to swell the surplus balances, and the margin between revenue and recurrent expenditure is more than twice as much as was shown in the Estimates for 1926. I trust, therefore, that you will be able to approve these Estimates without delay.

etc.
I have the honour to be,

Sir,

Your most obedient, humble servant,

Edward Gigg
GOVERNOR.



COLONY AND PROTECTORATE OF KENYA.

Memorandum on the Draft
Estimates of Expenditure
for 1927.

AS PRESENTED TO LEGISLATIVE COUNCIL
OCTOBER, 1926.

NAIROBI:
PRINTED AT THE GOVERNMENT PRESS,
1926.

Memorandum on the Draft Estimates
of Expenditure for 1927.

(As presented to Legislative Council.)



Memorandum on the Draft Estimates of Expenditure for 1927

In the Address to Council delivered on October 28th, 1925, His Excellency said:

"The Colony's revenue system depends to a very large degree on customs revenue. This is necessarily an uncertain form of revenue. It is liable to fluctuate seriously, not only with the prosperity of the Colony itself, but with world-wide factors entirely beyond our control. . . It would therefore be well for the Colony to have some standing surplus balances to meet any sudden and unexpected loss of customs revenue; for without such balances the loss might have to be made good by increase of taxation at a time when trade was weak and increased taxation therefore disproportionately onerous.

"The maintenance of a surplus balance would, moreover, be of real advantage to the Colony in a normal year even without exceptional and unexpected failures in any branch of revenue, because it would reduce the amounts which have to be borrowed from time to time to meet current demands upon the Treasury and would thus save the Colony from part at least of the heavy interest charges which it must otherwise meet."

The draft Estimates for 1927 have been so framed as to show a surplus giving effect to those principles. They show a total estimated revenue of £2,580,955 and a proposed expenditure of £2,534,937

The surplus is therefore £46,018

The experience of the past four years has happily shown a revenue responding so well to the increasing prosperity of Kenya as to place substantial annual surpluses to the credit of the Colony which have been sufficient to enable large extraordinary and non-recurrent items of expenditure to be met and to show an ever-increasing balance of assets over liabilities. These surpluses have been due principally to the collection of revenue in excess of the estimate. Estimates of revenue upon which the budget is framed have of necessity to be prepared well in advance of the period to which they relate and during a time of increasing prosperity estimated revenue may, if those estimates are prepared, as they should be, on conservative lines, be expected to fall short of actual collections.

Budgeted surplus in 1927.

There is no reason to suppose that the experience of the last few years will not be repeated in 1926 and 1927, but it is desirable that the acquisition of an annual surplus should form a part of the financial policy of the Colony as expressed in its Estimates.

Widows' and Orphans' Pensions Fund Contributions.

A second factor has been taken into account in providing an actual budgeted surplus of £46,018. Contributions are received by Government from members of the Civil Service in respect of the Widows' and Orphans' Pension Fund. The amounts so received are credited to revenue, but they cannot be regarded in any sense as legitimate State revenue. These sums are held against a contingent liability; they should be excluded from the Estimates of Revenue against which the Estimates of Expenditure are prepared.

In 1927, the estimate of Widows' and Orphans' Pensions contributions is £17,000
The estimate of Widows' and Orphans' Pensions payments is £1,099

The balance of £15,901 has been provided for in the budgeted surplus. The remainder of the surplus, viz. £30,117 is intended to be regarded as a reserve.

Revenue Estimates.

The Estimates of Revenue have been prepared by the Treasurer. There are three points only which require reference here.

New Revenue.

In the first place it will be noticed that a temporary head of revenue has been inserted, entitled "New Revenue," to an amount of £51,200. This Head of Revenue will disappear when the forms which the new revenue is to take have been decided. The amount of the new revenue is equal to the estimated cost of European and Indian Education in 1927, exclusive of headquarters expenses and of interest and sinking fund charges on educational buildings. A further explanation of this item of revenue is given in the note dealing with the Education Estimates for 1927.

Revenue from Land Sales

The second point is concerned with the revenue derived from land sales. Revenue from this source is derived from the disposal of a capital asset and should not be regarded as normal annual recurrent revenue. The revenue estimated to accrue from this source in 1927 is £20,000. It is considered legitimate to spend this revenue during 1927 provided the expenditure is incurred on permanent non-recurrent works. In the preparation of the budget, therefore, the £20,000 revenue from this source has been inserted under Public Works Extraordinary and is included in the £45,000 remaining to be allocated under that Head to permanent non-recurrent works.

Port and Marine Estimates.

The third point is concerned with the omission from the Revenue Estimates of revenue derived from Port and Marine Services. It is proposed to treat the 1927 Estimates of Revenue and Expenditure for Port Services in the same way as the Kenya and Uganda Railway Estimates and a separate schedule has been prepared showing the total cost of Kilindini and other ports. This schedule includes all expenditure which previously appeared in the Expenditure Estimates under the Head Port and Marine Departments. The revenue collected by these departments has, therefore, been deleted from the Revenue Estimates for 1927. The detailed items of this revenue are as follows:—

Revenue Head.	Estimated Revenue 1927.
II.—Port, Harbour and Light Dues.	
1. Light Dues	2,200
2. Pilotage	7,000
3. Port Dues	11,000
III.—Licences, Duties, Taxes, etc.	
2. Registration of Dhows, etc.	1,200
6. Miscellaneous Licences (Fishing Stake Licences)	90
10. Stamp Duties	60
IV.—Fees, Municipal Revenue and Payments for Specific Services.	
11. Miscellaneous Fees—Buoy Charges	260
23. Fees for Survey of Ships	60
VII.—Earnings of Government Departments.	
2. Ferries	2,800
4. Steam Launches	225
12. Steam Tug "Nguvu"	1,500
VIII.—Revenue from Government Property and Royalties.	
8. Ballast for Vessels	70
IX.—Sale of Government Property.	
3. Stores	40
Total	£26,505

In 1926 the Revenue from these sources was estimated at £22,365, and the Expenditure of the Port and Marine Departments at £18,128 recurrent and £1,180 extraordinary. The transfer of the revenue and expenditure of these services to a separate schedule therefore adversely affects the Colony's budget to the extent of £3,057 on the 1926 Estimates.

In all comparisons made in this memorandum between the 1927 and 1926 Estimates, the estimated Port and Marine Revenue (£22,365) and Expenditure (£19,308) have been deducted from the Estimates for 1926.

The Expenditure Estimates for 1927 show a total of £2,534,937, or £165,492 more than the total of the Expenditure Estimates for 1926.

Reference to the Revenue Estimates will show that the anticipated revenue for 1927 exceeds the estimated revenue for 1926 by £229,326. Of this excess, the sum of £51,200 is estimated new revenue, and if this sum is excluded from the comparison the excess of revenue anticipated in 1927 over revenue estimated in 1926 amounts to £178,126. This increase is expected to accrue on the present basis of taxation only. It will be seen that the proposed increase in expenditure (£165,492) falls short of the anticipated increase in revenue, on the present basis of taxation only, by £12,634.

Before proceeding to examine the causes of this increase and the new services proposed for introduction in the 1927 Estimates it will be convenient to consider the total Estimate of Expenditure and to ascertain its financial effect.

Re-imbursments, etc.

The Kenya Estimates are swollen on both revenue and expenditure sides in three ways:—

- (1) A number of Kenya Government departments as, for instance, the Customs, Audit and Post Office, perform services for other Governments or bodies. The full cost of these departments is generally shown on the Kenya Expenditure Estimates and a re-imbusement appears in Head V of the Estimates of Revenue. The net cost of the department concerned is, in such cases, the cost as shown in the Expenditure Estimates less the amount of the appropriate reimbursement.
- (2) Considerable expenditure shown for constitutional reasons on the Kenya Estimates in respect of Public Debt Funded and Interest is, in fact, borne by the Kenya and Uganda Railway and appears on both sides of the budget. In this category may also be placed the inclusion on both sides of the budget of revenue and rents from lands in Native Reserves which, when collected, are paid into Native Funds.
- (3) Certain additions to both sides of the budget are made for accounting purposes. This applies particularly to the cost of services rendered by the Post Office to other Government departments and in a smaller degree to the sale of forest produce while in cases where the Government buys food for sale (at cost price) both sides of the budget are similarly affected. It is, however, difficult to differentiate in such cases between pure book entries and entries relating to the performance of specific services such as the cost of food at schools which is met by revenue shown under School Boarding Fees.

Reference to the Revenue Schedules will show the following amounts which may be considered as appearing on both sides of the budget:—

HEAD.	ITEM.	£
IV	15. Endowment of Ali bin Salim School	1,085
V	Reimbursements	401,837
VI	11. Contribution from Railway for maintenance of Railway Telegraph Lines	4,900
VIII	2. Rents of Lands in Native Areas	3,700
IX	4. Sale of Posho	1,032
XI	3. Interest on Advances pending the raising of Loans	145,000
XII	5. Sale of Posho	850
Total		£558,404

To this figure should be added:—

- | | |
|--|----------|
| (1) The amount estimated by departments in respect of services rendered by the Post Office and Telegraphs Department, which is included in that department's revenue, but not as a separate item. This figure is approximately | 6,500 |
| (2) Departmental estimates for purchase of forest produce, which amount, approximately, to | 50 |
| Total | £564,954 |

On this basis, the actual expenditure entailed on the Estimates for 1927 amounts to £1,969,983.

Actual expenditure entailed in Estimates.

Calculated on the same basis, the figure for 1926 was £1,842,984.

This calculation is only necessary to show the extent to which items of revenue and expenditure appearing on both sides of the budget swell the total shown in the Estimates. The Estimates of Expenditure show the total expenditure in detail whether or not it is covered by reimbursements. In making comparison between the 1927 and 1926 Estimates the total cost and not the net cost is shown.

The increase to be considered, therefore, is one of £165,492.

Increase over 1926 Estimates. Categories of expenditure.

The various Heads of Expenditure Estimates may be divided into three categories:—

- (1) Departmental Recurrent Expenditure.
- (2) Non-departmental Recurrent Expenditure.
- (3) Non-recurrent or Extraordinary Expenditure.

So divided the Estimates for 1927 and 1926 appear as follows:—

	1927. £	1926. £	Increase. £	Decrease. £
1. Departmental Recurrent	1,557,232	1,407,106	150,126	—
2. Non-departmental Recurrent	890,424	885,316	5,108	—
3. Non-recurrent	87,281	77,023	10,258	—
Total £	2,534,937	2,369,445	165,492	—

In the category of non-recurrent expenditure, Government, in the Estimates for 1927, proposes to secure a greatly increased margin between anticipated revenue and recurrent expenditure. The following table gives a comparison in this respect between the Estimates for 1927 and 1926.

Non-recurrent expenditure.

	1927. £	1926. £
Estimated Revenue	2,580,955	2,351,629
Estimated recurrent expenditure	2,447,656	2,292,422
Margin	133,299	59,207
Deduct net revenue from Widows' and Orphans' Pensions contributions	15,901	11,287
Final Margin	£ 117,398	47,920

The margin has therefore been increased by approximately £70,000 as compared with 1926.

Of the margin of £117,398 shown for 1927, £87,281 has been devoted to non-recurrent expenditure and £30,117 to reserve.

Recurrent non-departmental expenditure.

The category recurrent non-departmental expenditure requires little comment beyond the explanations given under the various Heads of Estimates concerned. It should, however, be added that in this category has been placed the Head "Public Works Recurrent" which contains an item in respect of rents of offices and houses and house allowances in lieu of quarters, an item for which an increased estimate of £5,500 is shown and one which might properly be regarded as coming in the category of departmental recurrent expenditure.

Departmental recurrent expenditure

The estimates given for departmental recurrent expenditure fall into three categories and comparison with 1926 may be made as follows:—

	1927 £	1926 £	Increase. £	Decrease. £
European Personal Emoluments	607,952	523,220	84,732	—
Non-European do	457,377	428,854	28,523	—
Other Charges	491,903	455,032	36,871	—
Total £	1,557,232	1,407,106	150,126	—

References to the various items of increase in personal emoluments and to the manner in which those increases are divided between services approved in First and Second Supplementary Estimates, 1926, new appointments and services and other causes will be found in the notes under each Head of Expenditure embodied in this memorandum.

Revision of salaries.

Of the increase shown under European Personal Emoluments, approximately £31,500 is due to the following three causes:—

- (1) Normal increments;
- (2) Incorporation of local allowance in salaries (for which £19,000 was provided under the Head "Miscellaneous Services," in the 1926 Estimates); and
- (3) Adjustments in the pay of existing staff.

Other Charges votes.

The increase shown under Other Charges is difficult to allocate as between services approved in Supplementary Estimates, new appointments and services and the requirements of the existing staff. Many adjustments have been made in the various items grouped under Other Charges votes and a general comparison would provide little useful information. It may, however, be of interest to note that the votes for local transport, travelling and travelling allowances which in 1926 amounted to approximately £96,000 are estimated to amount in 1927 to a total of approximately £107,000 and that the cost of passages which in 1926 was estimated at approximately £54,500 is estimated at nearly £55,600 in 1927.

Principal increases.

The principal increases shown in departmental votes are as follows:—

Department	Increase over 1926 Estimates.	Increase over 1926 Estimates and 1st and 2nd Supplementary Estimates.
Education	£40,619	£29,308
Public Works Department	22,915	18,309
Medical Department	21,026	21,026
Police	17,222	9,502
Administration	12,071	12,071
Post Office and Telegraphs	9,753	9,753
"Official Gazette" and Printing	6,079	2,265

Education estimates were largely increased in Supplementary Estimates, 1926. Further provision has been included in 1927 in response to widespread demands from all sections of the community.

Public Works Department estimates were also increased in Supplementary Estimates, 1926. The Estimates for 1927 include provision for two important new services, viz., a Water Boring Branch and a Timber Seasoning Branch.

The estimates of the Medical Department provide for new services in the inauguration of a Kenya African Medical Corps and in making a contribution towards the expenses of a radiographer. Much of the increase shown has been caused by the fact that provision for a number of new appointments made in 1926 was for a fraction of the year only. Provision has to be made for the full year in 1927.

The Police estimates provide for a general reorganisation of the force and a strengthening of the European personnel. Larger provision has been made for Railway Police, the cost of which is covered by a reimbursement.

The increase shown under Administration is for the most part covered by the incorporation of local allowance in salaries. There has also been a substantial increase in the travelling votes.

The Post Office and Telegraphs Department has been strengthened to meet the demands of expanding trade. A considerable portion of the increase shown falls under reimbursement from Uganda. The estimate of Postal Revenue is increased by £13,026.

The "Official Gazette" and Printing estimates were largely increased in Supplementary Estimates, 1926. Provision has been inserted in the 1927 Estimates for an increase in machinery and staff on the lines of the recommendations of the Select Committee on a Kenya Hansard which were approved by the Legislative Council in May.

These increases together with other increases and alterations in the Estimates are dealt with in greater detail in the notes which follow.

Every effort has been made in preparing the draft Estimates for 1927 to avoid recourse to Supplementary Estimates during the period to which these Estimates relate. Calls for Supplementary Estimates during the course of the year cannot be entirely avoided, but the draft Estimates for 1927 have been so prepared that such calls as may be necessary will arise only from over-expenditure on votes caused by circumstances which cannot now be anticipated or of further disbursements which cannot be postponed without detriment to the public service and which cannot now be foreseen.

The draft Estimates for 1927 have also been prepared, with a few minor exceptions,* on the basis of an estimate for the full twelve months in respect of new appointments. The additional annual expenditure on this account which will fall due in the Estimates for 1928, will, therefore, generally speaking, be that occasioned by annual increments only.

* Exceptions occur in the Estimates of the Forest Department where eleven months' provision only has been made in the case of four new appointments (Head XXIII, items 6, 7 and 9). The additional provision necessary on this account in 1928 amounts to £94. The provision made for giving effect to recommendations which may be made by Professor Sir Rowland Biffen (Head XXII, item 68) and the Forestry Adviser (Head XXIII, item 37) may also require adjustment in connection with the Estimates for 1928 to an extent which cannot now be foreseen.

Principal increases.

Supplementary Estimates.

Provision for full year.

8

During the current year adjustment has been made in the European Personal Emoluments votes by the incorporation of local allowances in salaries. Certain other adjustments and certain proposals for the correction of anomalies in these emoluments are under consideration. A one-line vote has been inserted under the Head "Miscellaneous Services" to meet the cost of these adjustments on their approval by Legislative Council and the Secretary of State. Until the adjustments have been made it is not in every case possible to place against the title of the post the new rate of pay on abolition of local allowance appropriate to that post. In certain doubtful cases therefore, reference to the rate of pay has been omitted in the "Details" column of the Estimates. This omission will be corrected in the draft Estimates for 1928 when the rates of pay throughout the Service have been standardised.

G. A. S. NORTHCOTE,
Acting Colonial Secretary.

8th October, 1926.

HEADS OF ESTIMATES.

In the notes which follow—

Explanation
of terms.

The words "Supplementary Estimates, 1926" refer to the First and Second Supplementary Estimates, 1926, passed by the Legislative Council in March and May, 1926, respectively;

The term "Conversion to Revised Salaries" includes normal increments due to members of the European Civil Service;

The term "normal increments, etc., to the Non-European Staff" includes adjustments in pay caused by automatic promotions and adjustments in grade.

HEAD I—PUBLIC DEBT FUNDED.

The total provision under this Head remains at £365,000, but the amount of interest payable by the Colony has decreased by £5,000 from £49,869, the estimate in 1926, to £44,869, the estimate for 1927. A corresponding increase is shown under item 16, Head V, of the Revenue Estimates as a reimbursement from the Kenya and Uganda Railway.

The allocation of Interest and Sinking Fund charges on the £5,000,000 Loan has been shown in Loan Statements laid on the table during the year. It is there stated that "In 1926 the Colony will pay an additional sum of approximately £5,000 interest on unexpended loan balances temporarily borrowed. The Railway's payment will be correspondingly reduced." This temporary interest charge no longer appears as it is anticipated that monies from this Loan will have been fully expended by the end of 1926, and the proportion shown in the draft Estimates therefore represents the completed allocation of Interest and Sinking Fund charges as between the Colony and the Railway except in respect of charges on loan monies borrowed for the development of Kilindini Harbour, which may require adjustment when the future of the Port is decided.

In the draft Estimates submitted to Council the Colony's share for Interest (£44,869) and Sinking Fund (£9,722) stands at £54,591, and that of the Kenya and Uganda Railway at £310,409.

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

There is no change in the provision under this Head.

HEAD III—PENSIONS AND GRATUITIES.

Estimates, 1926	...	...	...	...	£86,538
Estimates, 1927	...	...	...	...	£93,000

The reasons for the increase under this Head are shown in Appendix D to the draft Estimates, which gives details of the additional pensions which have become due. New pensions to the European staff total £6,268, and to the Non-European staff £3,034. New pensions under the Widows' and Orphans' Pension Scheme total £386.

HEAD IV—HIS EXCELLENCY THE GOVERNOR.

Estimates, 1926	...	...	...	...	£15,319
*Supplementary Estimates, 1926	...	...	...	...	500
				Total, 1926	£15,819
Estimates, 1927	...	...	...	...	£16,081

* Exclusive of £1,630 voted for "Upkeep of Government House Furniture."

HEAD V—CONFERENCE OF EAST AFRICAN GOVERNORS.

Estimates, 1926	£2,301
Supplementary Estimates, 1926	£2,015
Estimates, 1927	

Details showing how Kenya's share of the Conference Secretariat is determined are given in Appendix E. The cost is £1,750, as compared with £1,551 sanctioned in Supplementary Estimates, 1926.

A sum of £265 has been inserted in the draft Estimates for 1927 to cover costs incurred in connection with the Governors' Conference, 1927.

HEAD VI—SECRETARIAT AND LEGISLATIVE COUNCIL.

Estimates, 1926	£18,978
Supplementary Estimates, 1926	540
Total, 1926	£19,518
Estimates, 1927	£21,328

Increases.	The main increases are:—	£
	Conversion to revised salaries	654
	New appointments	1,365
	Acting allowances	350
	Normal increments to Non-European staff	195
	Passages	349
Contingencies	160	

Item 15. *Item 27.* *Item 36.* *Notes.* *Item 3.* *Item 25.* **Statistician.**—Provision for this appointment has been transferred to Head V (*vide* Appendix E). The Statistician is a member of the Conference Secretariat staff. Mr. Walter is at present employed principally on work for Kenya. He requires an assistant for this work, and provision for this assistant has been inserted (item 25) in a separate Statistical Section of this Head of the Estimates. The assistant is employed exclusively on Kenya work and does not, therefore, form a legitimate charge against the Conference Secretariat.

Item 8. **Assistant Establishment Officer.**—The Establishment Section of the Secretariat is required to deal both with principles of terms of service among all classes of Civil Servants and with their application to the whole staff. It is responsible for all questions of personnel and deals with pay-sheets and special individual claims of the Provincial Administration. The volume of work has materially increased and considerable responsibility necessarily devolves upon the second European in the Section. The nature of his duties entails a sound grasp of rulings, precedents and regulations which can only be possessed by an officer of experience and long service who should be given the requisite status to dispose of questions direct. The regrading of this post should obviate the need for invoking outside assistance when the Establishment Officer is absent on leave. A saving is shown under Item 9, and the appointment entails change of grade, not of number. The net cost of this appointment in 1927 is £92.

Items 9-13. *Item 16-19.* **Clerks.**—There has been a regrading and regrouping of clerks resulting in the aggregate in a decrease of one post, now found under Item 24 in the staff of reporters for Legislative Council.

Item 15. **Acting Allowances.**—It has been possible in previous years to meet the cost of acting allowances from savings on local allowances which were not drawn by officers when on leave. The abolition of local allowances on revision of salaries necessitates a new item to meet the cost of acting allowances.

Item 24. **Reporters.**—Provision has been made on the lines of the recommendations of the Select Committee on a Kenya Hansard, which were approved by the Legislative Council at the May Session, for a staff of three reporters. Of these, two are new appointments, while one has been transferred from the clerical staff of the Secretariat (item 9).

Other Charges.—A net increase of £625 is shown, the greater part of which is covered by the increased provision necessary for passages (item 27). Provision has been made for the expenses of the enlarged reporting staff for Legislative Council and for the new Statistical Section. An increased vote has been inserted under item 36 for improving the library of the Government headquarters and the Legislative Council.

HEAD VII—"OFFICIAL GAZETTE" AND PRINTING.

Estimates, 1926	£18,594
Supplementary Estimates, 1926	8,514
Total, 1926	£22,408
Estimates, 1927	£24,673

The main increases are:—	£	Increase.
Conversion to revised salaries	256	
Approved in Supplementary Estimates	3,225	
Approved on recommendations of Select Committee on Kenya Hansard	1,552	<i>Item 11.</i>
Additional overtime	100	
Normal increments to Non-European staff	107	<i>Item 24.</i>
New appointment of clerk	90	<i>Item 30.</i>
Additional proficiency pay	79	<i>Item 32.</i>
Increased provision for passages	723	

Notes. *Item 2.* **Government Printer.**—The appointment of a Government Printer to supervise the Amalgamated Government and Railway Presses was approved in 1st Supplementary Estimates, 1926. It is hoped that it may be possible to make an announcement regarding the selection of a candidate to this post during the Session.

Item 6. *Item 15.* *Item 22.* *Item 33.* *Item 40.* *Item 50.* **European Reader.**
2 Linotype Operators.
2 Compositors.
Upkeep of Machinery.
Electric Power.
Outfit Allowances.

The increase of staff and cost of working for which provision is made in these items was recommended in paragraph 20 of the Report of the Select Committee on a Kenya Hansard which was adopted by Council at the May Session.

Item 11. **Overtime.**—A sum of £705 was spent on overtime during 1925, and it is anticipated that a sum of approximately £850 will be spent during 1926. The provision inserted for 1927 (£400) would, therefore, be inadequate if the present basis were to be maintained. But the position is being changed both by the amalgamation of the Government and Railway Presses and by the installation of new machinery. It is hoped that by these means it will be possible to reduce the amount paid in overtime from the actual expenditure now being incurred to the figure shown for 1927.

Item 31. **Clerk.**—In 1922, an establishment of three clerks was found to be necessary to deal with the clerical work of the Government Press. The present establishment consists of two clerks only, and with the suggested enlargement of the Press additional clerical assistance will be required.

Item 37. **Printing Paper and Printers' Sundries.**

Item 47. **Stationery, Books, etc., for Departments.**

Increases of £1,000 and £1,200 respectively were approved in Supplementary Estimates, 1926.

Item 49. **Contract Printing.**—A sum of £1,000 was sanctioned in Supplementary Estimates, 1926. Owing to pressure of work it was found necessary to place certain printing out to contract. With the enlargement of the Press in 1927 it is hoped that a smaller sum will cover requirements but, inasmuch as the new machinery and staff will probably not be in operation during the first few months of the year, it is considered desirable to make some provision for contract printing, and a sum of £100 has been inserted.

HEAD VIIa—"OFFICIAL GAZETTE" AND PRINTING EXTRAORDINARY.

Estimates, 1926	...	...	...	...	...
Estimates, 1927	...	...	...	...	£6,130

The Select Committee on a Kenya Hansard recommended the purchase of two additional Linotype machines with necessary equipment, one printing machine, and one cutting machine. The estimate of cost of the printing machine given in that Committee's report has been revised in the light of later information, and it has been considered advisable to increase the estimate for the Linotype machines to a figure which will ensure that fully equipped machines shall be installed.

Provision has been made for four tons of Linotype metal for the new Linotype machines.

HEAD VIII—ADMINISTRATION.

Estimates, 1926	...	...	...	...	£252,528
Estimates, 1927	...	...	...	...	£264,599

The Estimates of the Administration have been rearranged and now fall into three sections:—

- (1) General Staff.
- (2) Non-Native Areas.
- (3) Native Affairs Department, Native Areas, and Kabete Reformatory.

By this means the Estimates have been simplified, provision for various items under Personal Emoluments and Other Charges votes have been combined so as to show the cost as a whole instead of as a number of separate items, and the number of items has been greatly reduced.

Divided into the three sections the Estimates for the Administration show the following changes:—

	Estimates 1927.	Estimates 1926.	Increase.
	£	£	£
General Staff	123,234	116,656	6,578
Non-Native Areas	26,140	24,754	1,386
Native Affairs Department, etc.	115,225	111,118	4,107
Total	£ 264,599	252,528	£ 12,071

GENERAL STAFF.—The increase shown is £6,578. The main increases are:—

	£
Conversion to revised scales	7,580
New appointments (five 4th grade clerks)	450
Normal increments, etc., to Non-Europeans	1,298

Under item 7, seven appointments of Administrative Officers have been deleted. In the 1926 Estimates provision was made for eleven new appointments, seven of which were for six months only. These have not been filled and provision for these additional posts has not been made in the draft Estimates for 1927. This deletion effects a saving of £2,800 under item 7.

Clerks, 4th Grade.—Five new appointments are asked for. One of these is for the Northern Frontier Province, where requirements were underestimated on resumption of civil administration, and no clerk was provided for Garba Tula. One is required at Kitale, and one for the Kisumu Conservancy. Two are required at the District Commissioner's Office, Nairobi.

NON-NATIVE AREAS.—The increase shown is £1,386. Of this sum, £68 is due to conversion to revised salaries. The increased provision inserted for Conservancy Services is £923. The detailed distribution of Conservancy

Charges in Non-Native Areas is given in schedule form on page 57 of the draft Estimates. Of the increase shown for Kisumu-Lumbwa, £515 represents increased payments in respect of water. The increase for Naivasha is inserted with a view to inaugurating a Conservancy Service in Gilgil. The increase shown for Kitale is for an improved service in a growing township.

Mombasa Fire Brigade.—In 1st Supplementary Estimates, 1926, a sum of £850 was approved to cover the cost of equipment required to carry out a fire-fighting scheme recommended by the Mombasa District Committee. The recurrent expenditure in connection with the scheme was met, in 1926, from savings. £138 has been inserted in the draft Estimates for 1927 to meet this recurrent cost.

Local Transport and Travelling.—Additional provision is required mainly for Kisumu-Lumbwa and North Nyeri.

NATIVE AFFAIRS DEPARTMENT, NATIVE AREAS AND KABETE REFORMATORY.—The increase shown is £4,107.

In the Estimates for 1926, the Estimates for the Northern Frontier Province were shown in a one-line vote of £7,400. This figure has had to be supplemented during the course of the year by a Special Warrant for £7,788, which included provision for certain non-recurrent items. The estimated provision for the Northern Frontier Province in 1927 amounts to £9,585, or £2,185 more than was voted for that area in the 1926 Estimates. This sum covers more than half the increase shown.

The other main increases are:—	£
Conversion to new salaries	388
New appointments (net cost)	497
Normal increments to clerks	431
Increases to Chiefs and Headmen, exclusive of Northern Frontier Province Expenditure	748
Increased Travelling Vote, exclusive of Northern Frontier Province Expenditure	1,571
Native Registration Material	500

There have been decreases in many votes, notably in that for Travelling Allowances (£1,305) and Tribal Retainers (£462), the amounts in both cases being exclusive of Northern Frontier Province Expenditure.

Interpreters.—Three native interpreter clerks are required for the three labour inspection centres at Eldoret, Naivasha and Nairobi. The present staff is two only.

Chief Registration Clerk.

Clerks.

It is proposed to reorganise the staff of the Registration Section in order to secure more European supervision. The proposals entail the creation of the post of Chief Registration Clerk, at a salary of £500 to £600 per annum. A reduction of establishment by four Non-European clerks is shown in items 92 to 94, and there is an increase of seven African clerks shown under item 95.

Temporary Clerical Assistance.—The clerical staff of the Registration Section has been gradually increased from time to time to meet the increasing work, but it has not been possible to make provision for any proportion of this staff being absent on leave. Hitherto it has frequently happened that clerks have had to postpone their leave until long after it was due, and where they have been granted leave their work has had to be done by other clerks working overtime. It is becoming increasingly difficult for the staff to keep up with its work. The most economical way of dealing with the situation is to make provision for temporary clerical assistance.

Clerks, Finger Print Bureau.—Two additional clerks are asked for. In 1923 the personnel of the Bureau was reduced from 33 to 19 on the understanding that the registration of natives would be carried on at the rate of not more than 5,000 monthly. The average monthly rate is now 6,000, and the continually increasing demand for identification renders an increase in staff necessary. No provision exists for the relief of clerks absent on leave.

Item 118. **Chiefs and Headmen.**—Provision to the extent of £932 has been included in respect of the Northern Frontier Province. The remainder of the increase provides for normal increments and for an adjustment of salaries to Chiefs and Headmen in West Suk.

Item 144. **Local Transport and Travelling.**—The Local Transport and Travelling Votes for the various Provinces have for many years proved inadequate. The following schedule shows the amount actually spent during 1924 and 1925 with the Estimates for 1926 (which have proved inadequate), and the provision made for 1927:—

Province.	Actual Expenditure 1924. £	Actual Expenditure 1925. £	Estimates 1926. £	Draft Estimates 1927. £
Coast	1,679	1,863	1,925	1,925
Ukamba	722	1,150	857	1,450
Kikuyu	2,538	2,861	2,276	2,700
Nyanza	2,446	2,693	2,400	2,600
*Kerio	1,906	1,667	2,655	2,600
Masai	1,756	1,622	1,542	1,842
†Northern Frontier	224	1,352	2,554§	2,000
TOTAL .. £	11,271	13,208	14,209	15,217

* The Kerio Province has been enlarged since 1924 by the re-inclusion of Turkana under civil administration.

† The Northern Frontier Province reverted to civil control during 1925.

§ Apportionment from one-line vote.

Item 145. **Carts, Harness, and Livestock.**—An increase of £205 has been inserted for Kerio Province, where the expansion of civil administration over Turkana necessitates further provision.

HEAD IX—TREASURY.

Estimates, 1926	£21,428
Supplementary Estimates, 1926	275
Total, 1926	£21,703
Estimates, 1927	£24,105

Increases. The main increases are:—

	£
Conversion to revised salaries	1,205
<i>Item 5.</i> Assistant Treasurer	360
Approved in Supplementary Estimates (whole year)	383
Non-European normal increments, etc.	537
<i>Item 10.</i> Allowance to representative of Ministry of Pensions	50
<i>Item 22.</i> Passages	332

Notes
Item 4. **Accountant.**—In the memorandum on the Revised Scales of Salary on Abolition of Local Allowance laid on the table at the May Session it was proposed under "Scale F" that there should be two higher grades to which officers would be appointed on promotion:—

- (1) £720 by £30 to £840.
- (2) £840 by £40 to £920.

It was also proposed that the Accountant in the Treasury, the Chief Accountant in the Public Works Department and the Chief Accountant in the Post Office and Telegraphs Department should be appointed to the former of these grades. This was approved by Council whose decision is reflected in these draft estimates. There were three Senior Assistant Treasurers provided in the Estimates for 1926. One of these has become Accountant by change in designation. The other two now appear under item 5.

Assistant Treasurers.—One new appointment is inserted. The Treasurer has made arrangements to take over the work of the local representative of the Ministry of Pensions. The actual clerical work will require the whole time of an experienced European Clerk and there will also be a certain amount of typing and a considerable amount of supervision. At present one of the Senior Clerks in the Treasury is doing work which should properly devolve upon an Assistant Treasurer and the staff of Assistant Treasurers is inadequate to enable the present establishment to supervise the Ministry of Pensions work. It is therefore proposed to increase that establishment by one without making any addition on this account to the number of clerks engaged. The Assistant Treasurer so appointed will not be employed solely on Ministry of Pensions work, but his appointment will enable the Treasurer to detail a capable clerk and also to ensure that the work is adequately supervised. The cost of the work is covered by contributions payable by the Imperial and other Governments. The allowance to the representative of the Ministry of Pensions shown under Item 10 is similarly covered by a reimbursement. A sum of £900 appears in Head V, Item 29 of the Revenue Estimates against this service.

HEAD X—CUSTOMS.

Estimates, 1926	£41,061
Supplementary Estimates, 1926	730
Total, 1926	£41,791
Estimates, 1927	£43,504

The main increases are:—

Conversion to revised salaries	£ 584	<i>Increases.</i>
Approved in Supplementary Estimates, 1926	740	
New Appointments	1,148	

Collectors of Customs.—Provision has been included for the establishment of a Customs Collector in Uganda. This proposal involves the appointment by promotion of a Collector from the Assistant grade. For reasons of economy, no provision has been made for an Assistant to replace him and the number of Assistants (item 4) is therefore decreased by one. The second officer required in Uganda is to be an Examining Officer.

Examining Officers.
Clerks.

Two additional Examining Officers and five clerks in addition to the eight additional clerks sanctioned in Supplementary Estimates, 1926, are necessary if the work at the new wharves, including the proper control of ships' stores, etc., and the anticipated expansion of trade in all directions are to be dealt with satisfactorily.

The proportion of the cost of the Customs Department borne by Kenya varies with the proportion of Customs revenue payable to Kenya. It is estimated that 37½ per cent. of the Customs Revenue (Head D) will be payable to Uganda in 1927 in respect of Import Duty and Sundries. The Uganda Government, therefore, reimburses 37½ per cent. of the cost of the Customs Department or £16,314 (Revenue Head V, item 1).

HEAD XI—PORT AND MARINE DEPARTMENTS.

Provision for the Port and Marine Departments is being inserted in separate Estimates which will include also the cost of working Kilindini Port. No provision therefore appears in these Estimates.

HEAD XII—AUDIT.

Estimates, 1926	£16,541
Estimates, 1927	£17,059

Increases.	The main increases are :—	£
	Conversion to revised salaries	58
Item 11.	New clerks, 4th grade	180
	Normal increments, etc., to Non-European Staff	223

Notes.
Items 2 and 3. *Assistant Auditors.*—With the introduction of the revised scales of salaries, the distinction between Senior Assistant Auditors and Assistant Auditors has disappeared. The additional Senior Assistant Auditor for the Mombasa Office provided in the place of an Assistant Auditor entails an alteration in designation only and not in the rate of pay.

Item 4. *Examiners of Accounts.*—An additional Examiner of Accounts is necessary at the Railway Audit Office. The cost of this appointment, which is in substitution for that of a 1st grade clerk is met from the Railway contribution (Revenue Head V, item 19).

Item 11. *Clerks, 4th Grade.*—Two new clerks are required to provide for increased work especially in the audit of the Customs Accounts, Mombasa.

It will be observed from Head V of the Revenue Estimates that the following reimbursements are made to Kenya on account of Audit Services :

Uganda Government, Customs Accounts	£744
Uganda Government, Post Office and Telegraph Accounts	175
Zanzibar Government	1,817
Somaliland Government	404
Seychelles Government	181
Kenya and Uganda Railway	4,000

TOTAL £7,321

After deducting these sums the estimated cost of the Audit Department totals £9,738 in 1927.

HEAD XIII—JUDICIAL.

Estimates, 1926	£23,284
Estimates, 1927	£25,208

Increases.	The main increases are :—	£
	Conversion to revised salaries	539
Items 9 and 10.	Acting Allowances and Relief Process Server	515
Item 21.	New 4th Grade Clerk	90
	Normal increments, etc., to non-European staff	542
Item 31.	Jurors, assessors, witnesses, etc.	150
Item 33.	Passages	203

Notes.
Item 21. *Clerk, 4th Grade.*—This additional clerk is rendered necessary by the increased amount of correspondence and statistical work with which the present staff is unable adequately to cope.

Item 31. *Jurors, Assessors, Witnesses, Etc.*—The increased provision is necessitated by new rules for the payment of expert witnesses in criminal cases, including therein Medical Officers in Government service. The financial provision necessary is dependent on the number of criminal cases in which medical evidence will be required and cannot, therefore, be estimated with any precision.

HEAD XIV—REGISTRAR GENERAL.

Estimates, 1926	£3,314
Estimates, 1927	£3,736

The main increases are :—	£	Increase
Conversion to revised salaries	55	
Normal increments, etc., to non-European Staff	138	
Clerk, 3rd grade	126	Item 7.
Passages, increased provision	433	Item 13.

Clerk, 3rd Grade.—Owing to the increase of work the present staff is inadequate. The present clerical staff is only one in excess of that previously allowed to the Administrator-General, though the work of the department has been practically doubled.

HEAD XV—LEGAL.

Estimates, 1926	£9,267
Estimates, 1927	£9,975

The main increases are :—	£	Increase
Conversion to revised salaries	402	
Adjustments in non-European salaries	344	
Local Transport and Travelling	200	Item 19.

The votes for Local Transport and Travelling are increased to provide for the cost of Crown Counsel appearing in cases in which the Crown is concerned when the Supreme Court is on circuit.

HEAD XVI—POLICE.

Estimates, 1926	£130,495
Supplementary Estimates, 1926	7,720
Total, 1926	£138,215

Estimates, 1927	£147,717
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The main increases may be summarised as follows :—	£	Increase
Conversion to revised salaries	1,836	
*Approved in Supplementary Estimates, 1926 (whole year)	5,565	
New appointments including additions to Railway Police	11,239	
†Net additions to Other Charges votes	2,011	
Normal increments and adjustments to Non-European staff	1,153	

*Exclusive of Supplementary provision made for Passages (£740), Local Transport and Travelling (£1,610), and Travelling Allowances (£80).

†Covered by the Supplementary provision shown above.

As against these increases there is a saving shown mainly by a reduction in Indian and African Police, which may be assessed at £4,582, exclusive of consequential savings in Other Charges votes.

The Police Estimates have been recast by separating the Estimates for the Kenya and Uganda Railway Police from those of the Colony. The following schedule gives the comparison between the Police establishment in 1926 and the proposed establishment in 1927 :—

TITLE.	Esti- mates, 1926.	Addi- tional approved in Supple- mentary Esti- mates, 1926.	Proposed Estab- lishment, 1927.		Total 1927.	Net.	
			Colony	Rail- way.		In- crease.	De- crease.
Commissioner	1		1	1	1		
Assistant Commissioners	1		1	2	2	1	
Superintendents	10		10	10	10		
Assistant Superintendents	12	1	13	13	13		
Chief Inspectors			2	2	2		
Inspectors	8	1	9	8	1		
Inspector (Weights and Measures)			1	1	1		
Assistant Inspectors	13	5	18	25	4	29	11.
Sergeant Instructor			1	1	1		
European Police Constables	39	2	41	41	41		
Chief Sub-Inspectors			3	3	3	3	
Sub-Inspectors, 1st Grade	4		4	2	2		2
Sub-Inspectors, 2nd Grade	9		9	8	4	12	3
Assistant Sub-Inspectors, 1st Grade	11	4	13	13	13		
Assistant Sub-Inspectors, 2nd Grade	10		12	12	12		
Sergeants, 1st Grade	4		4	5	2	7	3
Sergeants, 2nd Grade	30		30	30	30		
Sergeants, 3rd Grade	59		59	48	5	53	6
Corporals	129		129	115	11	126	3
Indian Constables, 1st Grade	2		2	1	1		1
Indian Constables, 2nd Grade	4		4				4
African Constables, 1st Grade	271		271	232	23	255	16
African Constables, 2nd Grade	472		472	393	40	433	39
African Constables, 3rd Grade	979		979	814	81	895	84
African Recruits	224		224	209		209	15
Chief Clerk	1		1	1	1		
Clerk, Special Grade	1		1	1	1		
Clerk, 1st Grade	2		2	2	1	3	1
Clerk, 2nd Grade	27		27	32		32	5
Clerk, 3rd Grade	3		3	1		1	2
Clerk, 4th Grade	6	4	10	17		17	7
African Clerk	1		1	1	1		
Armourers	2		2	3		3	1

The Kenya and Uganda Railway reimburses the Colony the cost of the Railway Police. Head V, item 20, of the Revenue Estimates shows that there is an increase in revenue on this account from £4,000 in 1926 to £9,030 in 1927.

When the 1926 Estimates were framed the Commissioner of Police had only assumed his duties for a short time, and it was therefore impossible to expect him to present his full departmental requirements. Working on a scheme of general reorganisation of the Kenya Police Force, the Commissioner recommended many important changes. The more urgent of these were considered with 1st and 2nd Supplementary Estimates, 1926. In the first place, in view of the rapid increase of crime recorded in the Trans Nzoia, the Police establishment in that area was strengthened by the appointment of three Assistant Inspectors and one Assistant Sub-Inspector, for Cherungani, Kimani, and Kitale. Provision was made for these in 1st Supplementary Estimates, 1926.

2nd Supplementary Estimates showed a further increase in establishment. During the early months of this year, Police requirements had been temporarily met by extending the tours of service of the existing staff, but in May it was found necessary to provide additional money for reliefs.

The draft Estimates for 1927 have been framed so as to give effect to as much of the Commissioner's scheme for the organisation of the Police force on an efficient basis as funds permit. Money for further improvements has been found by examination of the establishment of African police in out-stations, and by reducing the numbers where practicable. As will be seen

from the draft Estimates, the reductions so made, exclusive of all provision for Railway Police, whose number has increased, are—

Transferred to C.I.D.	4
Sergeants	6
Corporals	5
1st Grade Constables	90
2nd Grade Constables	45
3rd Grade Constables	93
Total	173

The following notes are added in further explanation of the new posts and increases in establishment for which provision is asked.

Assistant Commissioner of Police.—The additional Assistant Commissioner will take over the bulk of the internal economy and discipline of the force now attended to by the Commissioner and Assistant Commissioner who are so tied to Headquarters on this account that their work of inspection suffers. The appointment of an additional superintendent would not meet the requirements as he would possess neither the knowledge nor the necessary authority. The force was at one time controlled by an Inspector-General (assisted by a staff officer) who spent his whole time inspecting police units. The Commissioner regards the additional appointment of an officer of experience, knowledge and authority with the rank of Assistant Commissioner as essential to the efficiency of the Kenya Police Force.

Chief Inspectors.—The creation of these two new posts involves an alteration in grade, not in number. Efficient service as an Inspector of Police is in itself no criterion of fitness for promotion to commissioned rank, but it is most desirable to provide an avenue of promotion for the outstanding efficient non-commissioned officer. The creation of the two proposed posts will provide such an avenue, and will create a keener spirit of *esprit-de-corps*. Promotion to these posts will be by selection irrespective of seniority in the Service.

1 Inspector.

1 Sergeant, 1st Grade.

Plain Clothes Allowance.

These increases are for the Criminal Investigation Department. That Department is at present a skeleton department only, and requires additional personnel to be effective.

Inspector (Weights and Measures).—The Select Committee on the draft Estimates, 1926, agreed that the appointment of an Inspector of Weights and Measures was advisable. Provision has been made accordingly.

Assistant Inspectors.—In addition to five new appointments approved in Supplementary Estimates, provision is sought for seven more Assistant Inspectors:—

1. Eastleigh.—This post has already been provided from the relief strength, as the need was imperative. This station controls Pangani and Pwani and the Somali location—the most criminal areas of Nairobi.
2. Nanyuki.—This is the key to the main route to the Northern Frontier Province.
3. Solai.—A necessary post in a settled area.
4. Turbo.—Serious crime is increasing rapidly in this area.
5. Kora.—A closely settled area. A site for a police station has been earmarked.
6. Thika.—This post has been provided already at the cost of closing Escarpment Police Post. This latter should be reopened or a new post established at Kijabe.
7. Headquarters.—Only one European is at present in charge of pay, stores and the financial work of the Police Department. This officer must have European assistance. When this officer is absent there is no European to carry on this important work.

Item 20. **Chief Sub-Inspectors.**—The creation of these three new posts involves an alteration in grade, not in number. As in the proposal to create two new posts of Chief Inspector, these appointments are intended to provide an incentive to greater effort in the Asiatic non-commissioned ranks. Promotion in the Sub-Inspector Grade is impossible beyond the maximum of the scale laid down for the 1st grade, so that even to the highly efficient Sub-Inspector there exists at present no further advancement. Promotion to those posts will be by selection as in the case of the European Chief Inspectors.

Item 50. **Clerks, 4th Grade.**—An increase in the clerical establishment of the police is urgently necessary. The duties of the Police Department have increased greatly in recent years. There have been instances of neglect and inaccurate work due to excessive work with an inadequate clerical staff. In some district stations, police officers have no clerical assistance, with the result that they must spend much of their time in clerical work, to the detriment of their police duties. The position has to some extent been met in 1926 by the engagement of temporary clerks. As will be seen from the schedule the number of clerks additional to the staff sanctioned in Estimates and Supplementary Estimates in 1926 for which provision is now sought is eleven.

Item 63. **Boy's Brigade.**—This Brigade is a new institution of the force whose main object is to train sons and near relatives of serving "askaris" to be disciplined, clean, self-respecting lads, instead of being allowed to spend their lives in the gutters of the Police lines. These boys attend school and parades, and there has been a lively response to the movement. *Esprit-de-corps* is thus instilled into them at an early age, and they are encouraged to look to the police as their future profession, and to follow their fathers' footsteps. The danger is that when a boy reaches a wage-earning age he will leave the Brigade in search of other employment, thus losing the effect of the movement to the police. Two divisions, senior and junior, have been formed. The senior boys work as office orderlies for half a day, attending school the other half, and it is proposed to pay them a small sum which will induce them to remain under police guidance and discipline until they can join the force itself.

HEAD XVII—PRISONS.

Estimates, 1926	£43,743
Estimates, 1927	£44,391

Increases

The main increases are—	£
Conversion to revised scales	413
European Chief Warders (net cost)	480
Lighting, Nairobi Prison	200

Items 8, 9 and 17
Item 50.

Notes
Item 8. **European Chief Warders.**—It is proposed that the establishment of the Prisons Department shall be strengthened with a view to improving the maintenance of discipline in the larger prisons by increasing the European staff.

It is proposed to abolish the grade of Asiatic Chief Warder and replace it by a new grade of European Chief Warder. This can be done without hardship to the present staff.

It is also proposed to merge the two grades of Assistant Superintendent (items 5, 6 and 7) into one, and to lengthen the scale of pay.

The distribution of the European Prisons staff will be as follows:—

Prison.	Assistant Superintendent.		European Chief Warders.
	Superintendent.	Superintendent.	
Nairobi	1	2	4
Mombasa	1	1	—
Kisumu	1	1	—
Nakuru	—	—	1
Eldoret	—	—	1
	3	4	6

The full staff will never be on duty at once, as there will always be from two to three Europeans on leave. Reliefs will be supplied from the Nairobi Prison.

At all the larger gaols and particularly at Nairobi Prison the population tends to increase, and a determined criminal type to appear. Better discipline is greatly needed. There have been several escapes and attacks on warders during the past few years. It is necessary at Nairobi that there should be at least one European on duty in the prison night and day. This can only be achieved by the appointment of European Chief Warders, of whom four have been temporarily engaged for duty at the Nairobi Prison.

If possible, local candidates will be obtained for the posts of European Chief Warders, the intention being to obtain young men who will receive thorough training and who will be encouraged to remain in the Prisons Service by the prospect of promotion to the rank of Assistant Superintendent, on an extended incremental scale of pay, and eventually to the rank of Superintendent. The scheme outlined should lead to greater and increasing efficiency at small immediate cost and only moderate eventual increased expenditure.

Electric Light.—The proper safeguarding at night of some 800 prisoners in a straggling prison building with no outer wall by the light of a few oil lamps is a matter of the utmost difficulty, and there is a constant fear that on a dark night a rush may be made on the barbed-wire fence by the 500 convicts occupying the temporary buildings in the outer yard. This menace could be greatly reduced by the installation of electric light. The eight large wards of the main building also require better illumination. Provision is therefore being made for the installation of electric light in the Nairobi Prison (under "Public Works Extraordinary"), and for the cost of current under this item.

HEAD XVIII—MEDICAL DEPARTMENT.

Estimates, 1926	£178,964
Estimates, 1927	£199,990

The Medical Department Estimates for 1926 were originally framed to a total of £194,959. Following examination in Select Committee, these Estimates were reduced to £178,964, largely by means of estimating the financial position that would be necessary during the course of the year, having regard to the difficulties of filling posts and providing hospital accommodation. A number of new appointments were made, provision for which covered part of the year only. The necessity for extending the provision to the whole year in 1927 is a large factor in the increase shown in this vote in 1927 as compared with 1926.

The main increases may be summarised as follows:—

	£	Increases.
Conversion to revised salaries	4,365	
Supplementary provision for part-year Appointments approved in 1926	8,540	
New appointments and services	5,125	
Normal increments, etc., to Non-European staff	706	
*Net increases in Other Charges votes	2,620	

* Excluding increase under items 91 and 92.

The new appointments and new services for which provision is made are:—

Clerks.—One new clerk is required to provide for relief of the existing clerical staff, insufficient provision for purposes of leave having been made in the 1926 Estimates.

Medical Officers.—Provision has been inserted for two new appointments, one of whom is to be a Lady Doctor. With the development of settlement in the Colony and of social services among all sections of the community, it is considered that the establishment of medical officers should include at least one Lady Doctor.

The other new appointment has been inserted in order that a beginning may be made in the formation of a Kenya African Medical Corps; further provision will be found for this purpose under item 37 (Sergeant Instructor), and item 91 (Training of Africans). There is urgent need of an efficiently trained and disciplined native staff for hospitals. The institution of this Corps on a fully equipped basis is estimated to cost £7,345 per annum. It has not been found possible to include so large a sum in these draft Estimates, but it is hoped by the provision made to allow the Corps to be started. The training of a native hospital staff, though described as a new service, is in reality a key service on which the efficiency of the Medical Department depends, and it is considered most important to include in the 1927 Estimates some provision for its establishment.

Item 26. **Radiographer.**—An offer has been received from a specialist in radiography and electrical treatment to practise in Nairobi, providing his own complete equipment, estimated as costing £4,500, and a trained assistant, and treating all Government officials and patients of the Native Hospital free, for an annual payment of £1,500 for the first three years.

Item 25. **Medical Attendance on Government Officials by Private Practitioners.**—Financial considerations alone have hitherto prevented the grant to Asian Civil Servants of free dental treatment on the same basis as Europeans. It has now been ascertained that this privilege can be accorded at an annual cost of £525. For this sum regular visits to some of the larger townships on the Railway will be assured. The Kenya and Uganda Railway will make provision for similar facilities for the Railway Asian staff.

The Director of Medical and Sanitary Services estimates that at least eighty per cent. of the Medical Department vote is spent on native services.

The draft Estimates of the Medical Department have been framed on a basis of consolidation of existing services without expansion, except in respect of the inauguration of a Kenya African Medical Service and payment to a Specialist in Radiography. The Estimates for 1926 were prepared on a scheme for expansion which was to be introduced gradually as funds allowed. Financial considerations have prevented expansion in 1927 to the extent anticipated a year ago, and several intended services have had to be postponed such as:—

- (1) Medical Officer for Voi and Teita District.
- (2) Medical Officer for South Nyeri District.
- (3) Medical Officer for Kerio Province.
- (4) Second Medical Officer for Mombasa Hospital.
- (5) Second Medical Officer for Kisumu Hospital.
- (6) Four Sanitation Officers to open two new posts.
- (7) Assistant Bacteriologist for relief.
- (8) Additional Sanitary Inspectors and Nursing Sisters.

The 1927 Estimates as framed will also make it difficult to maintain certain services already begun, e.g., the Medical Officer for the Malindi District and the Second Medical Officer, North Kavirondo District, owing to lack of reliefs for officers falling due for leave.

HEAD XIX—EDUCATION.

Estimates, 1926	£100,343
Supplementary Estimates, 1926	£11,311
	£111,654
Estimates, 1927	£140,962

The draft Estimates of the Education Department have been framed with the object of providing for the growing educational requirements of all sections of the community on a more satisfactory footing than has been possible hitherto. The Estimates for 1926 were inadequate. Supplementary provision was asked for and granted during the course of the year in the attempt to keep pace with the demands, a procedure which is open to objection on financial grounds.

It will be seen from the Revenue Estimate Schedules that a new temporary Head of Revenue has been inserted for Budget purposes, the figure there provided being £51,200. This figure represents the estimated net cost of European and Indian Education in 1927, after making deductions for school fees and school boarding fees (Revenue Head IV, items 13 and 14), but exclusive of all overhead expenditure included in the Administration division of the Education Department. The principle that the cost of non-native education should be met from new taxation has been accepted by the Elected Members of Council and proposals for obtaining the necessary revenue will be laid before Council during the present Session.

Interest and sinking fund charges in respect of educational buildings have not been included in the estimate of cost as shown.

It will be convenient to examine the Estimates of each section of the Department separately.

ADMINISTRATION.

The Estimate has increased by £4,548 from £13,565 to £18,113. The main increases may be summarised as follows:—

	£
Conversion to revised salaries	1,020
Approved in Supplementary Estimates, 1926	1,625
New appointments	1,013
Increased travelling expenses	2,350

An adjustment has been made in the form of the Education Estimates by which provision for reliefs and acting allowances (item 11) has been separated into the four divisions. A saving on this account, amounting to £1,250, therefore appears in this section.

Superintendent of Director's Office.

European Clerks.

African Clerks.

The appointment of a Chief Inspector of Schools and of a Supervisor of Technical Education, the organisation of Central and School Area Committees under the Education Ordinance, the growth in the number of schools, and the variety of the work of the Department in every branch, have so increased the work at headquarters that the suggested increase in staff is necessary to an efficient discharge of the duties.

Local Transport and Travelling.—There are seven officers in this division who can only perform their proper functions if they are steadily on tour. Their efficiency is affected if their travelling is limited.

Books, Stationery and Equipment.—Supplementary provision to the extent of £3,000 was granted under this item in Supplementary Estimates, 1926. The total sum sanctioned in 1926 has therefore been reduced from £6,000 to £4,000.

EUROPEAN EDUCATION.

The Estimate has increased by £12,165 from £26,557 in 1926 to £38,722 in 1927. The main increases may be summarised as follows:—

	£
Conversion to revised salaries	1,304
Approved in Supplementary Estimates, 1926	1,440
New appointments	2,538
Reliefs and acting allowances	3,000
Boarding expenses	1,875
*Contributions to schools	816
Maintenance	650

* Additional to extra provision approved in Supplementary Estimates, 1926.

Principals.—A new school at Nanyuki was sanctioned in Supplementary Estimates, 1926. A Principal is required for a new Government School at Thika.

Assistant Masters.—Sanction was given to the appointment of a Manual Instructor for the Nairobi School in Supplementary Estimates, 1926. Provision has been inserted for a new appointment of an Assistant Master to be Physical Instructor at the Nairobi School.

Senior Assistant Mistresses.—Provision is inserted for a Senior Assistant Mistress at Nakuru. This new appointment enables a saving under item 33 of £50 formerly paid to an Assistant Mistress at Nakuru.

Item 28. *Assistant Mistress.*—Two new posts have been inserted, one to be Physical Instructress at the Nairobi School, and one to be teacher for junior classes.

Items 29 and 30. *Matrons and Assistant Matrons.*—Matrons and Assistant Matrons have been placed on a revised scale of salary corresponding to the junior clerical grades in the Service, Matrons rising to a maximum of £390 per annum. One new appointment of Assistant Matron has been inserted for Nairobi on account of the increasing numbers and the necessity of improved supervision. This will obviate the necessity for casual assistance with sewing. In the past some of the Matrons and Assistant Matrons have received free board. With the introduction of the revised scales of salary it is proposed that they should relinquish this privilege.

Items 32, 54 and 69. *Reliefs and Acting Allowances.*—The relief work of the Education Department has to be estimated separately, as no permanent reserve staff is maintained, as in the case of some other departments, for relief work.

Item 33. *Duty Allowances.*—It is proposed to make provision for duty allowances of £60 per annum each to the master and mistress in charge of boarding-houses. These are tied to their houses by their duties, and it is considered equitable that an allowance should be paid in respect of the added responsibilities and loss of freedom entailed.

Item 37. *Maintenance.*—An additional £650 has been inserted to meet new charges in connection with the farm schools on the Plateau, and for the new schools at Nanyuki and Thika.

Item 42. *Contributions to Schools.*—An increase of £1,261 is proposed, £445 of which, for Loreto, was approved in Supplementary Estimates, 1926. It is proposed to increase the grant for Loreto Convent, and to make grants to other schools, mainly on the Plateau.

INDIAN EDUCATION.

The Estimates have increased by £8,745, from £13,455 in 1926, to £22,200 in 1927. The main increases may be summarised as follows:—

Conversion to revised salaries	£ 27
Approved in Supplementary Estimates, 1926	1,966
New appointments	4,140
Reliefs	800
*Grants-in-Aid	697
Special Equipment	500

* Additional to extra provision approved in Supplementary Estimates, 1926.

Items 46 and 48. *Principals and Assistant Masters.*—It is proposed to open four new Government Schools in addition to two sanctioned in Supplementary Estimates, 1926. The increase of staff suggested is shown in the following table:—

Grade.	Estimates, 1926.	Supplementary Estimates, 1926.	Total 1926.	Proposed Establishment, 1926.	Increase.
1st Grade	1	..	1	1	..
2nd Grade	4	..	4	6	2
3rd Grade	12	3	15	24	9
4th Grade	17	5	22	34	12
		Total	42	65	23

The increased establishment is intended for disposition as follows:—

School.	2nd Grade.	3rd Grade.	4th Grade.
Nairobi	1	3	4
Mombasa	..	1	3
Kisumu	..	1	2
Lamu	..	..	1
Machakos	..	1	1
Fort Hall	..	1	..
Thika	..	1	1
Asembo Bay	..	..	1
Total	2	9	12

Assistant Mistresses.—Four new posts are inserted, three for Mombasa, Item 50, and one for the new school at Machakos.

Grants-in-Aid.—The increase is mainly accounted for as follows:— Item 59.

(a) Grants already approved in 1926 Supplementary Estimates in order to meet the increased number of children coming under education (approximately one-half of the total increase).

(b) Normal increments.

(c) Equipment of schools receiving aid for the first time.

There is no increase in the number of aided schools but four schools hitherto on the aided list are now to be taken over as Government Schools.

ARAB AND AFRICAN EDUCATION.

The Estimates have increased by £15,161, from £46,766 in 1926 to £61,927 in 1927. The increases may be summarised as follows:—

Conversion to revised salaries	£ 1,249
Approved in Supplementary Estimates, 1926	1,733
New appointments	2,191
Reliefs	990
*Maintenance and purchase of material	2,037
Grants-in-Aid to schools	2,073
Grant to Alliance High School	795
Boarding expenses	2,520

* Additional to amount approved in Supplementary Estimates, 1926.

The Estimates in this division have been regrouped so as to show the whole cost without subdivision in respect of the Jeanes School and the Native Industrial Training Depot at Kabete.

Principals.—Provision has been made for one additional Principal. Nine Principals are shown on the 1926 Estimates for Mombasa, Malindi, Waa, Machakos, Native Industrial Training Depot (Kabete), Jeanes School, Kap-sabet, Kericho, and Narok. A tenth Principal has been in charge at Kajiado his salary during 1926 being defrayed from Masai Trust Funds. It is proposed to make provision for the Principal of Kajiado School in the Estimates for 1927. Item 62.

Assistant Masters, Assistant Mistresses and Matron.—It is proposed to engage an Agricultural Specialist and a Manual Instructor for the Jeanes School and to provide for the appointment of a Lady Doctor in place of the Matron. It is also proposed to appoint a Handicrafts Teacher. A contribution of £1,500 is made in respect of the Jeanes School by the Carnegie Trust Fund (Revenue Head V, item 23). Reliance is being placed on this contribution to defray the expenses of the Agricultural Specialist, the Lady Doctor, and the Handicrafts Teacher. Items 63-65.

Native Teachers.—There is an ever-increasing demand for village and police schools and the creation of a class of ill-paid, ill-qualified and discontented teacher must be avoided. It is hoped that a moderate remuneration for teachers in these schools will induce trained men to remain in their villages rather than to go to the towns. Item 67.

Clerical Assistance.—It is intended to employ a clerk and accountant combined at the Native Industrial Training Depot. A large building programme is being undertaken at that institution, and it is important that Government property should be well taken care of and accounted for. An assistant who will perform the duties of a clerk of works is therefore advisable to save the time of a technical man. Item 71.

Maintenance and Purchase of Materials.

Boarding Expenses.

Large increases are shown under these items. The Native Industrial Training Depot at Kabete is growing rapidly. It is hoped by means of the training given at this institution to secure a supply of trained Africans for the building programme now before the country. A sum of £2,500 for plant and equipment at this depot was sanctioned in Supplementary Estimates, 1926, in recognition of the urgency of providing adequate training there.

Grants-in-Aid to Schools.—The increase represents the normal increments of the staff engaged against the approved estimate for the current year together with provision of grants to the hitherto unaided schools at Kisumu, Ribe and Kabaa. Item 74.

Item 80. **Local Transport and Travelling.**—The increase shown under this item is mainly due to the necessity for movements of the increased staff and students of the Jeanes School in supervising and carrying out their duties in village schools throughout the country.

HEAD XIXa—EDUCATION EXTRAORDINARY.

Estimates, 1926	£5,470
Supplementary Estimates, 1926	£605
Total, 1926	£6,075

Estimates, 1927

The items included under this Head in the draft Estimates for 1927 are largely self-explanatory.

Item 2. A grant of £988 is proposed for buildings and equipment of a European School at Mombasa.

Item 3. Kericho and Kapsabet Government Schools were started on wholly inadequate funds, and further expenditure is necessary on the Masai Schools, Narok and Kajiado (item 6).

Item 4. £2,500 for the immediate equipment of the Native Industrial Training Depot at Kabete was granted in Supplementary Estimates, 1926. A further sum of £1,500 is now inserted for this purpose.

Item 7. The £880 required by the Alliance High School is for the completion of the scheme for the erection and equipment of that school.

The amounts spent, provided and estimated for education both recurrent and extraordinary, from 1925 to 1927, with the percentage of the whole allocated to each division, are as follows:—

	Actual Expenditure, 1925.	Original Estimate, 1926.	Estimates with Supplementary Estimates, 1926.	Estimates, 1927.
	£	£	£	£
Administration	10,198 (12½%)	12,965 (12½%)	16,630 (14%)	18,113 (12%)
European	23,675 (29½%)	25,982 (24½%)	27,417 (23½%)	40,000 (26½%)
Indian	10,969 (13½%)	13,455 (12½%)	15,318 (13%)	22,200 (14½%)
Arab and African	35,612 (44½%)	53,411 (50½%)	58,344 (49½%)	71,000 (47%)
Total	£ 80,454	105,813	117,709	151,313

XX.—MILITARY.

Estimates, 1926	£124,502
Supplementary Estimates, 1926	6,853
Total, 1926	£131,355
Estimates, 1927	£128,215

The draft Military Estimates for 1926 were framed on a proposed establishment of five companies only, but it was stated that it might be found necessary to make further provision for a sixth company. The Select Committee on Estimates preferred a suggestion for providing additional training staff at headquarters at an estimated cost of £5,000, but the matter was left in abeyance pending the visit of the Inspector-General. The Inspector-General pressed strongly for a six-company battalion and in First Supplementary Estimates, 1926, further provision to the extent of £6,853 was made. At the same time expected savings of £2,806 were shown under this Head and this saving was increased to £3,021 in the Second Supplementary Estimates.

The actual Military Estimates after Second Supplementary Estimates, 1926, therefore totalled £128,334 or £119 more than the Estimate for 1927.

The Secretary of State has decided that all King's African Rifles personnel should receive salaries and local allowance on the old basis pending a decision on proposals affecting the future of King's African Rifles emoluments and conditions of service as a whole. Certain units of the King's African Rifles serve in territories where there has been no local allowance and the Secretary of State is anxious that nothing should be done as regards the emoluments paid to the King's African Rifles personnel in Kenya, Uganda, and Tanganyika which would prejudice the matter elsewhere until the position has been considered as a whole. Adjustment to new salaries under this Head has therefore been confined to certain posts in the clerical establishment and to the staff of the Defence Force. The cost of conversion to revised salaries in respect to these few posts is £418.

It will be found that the great majority of items which disclose an increase as compared with 1926 were amended in First Supplementary Estimates, 1926.

With regard to the other items:

£100 provision has been made for rebuilding up-country rifle-ranges.

£100 has been inserted for an increased rate of pay to the Assistant Bandmaster. The present Bandmaster is due to go on leave in 1927 and a more experienced assistant is required than could be obtained on the lower pay.

Changes are proposed in the control of the Supply and Transport Services (items 124 to 126). A new appointment of one Regimental Sergeant-Major is asked for to be Senior Conductor in charge on the Turkana route. There is at present no officer available for duty on that route and additional responsibilities are therefore entrusted to the Senior Conductor.

The additional Armourer-Sergeant (item 126) is necessitated by the additional mechanical transport work being undertaken. Mechanics are required at the Meru Garage, on the Thika-Meru Convoy, and on the Turkana or Meru-Wajair route.

Drivers, Etc., Mechanical Transport.—The increase in wages is caused by the increase in personnel and the present high wages commanded by native drivers. Every endeavour has been made in Kenya and Uganda to obtain natives at the wage of Shs. 72 per mensem, the ruling rate up to 1925. It is found, however, that drivers can now be obtained only at wages of from Shs. 100 to Shs. 150 per mensem.

HEAD XXI—POST OFFICE AND TELEGRAPHS.

Estimates, 1926	£135,943
Supplementary Estimates, 1926	609
Total, 1926	£136,552
Estimates, 1927	£145,696

The main increases may be summarised as follows:—	£
Conversion to revised salaries	1,834
New appointments	5,090
Approved in Supplementary Estimates*	650
Normal increments, etc., to non-European staff	1,190
Net increase in Other Charges votes	1,087

* Personal emoluments only, estimated for the whole year.

The Post Office and Telegraphs Department estimates for services to Kenya and Uganda. The reimbursement made by Uganda (Revenue Head V, item 2) should therefore be deducted in order to ascertain the cost to Kenya. A reimbursement is also received from the Kenya and Uganda Railway (Revenue Head VI, item 11).

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In 1926 the net estimated cost was £104,964;† for 1927 it is £110,630,† an increase of £5,666. A number of the new appointments suggested are appointments for Uganda. Reference to these is made in the explanations to items 4, 5, 17, 22 to 32, 36, 41, 42 and 48. The total cost of these appointments, exclusive of consequential additions to Other Charges votes is £2,876. The balance of £2,214 in respect of new appointments comes under explanations on the Kenya Estimates.

† Exclusive of reimbursements in respect of house allowance, provision for which is made under Public Works Recurrent.

Items 4 and 5. Junior-Postmasters and Postal Clerks and Telegraphists.—Four additional appointments are required, two for Uganda and two for Kenya. Of the latter, one is necessary for more intensive supervision at the Nairobi Telegraph Office where the volume of traffic to be handled has rapidly grown; and one at Eldoret which is the commercial centre for a developing European area.

Item 18. Assistant Telegraph Engineers.—The present staff working under the Chief Telegraph Engineer consists of one Assistant for Uganda and two for Kenya. This staff is necessary for permanent duty and one additional Assistant is required as a relief.

Item 18. Telegraph Inspectors.—Two additional appointments are required, one for direct service in Kenya and one to provide for additional leave relief, the provision for which is at present inadequate. The additional inspector for Kenya is required mainly to cope with development on the Usain Gishu. The construction and maintenance of over 150 miles of pole route and some 450 miles of wire is being thrown on the Post Office and Telegraphs Department in consequence of the railway extension from Eldoret to the Uganda border and of the Kitale branch line. In addition to this there will be the work of maintaining the Eldoret telephone exchange. Of the cost of this Inspector approximately £300 per annum will be recoverable from the Kenya and Uganda Railway.

Items 22-32. Clerks.—Twelve additional clerks are required, three particularly for Uganda. Three clerks are required to staff departmental post offices at Soy, Turbo and Hoey's Bridge. With the remaining six, after allowing for reliefs and the normal requirements of expanding telegraph traffic and business generally, it is hoped to open departmental post offices at Kitale, Muhoroni and Rongai.

Item 35. Although the additional clerks required for departmental post offices will effect a reduction in the vote for postal agents and contractors (item 35) equivalent to their cost, a net increase is shown in that vote in order to meet expenditure on the opening of contract post offices in other districts and to meet increasing remuneration in respect of existing contract officers caused by the larger volume of business being transacted.

Item 50. Return Commission on Money Orders.—The expenditure under this item fluctuates with money order remittances from Kenya to countries abroad in conformity with the state of trade. An increase of £900 has been shown under the relative revenue item (Head VI, item 2).

Item 51. Parcel Post.—The increase of £370 shown under this item is dependent on similar factors. The relative estimated increase of revenue (Head VI, item 5) is £1,000.

Item 56. Office Equipment.—The increase of £300 is inserted to meet the cost of private letter-boxes. The immediate revenue is estimated at £100 per annum and the installation will be for the convenience of the public.

Item 58. Conveyance of Mails in Kenya.—An increase of £1,870 is shown to provide for trade development.

Item 62 (21). Tracer.—This new appointment has become necessary in the Chief Telegraph Engineer's Office.

Item 62 (37). Conveyance of Mails by Sea, etc.—The expenditure under this sub-head represents actual commitments to countries abroad and to the Kenya and Uganda Railway for the carriage of mails. Payment is dependent on the bulk of mail matter conveyed and any increase in expenditure is offset by a corresponding increase in revenue.

HEAD XXIIa—POST OFFICE AND TELEGRAPHS EXTRAORDINARY.

Provision to the extent of £5,000 is inserted for telephone and telegraph extensions and improvements. Owing to the increasing demand for telephone services throughout the country, the £3,000 provided in the 1926 Estimates has proved insufficient. Practically the whole of this expenditure is immediately reproductive. The estimated revenue for 1927 from the telephone service exceeds the estimate for 1926 by £2,920 and there is little doubt that this increased revenue will be realised if funds are made available for extensions.

HEAD XXII—AGRICULTURAL DEPARTMENT.

Estimates, 1926	...	£116,574
Supplementary Estimates, 1926	...	3,223
Total, 1926	...	£119,797
Estimates, 1927	...	£120,936

The main increases may be summarised as follows:—	£	Increases.
Conversion to revised salaries	2,671	
New appointments and services	2,580	
Approved in Supplementary Estimates, 1926	1,820	
Supplementary provision for appointments approved in 1926	760	

Certain other increases are shown, but these are more than covered by reductions in the estimate on other items.

Live Stock Officer.—The services of an officer trained and experienced in animal husbandry are required to study livestock breeding and management among both European and native-owned stock and advise thereon. He is also required to assist in administration of the livestock section of the Crop Production and Livestock Ordinance, 1926, under which steps must be taken for the improvement of native livestock. Notes.
Item 6.

Marine Biologist.—Provision has been inserted for a Marine Biologist in order that a preliminary inquiry may be made into the sea and lake fisheries. Item 38.

Assistant Agricultural Officer.—Provision is asked for one new appointment. It is proposed that this officer should be charged with the promotion of the ghee industry. Item 45.

Plant Breeding Services.—A one-line vote of £800 has been inserted in order that financial provision may exist to give preliminary effect to recommendations which may be made by Professor Sir Rowland Biffen as a result of his forthcoming visit to Kenya. Item 68.

Assistant Manager, Cool Stores.—The duties of foreman-machanic do not cover the management of the cool stores. Economy will be effected if the posts are combined in the manner proposed by the grant of an allowance. Item 72.

Upkeep, Travelling Laboratory.—Extended facilities under the Rinderpest Service are sought for the purchase of a motor vehicle and its equipment for use as a travelling laboratory. At present the facilities afforded in the field are inadequate for the necessary microscopic work in connection with this service. A sum of £250 has been inserted to cover the cost of upkeep and a further sum of £800 has been placed in Head XXIIa for the cost of the car, its fittings and equipment. Item 129.

HEAD XXIIa—AGRICULTURAL DEPARTMENT EXTRAORDINARY.

Travelling Laboratory for Rinderpest Service.—Facilities under the existing division of Rinderpest Service are at present inadequate for the necessary microscopic work. Provision has been inserted for the purchase, fitting, and equipment of a motor vehicle for use as a travelling laboratory.

HEAD XXIII—FOREST DEPARTMENT.

Estimates, 1926	£31,571
Supplementary Estimates, 1926	£329
Total, 1926	£31,900

Estimates, 1927	£34,400
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Increase.	The main increases are:—	£
	Conversion to revised salaries	522
	New appointments and services	2,146
	Net increase in Other Charges votes	898

Notes. *Conservator of Forests.*—Provision is inserted in item 2 for the temporary appointment of a Forest Adviser, whose duty it will be to advise on forest working and preservation in Kenya and Uganda. Half of his salary is payable by Uganda. In view of this appointment it is not proposed to fill the post of Conservator for the present. An increase is shown under item 9, Acting Allowance, to provide for an Acting Conservator during 1927.

Item 8. *Assistant Conservators.*—There is a decrease of one Assistant Conservator as compared with the establishment sanctioned in 1926.

Item 6. *Assistant Forest Surveyor.*—Only 420,000 acres of forest are mapped in sufficient detail for working plan purposes. There remain over one million acres, apart from bamboo and grass lands, of which there are no detailed maps. Topographical maps of these areas are required before it is possible to enumerate the Colony's total timber resources. The Forest Surveyor (item 5) goes on leave in September, 1927, prior to retirement. There should be no gap in the work, and the new appointment of an Assistant is inserted so that a successor may be appointed early in the year and have nine months' work with the Surveyor prior to his departure. The Survey Department is so fully occupied that it cannot detail a Surveyor for the work.

Items 7 and 11. *Foresters and Assistant Foresters.*—Provision has been inserted for one additional Forester and three more Assistant Foresters. The Forester and one Assistant Forester are required to cope with the increased planting needed to maintain the fuel supply for railway, industrial and domestic purposes in the Nairobi district. The remaining Assistant Foresters are to be stationed in the Mount Kenya and the Mount Elgon Forests, where the rapidly increasing demands for timber and fuel have outgrown the capacity of the present staff.

Item 15. *Clerk, 4th Grade.*—A clerk is required for the office of the Assistant Conservator, Londiani. This division includes four Forest Stations, and comprises the whole of the Mau, the Grogan Concession, Tinderet, Elgeyo and Elgon Forests. To organise the work of this area practically all the Assistant Conservator's time is required in the field, but his office work is heavy and increasing, and he has no clerical assistance. Native clerks have been tried without success. A competent clerk will be able to relieve the Foresters in the division of much routine clerical work. None of them have any clerical assistance and at present spend many hours on timber accounts which would more profitably be spent in the forests and plantations, where the work is increasing rapidly.

Item 35. *Forest Development.*—A one-line vote of £400 has been inserted so that financial provision may exist to give effect to recommendations of the Forest Adviser during the course of the year.

HEAD XXIV—GAME DEPARTMENT.

Estimates, 1926	£14,346
Estimates, 1927	£9,705

The decrease in the Estimate for the Game Department is almost entirely accounted for by the smaller provision made for the purchase of ivory and confiscated trophies. No increase is shown in the number of appointments. The cost of conversion to revised salaries, with normal increments to the European staff, amounts to £209.

HEAD XXV—LAND DEPARTMENT.

Estimates, 1926	£41,303
Estimates, 1927	£43,029

The main increases are:—	£	Increase.
Conversion to revised salaries	1,765	
New appointments and services	398	
Normal increments, etc., to the Non-European staff	214	
Other Charges items have been reduced by a net amount of £683.		

Accountant.—The appointment of an Accountant for the Land Department is now necessary. A corresponding reduction is shown in the number of European clerks (items 5 and 19). This appointment is therefore an alteration in grade, not in number.

Survey Cadets.—Provision has been made for one new appointment. It is considered desirable to encourage the enlistment of young residents in the Service as opportunities occur.

Clerks, 4th Grade.—Two additional appointments have been inserted. These two posts have been filled for twenty-two and four months respectively, the cost being met from savings. They are both attached to the Accounts Section of the Department, where the work is increasing in great volume annually.

Duty Allowance to Warden of Mines.—Formerly a full-time Land Assistant carried out the duties of Warden of Mines. The work is now done as additional by a Registrar. A Duty Allowance is proposed in respect of this additional work.

HEAD XXVI—MISCELLANEOUS SERVICES.

Estimates, 1926	£75,158
Supplementary Estimates, 1926	34,875
Total, 1926	£110,033
Estimates, 1927	£70,219

Comparison from year to year of the provision made for Miscellaneous Services is difficult as many of the items shown are non-recurrent. Services which are non-recurrent under this Head included in the Estimates for 1926 were:—

	£
Incorporation of local allowances in salaries	19,000
Khartoum-Kisumu Air Route Survey	2,000
Expenses of census	1,000
TOTAL	£22,000

The balance for recurrent items being £53,158. To this a sum of £9,925 was added in Supplementary Estimates, 1926, under items 8, 10, 15, 17, 20, 34 and 35 of the 1927 Estimates. The recurrent total in 1926 is therefore £63,083.

The draft Estimates for 1927 include the following non-recurrent items:—

Contribution to Civil Service Athletic Association	£ 685	Item 14.
Adjustments in salaries (to be transferred to other Heads in subsequent years, if subsequently approved)	3,600	Item 35.
Portraits of Kenya Governors	200	Item 39.
TOTAL	£4,485	

leaving a balance of £65,734 for recurrent items. The net recurrent

increase is therefore £2,651. Of this sum £600 represents a contribution to the Imperial Schemes for Agricultural Scholarships (Item 30) which formerly appeared under the Agricultural vote and £800 represents the cost of printing and publishing "Habari"—revenue of £300 appears under Revenue, Head VII, Item 13—which formerly appeared in the Education Department Estimates.

Item 14. *Contribution to the Civil Service Athletic Association.*—By motion in the Legislative Council in October, 1922, financial provision was made for assistance to this Association on a pound for pound basis, the grant not to exceed £250 in any one year and £1,000 in the aggregate. Payment on this basis has been made annually. The Association has now asked that the balance between payments already made and the maximum of £1,000 may be granted in advance so as to enable the Association to begin the erection of a club house, which will form an additional attraction to membership and in other ways improve the Association's financial basis.

Item 16. *Travelling of Distinguished Visitors.*—An increase of £600 has been inserted in this vote as the provision made in 1926 was not nearly sufficient to meet expanding requirements.

Item 38. *Adjustments in Salaries.*—Following upon the proposals for revision of salaries on abolition of local allowance investigations were made into anomalies in the pay of various grades. The Kenya Government has been in correspondence with the Secretary of State and with the Governments of Uganda and Tanganyika in regard to the recommendations of the Anomalies Committee and other adjustments in salaries which have been under review, but no decision has yet been reached which would enable these adjustments to be made prior to the submission of the draft Estimates to Council. The draft Estimates have been framed on the present basis of salaries both in regard to anomalies and to those scales of salary which, on conversion, did not coincide with any of the new grades. A one-line vote has been inserted in order that financial provision may exist for giving effect to the proposals at a later date. These proposals will be placed before Council for consideration before any expenditure is incurred under this item.

HEAD XXVII—INTEREST.

The provision inserted under this head remains unchanged, but it is expected that of the amount provided in 1926 a considerable sum will not be spent. A saving of £25,000 under this Head was anticipated when the First Supplementary Estimates, 1926, were presented to Council.

The manner in which the total for 1927 has been arrived at is shown in the explanation column of the Estimates from which it will be seen that it will be possible to use surplus balances to a considerable extent in reduction of commitments on borrowed money.

Against this Head, a revenue item of £145,000 appears in Revenue Head XI, item 3, as "Interest on Advances pending the raising of Loans." The net interest charges provided for in 1927 are therefore £25,000 only. If, during the course of the ensuing year, the £2,900,000 loan is funded, there will be a transfer from this Head to Head I of £145,000.

HEAD XXVIII—PUBLIC WORKS DEPARTMENT.

Estimates, 1926	£69,008
Supplementary Estimates, 1926	£4,606
Total, 1926	£73,614
Estimates, 1927	£91,923

The main increases may be summarised as follows:—

	£	Increase.
Conversion to revised salaries	1,976	
New service—Water Boring Branch	8,350	
New service—Timber Seasoning Branch	3,310	
Approved in Supplementary Estimates, 1926	4,531	
New appointments	1,284	
Temporary works staff	2,000	
Increase in Inferior establishment	1,197	
Normal increments, etc., to Non-European staff	467	

Clerks.—Provision has been inserted for six new clerks, viz., one junior European clerk, one European learner, and eight Non-European clerks. Of these the junior clerk and four Non-European clerks have been employed during the current year as supernumeraries. The learner is required for the telephone exchange at headquarters. The increase shown brings the Non-European clerical staff to a total of 35 as compared with 61 in 1922, 28 in 1923, 31 in 1924, and 30 in 1925. Normal departmental work has increased since 1922, and the loan programme throws an additional burden on the Public Works Department.

Executive Engineers.—The Estimates show the addition of one post and the abolition of the post of Contracts Officer (item 22). The duties of the Contracts Officer are now undertaken by the Assistant Director, the Architect, and the Quantity Surveyor, and the post of Contracts Officer is no longer necessary. The additional Executive Engineer asked for will be employed on the Plateau, in which area the work has more than doubled since the Plateau and Trans Nzoia constituted a separate division under an Executive Engineer in 1922.

Temporary Works Staff.—An increase in this vote is necessary for the proper supervision of public works. £6,000 of the vote is tentatively allocated to the supervision of maintenance and improvement of roads and bridges as shown in Appendix H.

Inferior Establishment.—Additional provision to the extent of £1,100 has been inserted to cover various posts at present charged to works. All these men are employed on more than one work, and their wage allocation is difficult. The establishment consists of office boys, watchmen, telephone operators, timekeepers, gauge readers, motor boat operators, cart drivers, yard boys, boat boys, store boys, workshop boys, stable hands and drawing office printers. The comparative allocation between the various divisions is as follows:—

	1927.	1926.
	£	£
Mombasa	598	650
Nairobi	808	641
Nyeri	288	221
Kisumu	445	221
Naivasha-Nakuru	439	199
Eldoret	517	110
Head Office	181	130
Head Office—Contingencies	24	28
Total	£3,900	£2,900

Government Coast Agency Clerks.—In view of the increase of the work of the Coast Agent an increase of two clerks is considered necessary.

Water Boring Branch.—Provision has been made for the full year for a Water Boring Branch on the lines recommended by Mr. Lewis in his report on irrigation in Kenya. This service is expected, in time, to produce considerable revenue, but for the year 1927 a token vote of £500 only has been inserted in Revenue Head VII, item 15. Provision is being asked for during the current year for the purchase of water boring plant.

Timber Seasoning Branch.—Following upon investigations which have been carried out during the last two years it has been suggested that the methods which have been found successful in South Africa would be found successful in Kenya also. The Government of the Union of South Africa lent the services of Mr. Nils B. Eckbo, a member of the Union Forest Department.

who visited Kenya in August. His report is to the effect that the timber outlook in Kenya is satisfactory provided a timber yard is established capable of turning out thoroughly seasoned timber on short notice. Mr. Eckbo considers that the common species of local timber can be adequately seasoned by the modern kiln process, and that this is the only method of seasoning likely to prove satisfactory in Kenya. This method is coming into general favour in South Africa, not only on the part of the Government, who introduced the system into South Africa, but also on the part of the timber merchants and contractors. The Kenya Government, therefore, proposes to embark upon a scheme for the installation of kilns of sufficient total capacity to season 600 tons of timber per annum. It is proposed that the kilns shall be installed and run by the Public Works Department, but the Kenya and Uganda Railway will assist by doing certain metal work in the shape of boiler, piping, trucks, and other fittings which can best be made locally.

It is suggested that the plant shall be installed as a separate unit on a site which can subsequently be handed over to private enterprise, if such a course appears desirable. Timber would be purchased "sawn up" from local saw-mills up-country, and delivered by rail to the seasoning yard. When seasoned it would be stored in the Public Works Department store until required for use.

It is essential that an experienced superintendent should be engaged at first, and it is hoped that it may be possible with the assistance of Mr. Eckbo to borrow a superintendent from South Africa for a year to organise the working of the kiln, and train a learner in the work.

This service is expected to be immediately productive of revenue. It is proposed to work it on a self-supporting basis. Corresponding revenue has been inserted in Revenue Head VII, item 16.

HEAD XXIX—PUBLIC WORKS RECURRENT.

Estimates, 1926	£167,620
Supplementary Estimates, 1926	£29,356
Total, 1926	£196,976
Estimates, 1927	£169,190

It has been necessary to reduce the provision made for the maintenance and improvement of roads and bridges, the maintenance and repair of public buildings, and tools and plant, the first and last of which were increased by £5,000 and £15,156 respectively in 2nd Supplementary Estimates, 1926.

Item 1. A schedule showing the proposed distribution of the money over the road system of the Colony is given in Appendix H. The comparative amounts as between the various divisions for the year 1926, exclusive of Supplementary Estimates, and the year 1927, is as follows:—

DIVISION.	1927.	1926.
	£	£
Nairobi	19,980	28,000
Naivasha	15,400	16,240
Kisumu	16,570	14,600
Eldoret	18,400	17,656
Nyeri	11,500	9,814
Mombasa	10,150	8,090
Emergency Reserve	1,100	900
Total .. £	93,000	95,300

It has been considered more urgent to improve many roads which are mere tracks in the out-districts, particularly in the Trans Nzoia, than to provide a hard surface to the roads in the vicinity of Nairobi, and no special provision has been made for new murrum surfacing to these roads as was done in the 1926 Estimates.

HEAD XXX—PUBLIC WORKS EXTRAORDINARY.

Estimates, 1926	£61,675
Supplementary Estimates, 1926	£26,470
Total, 1926	£88,145
Estimates, 1927	£65,000

In the provision made under this Head, a sum of £20,000 has been inserted for purchase of furniture for new buildings erected out of loan funds. It is expected that the new Government Houses at Mombasa and Nairobi will be completed during 1927. Other buildings which may be finished are the school at Nairobi and possibly that at Nakuru. In addition there will be several smaller buildings requiring furniture such as officers' quarters, hospitals, etc., at out-stations.

The balance of £45,000 reserved for Public Works Extraordinary has not yet been allocated. This sum is designed to return into capital works the revenue derived from Land Sales (Revenue Head XIV), estimated to amount to £20,000, and to provide £25,000 in addition for more urgent permanent works.

HEAD XXXI—TRADE INFORMATION AND PUBLICITY BUREAU.

There is no change in the Estimate under this Head.

COLONY AND PROTECTORATE OF KENYA.



LEGISLATIVE COUNCIL.

SPEECH

BY

H. E. THE GOVERNOR,

LT.-COL. SIR EDWARD GRIGG,
K.C.V.O., C.M.G., D.S.O., M.C.

12TH OCTOBER, 1926.

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1926.

H. E. THE GOVERNOR'S SPEECH
TO LEGISLATIVE COUNCIL.

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*H.E. the Governor's Speech to Legislative Council,
12th October, 1926.*

HONOURABLE MEMBERS OF COUNCIL,

The main business of the Session which now begins is the consideration of three sets of Estimates. For the past five years this Council has had to deal with only two sets of Estimates, Colonial Estimates and Railway Estimates; but for the first time this year there are separate Estimates for the Port, and there will therefore be laid on the table this morning three different sets of Estimates. This procedure arises naturally from the recommendations of the Port Commission.

The preparation of all the Estimates, however, has been delayed and complicated this year by the fact that sanction has not yet been given to the recommendations of the Port Commission. Under the terms of that Commission's report the control of the Port would have passed into the hands of this Government, acting through my honourable friend, the General Manager of Railways, and through the Port Manager, Mr. Bulkeley, assisted by a representative Board. Charges would then have been so spread over the trade of the Port that the burden of working costs and of interest and sinking fund charges on capital expenditure would have been distributed among all interests making use of the Port, and any deficit would have fallen on the Colonial Estimates.

The Imperial Shipping Committee, representing all the Dominions and the many shipping interests of the Empire, to which the Secretary of State referred the report of the Port Commission, has, however, unfortunately taken an unfavourable view of some of its recommendations. A deadlock has therefore arisen. On the one hand, the Railway is not in a position to take its former share in the working of the Port or to carry any further responsibility unless the Port is declared a Railway service under the terms of the Order in Council. On the other hand, it is impossible for the Colony to accept financial responsibility for the Port without control of the

charges and of the general working. Owing to this deadlock something had to be done, pending a final decision upon the report of the Commission, in order to enable the harbour to continue working efficiently and in order to enable Estimates for 1927 to be framed. With the consent therefore of the Uganda Government, and with the full concurrence of the General Manager of Railways, I proposed to the Secretary of State that the Port should be declared a Railway service, that the Railway should thus be enabled to carry on the present system of control and responsibility to the end of next year, and that time should thus be gained for a final settlement between the conflicting views of the Port Commission and the Imperial Shipping Committee. To this course the Secretary of State has consented on the understanding that the arrangement is purely provisional, and does not prejudice the final settlement. The Port Estimates, as well as the Railway Estimates, will therefore be introduced by my honourable friend, the General Manager of Railways.

This provisional arrangement, though it constituted the only course open to us pending a final settlement, bristles with difficulties and inconveniences, which present themselves to the General Manager every day; and nothing is more eagerly desired by this Government, the Government of Uganda, and the Railway than to arrive at a final agreement and settlement with all interests concerned. Ships are freely coming alongside the new berths, where very prompt despatch is being given; and I am glad to report that the Secretary of State has sanctioned the construction of two further deep-water berths which are urgently needed.

The Secretary of State is very properly concerned in seeking to promote a settlement acceptable to what I may call the sea interests as well as the land interests which use the Port of Kilindini; and though the consequent delay is inconvenient and even costly to the shippers of this Colony and Uganda, I hope they will exercise a wise patience during this difficult period. Both Governments and the Railway will do their utmost to expedite a decision.

I come now to the main subject before you to-day, that is, the Colonial Estimates. The procedure proposed by Government is that the Estimates should be laid on the table immediately for the study of members, that after the business of to-day we should adjourn till Monday next in order that hon. members may have full time to study the Estimates before discussing them, that my honourable friend, the

Colonial Secretary, should make his statement on the Estimates on Monday, and that the principles of the Estimates should then be debated if honourable members desire. After that stage I think it will be desirable that the Estimates be considered in detail in Committee of the whole Council. I understand that the elected members are anxious to see that course pursued this year, and Government is perfectly ready to meet them in that matter.

A new precedent has been established this year in that a Memorandum is also laid with the Estimates explaining the principles on which they have been framed and dealing afterwards in detail with the various heads of expenditure. I hope that this Memorandum, which represents very careful work, will be of assistance to the public in understanding what the Estimates are about.

The broad summary of the Estimates is contained on page 2. The total estimated revenue for 1927 is £2,580,955. The total expenditure proposed is £2,534,987. There is therefore an estimated surplus of £46,018. My honourable friend will deal in detail on Monday with the Heads of the Estimates. In the meantime I think it may be desirable for me to say something about the method on which they have been framed, about certain salient points in the Estimates, and also about the broad lines of policy which they express.

The procedure followed in regard to the Estimates for 1926 was such as to make accurate comparison between the approved expenditure of 1926 and the estimated expenditure for 1927 extremely difficult. The Draft Estimates as presented to me on my arrival in the Colony last October showed an estimated expenditure of £2,385,666 and an estimated revenue of £2,315,808. It was therefore necessary, in order to avoid an estimated deficit of nearly £70,000, either to increase the revenue by new taxation or to reduce the proposed expenditure. I took the view that the extension of services proposed was both too rapid and too costly for realisation in a single year. Considerable reductions were accordingly made by the Select Committee under some heads in the estimated expenditure. This reduction, combined with a further estimated increase of revenue, including an item of £35,000 for land sales, made it possible to balance the Estimates of revenue and expenditure approved and passed by Council in 1926, with the exception of certain small re-votes.

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In the course of the present year it became apparent that the provision made was not in all respects adequate, particularly in the Education Department, the Public Works and the Police. It was therefore necessary to ask the approval of this Council for heavy Supplementary Estimates. I would not think of defending this practice as the normal financial procedure proper for any Government. It was, however, practically unavoidable this year because of the exceptional circumstances in which the year's Estimates were framed, owing to the date of my arrival in the Colony, and because of the difficulty of remodelling largely any Estimates when once they are drawn. The First and Second Supplementary Estimates approved by Council this year amounted together to a total of £146,867. The Third Supplementary Estimates will amount to £59,372. This brings the total appropriation for the year up to £2,594,492, from which should be deducted expected savings amounting to £111,115, leaving revised expenditure estimated at £2,483,377.

It is essential that the exceptional procedure followed in the Estimates for 1926 should not be regarded as a precedent, and I desire it to be understood that the Estimates for 1927 have been drafted on entirely different lines. The total of proposed expenditure has been based upon a conservative estimate of revenue and so fixed that adequate provision is made from revenue for public works of permanent value and for building up the Colony's reserve. The allocation of this expenditure to the various heads in the Estimates is based upon a careful comparison of the Colony's various needs, and every effort has been made to allot the money available to the Colony's most urgent requirements. Heads of Departments are not responsible for the totals allotted to them; they are responsible only for applying to the best possible advantage the totals which they have been allowed. Responsibility for the broad lines of policy expressed in the allocation of revenue falls, not upon individual Heads of Departments, but upon the Government.

I will come later to the policy expressed in the Estimates. Before leaving the question of procedure, I desire, in view of this year's experience, to issue a warning which will, I hope, be taken to heart by all concerned.

It is addressed to officers in the service of Government. Many such officers have had the habit of assuming that money which was denied to them in the main Estimates might be

secured at a later date in Supplementary Estimates by the simple expedient of spending their vote prematurely and then asking for more. Senior administrative officers have sometimes sought to weight these supplementary demands by explaining that without, for instance, a Special Warrant for excess expenditure on travelling there must be a set-back in the collection of revenue. I wish to say with emphasis that these practices are to stop. Heads of Departments are to conduct the services entrusted to them, and administrative officers are to discharge the duties of their posts, within the sums allotted to them for the year. I shall take an unfavourable view of the discretion to be reposed in any officer who exceeds his estimates for any but an exceptional cause, which was not foreseen when the Estimates were framed.

Honourable members will gather from this warning that Government will make every possible endeavour to limit Supplementary Estimates in 1927 to exceptional expenditure such as cannot be foreseen. Some such expenditure it is impossible to avoid, but it will be kept down to the minimum.

I come now to the policy of these Estimates and to a comparison of these Estimates with those of previous years.

When opening this, the last annual Session of this Council, at Mombasa two months ago, I reviewed in outline the financial position of the Colony. I have nothing now to add to that review except to say that revenue continues to accumulate in excess of the 1926 estimate and that the prospects of the Colony for 1927 are good. Despite the labour shortage which is at present being seriously felt both in railway construction and in certain parts of the settled districts, particularly on coffee estates, there is every reason to anticipate a year of considerably increased production and sound all-round development. The actual surplus on the first half-year was £116,000, bringing our accumulated surplus balances to a total of £266,000.

Such good prospects, better than those of some years past, might seem to create a proper opportunity for a further expansion of Government services; but in view of the need, to which I called attention last year, of checking the growth of recurrent expenditure so as to enable the Colony to build up an adequate reserve of surplus balances, the Estimates now presented to you provide only for an expansion of the most urgently needed services. They accordingly show a very

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considerable reduction in the rate at which recurrent expenditure has increased since 1924. The following figures illustrate this comparison :-

Year.	Estimate of Expenditure.	Increase.
1924	£1,899,215	—
1925	£2,117,225	£218,000
1926	£2,388,753	£271,528
1927	£2,534,937	£146,184

This last figure requires a slight correction owing to the fact, already mentioned, that Port and Marine expenditure and revenue are for the first time this year presented in separate Estimates, and that Port and Marine expenditure must therefore be deducted from the total figure of expenditure for 1926 in order to make the comparison with 1927 accurate. With this correction the increase in the estimated expenditure for 1927 over that of 1926 amounts to £165,492. Honourable members must bear in mind this correction, which is fully explained in the Colonial Secretary's Memorandum, when checking the comparative totals of expenditure given on page 31 of the Estimates.

The increase of £165,492 is broadly accounted for under the following four heads. £36,000 is for adjustments in pay and pensions in respect of posts sanctioned in the Estimates for 1926. Another £40,000 is provision for appointments and services already approved in the 1926 Supplementary Estimates. Only £58,000, or a little over one-third, is for new appointments and services proposed in the present Estimates. The balance of £31,000 is accounted for by net increases on Other Charges Votes, and by £10,000 additional provision for non-recurrent expenditure.

The lion's share in the increase of expenditure has been given to the Education Vote. The census taken earlier in the year has enabled the requirements of the European and Indian communities in Education to be carefully checked, and the Acting Director of Education knows to his sorrow that the amount allotted to him in these Estimates falls far short of the amount which he himself believed to be required. Nevertheless the vote for his Department shows an increase of £40,619 on the 1926 estimate, and an increase of £29,308 on the 1926 estimate plus the First and Second Supplementary Estimates. A further increase of nearly £5,000 in non-recurrent expenditure has also been found necessary.

This is a very large increase, and I wish from the financial point of view that it could safely be still further reduced. The total estimated cost of European and Indian Education in 1927, less headquarters expenses and interest and sinking fund charges on educational buildings, amounts to about £62,000. Only £11,000 of this total is covered by school fees and school boarding fees. The net cost to the taxpayer is therefore £51,000.

Two questions suggest themselves immediately: Is this heavy expenditure necessary? If so, how can it be most fairly met?

The answer to the first question is, in my opinion, an unhesitating affirmative. The European Education Census taken this year showed totals of 960 European children at school and 213 receiving private tuition out of a total of 1,511 children of school age (six to sixteen inclusive). There were therefore 338 European children of school age receiving no education at all. The demand for education is found, moreover, to grow very rapidly. The following are the totals of children, already born at the date of the census, and in the Colony, who will enter school age during the next six years :-

1927	238
1928	279
1929	281
1930	258
1931	287
1932	252
Total	1595

During the same period the following totals will be emerging from school :-

1927	86
1928	93
1929	108
1930	133
1931	153
1932	143
Total	716

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It is true, of course, that a certain number of children go home when they reach school age; but against this must be set the fact that a considerable number of new settlers bring families.

It follows that even on the present basis of European population, there will be nearly 900 more children, or an increase of over 60 per cent., requiring education in five years' time. It is absolutely vital to the welfare of the European community in the Colony, and to that of the Colony as a whole, that this great increase of children requiring education should be provided for year by year, and that schools should be established capable of training them in the vocations which will best suit them and the Colony. Agricultural, commercial and technical training are necessary for both sexes; training in domestic economy is very essential for girls.

The demand of the Indian community for education is rising equally fast, and the existing facilities are already far behind requirements. I will not now go into figures; a speech on Estimates is apt in any case to be disfigured with them. Honourable members who desire the detailed information can obtain it from the Education Department, where figures are in process of being prepared.

I repeat then, in reply to my first question, that this increased expenditure on education is not only desirable but urgent and imperative. The second question therefore arises: How can it be most fairly met?

One answer is that too small a part of it—only £11,000 out of £62,000—is at present charged to the parents whose children are at school. In some cases this must obviously be true. But it is also certain that fees could not be largely raised all round without inflicting hardship on many parents. I think this matter requires most careful and sympathetic investigation, and I propose to refer it to a Select Committee which I shall ask to deal with the cost of education.

Whether it be desirable to increase school fees or not, some part at least of the increased cost of education must fall upon the revenues of the Colony; and it is not easy to discover any other service which can properly be reduced in order to find further funds for education. In these Estimates the only Departments besides the Education Department which have received any substantial increase are the Public Works Department, £22,915, the Medical Department, £21,026, and the Police, £17,222. Failing reductions in other Departments,

which do not seem to me to be justifiable, there remain only two alternatives—either to reduce the estimated surplus, or else to raise new revenue by taxation.

There are very strong arguments against the former alternative. It is not desirable that revenue derived from land sales or from contributions to the Widows and Orphans Fund should be reckoned in with the other revenues of the Colony against recurrent expenditure. In these Estimates accordingly the revenue expected from land sales, amounting to £20,000, has been placed to the credit of Public Works Extraordinary, and will be devoted to works of a permanent character. Of the £45,000 allotted altogether to Public Works Extraordinary it is intended to apply £30,000 to roads, £10,000 to minor works, and £5,000 to reserve. On the other hand, the balance between contributions and expenditure in the Widows and Orphans Fund, estimated at £15,901, has been added to the estimated surplus, and will go to swell the surplus balances of the Colony. On these Estimates there is an estimated surplus of £30,117, apart from revenue derived from land sales and from contributions to the Widows and Orphans Fund.

I do not think this clear surplus of £30,117 should be drawn upon for educational recurrent expenditure. Honourable members will observe that there is no increase in the estimate of interest charges for 1927 over that for 1926. This is mainly due to the fact that the surplus balances already built up will enable the Colony to find for itself a part of the advances which would otherwise have to be secured from the Crown Agents. These balances will be increased by the final surplus on this year's accounts. The amount of the surplus cannot at present be accurately forecast, but it will certainly be considerable. It is greatly to the interest of the Colony that its surplus balances should be still further enlarged by 1928. The Estimates now before you ensure this.

The second alternative of new taxation therefore demands attention, and I have satisfied myself that a considerable amount at least of the necessary new revenue can be raised by the taxation of certain luxuries—a form of taxation which promotes rather than hinders the Colony's development. The Government has worked out definite proposals for this purpose, which will be submitted to a Select Committee, and no action will be taken till the Select Committee's recommendations are in my hands. In the meantime a token vote of £51,000, representing the total cost of European and Indian education

It is true, of course, that a certain number of children go home when they reach school age; but against this must be set the fact that a considerable number of new settlers bring families.

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One answer is that too small a part of it—only £11,000 out of £62,000—is at present charged to the parents whose children are at school. In some cases this must obviously be true. But it is also certain that fees could not be largely raised all round without inflicting hardship on many parents. I think this matter requires most careful and sympathetic investigation, and I propose to refer it to a Select Committee which I shall ask to deal with the cost of education.

Whether it be desirable to increase school fees or not, some part at least of the increased cost of education must fall upon the revenues of the Colony; and it is not easy to discover any other service which can properly be reduced in order to find further funds for education. In these Estimates the only Departments besides the Education Department which have received any substantial increase are the Public Works Department, £22,915, the Medical Department, £21,026, and the Police, £17,222. Failing reductions in other Departments,

which do not seem to me to be justifiable, there remain only two alternatives—either to reduce the estimated surplus, or else to raise new revenue by taxation.

There are very strong arguments against the former alternative. It is not desirable that revenue derived from land sales or from contributions to the Widows and Orphans Fund should be reckoned in with the other revenues of the Colony against recurrent expenditure. In these Estimates accordingly the revenue expected from land sales, amounting to £20,000, has been placed to the credit of Public Works Extraordinary, and will be devoted to works of a permanent character. Of the £45,000 allotted altogether to Public Works Extraordinary it is intended to apply £30,000 to roads, £10,000 to minor works, and £5,000 to reserve. On the other hand, the balance between contributions and expenditure in the Widows and Orphans Fund, estimated at £15,901, has been added to the estimated surplus, and will go to swell the surplus balances of the Colony. On these Estimates there is an estimated surplus of £30,117, apart from revenue derived from land sales and from contributions to the Widows and Orphans Fund.

I do not think this clear surplus of £30,117 should be drawn upon for educational recurrent expenditure. Honourable members will observe that there is no increase in the estimate of interest charges for 1927 over that for 1926. This is mainly due to the fact that the surplus balances already built up will enable the Colony to find for itself a part of the advances which would otherwise have to be secured from the Crown Agents. These balances will be increased by the final surplus on this year's accounts. The amount of the surplus cannot at present be accurately forecast, but it will certainly be considerable. It is greatly to the interest of the Colony that its surplus balances should be still further enlarged by 1928. The Estimates now before you ensure this.

The second alternative of new taxation therefore demands attention, and I have satisfied myself that a considerable amount at least of the necessary new revenue can be raised by the taxation of certain luxuries—a form of taxation which promotes rather than hinders the Colony's development. The Government has worked out definite proposals for this purpose, which will be submitted to a Select Committee, and no action will be taken till the Select Committee's recommendations are in my hands. In the meantime a token vote of £51,000, representing the total cost of European and Indian education

less fees, headquarters expenses and interest and sinking fund charges on educational buildings, has been inserted under the heading of "New Revenue" in the Revenue Estimates.

The same Committee will be invited to deal with certain suggested amendments in the taxation of motor fuels, upon which I have had a valuable report from a representative Committee.

When speaking at Mombasa in August, I called particular attention to the effect upon recurrent expenditure of two factors, the increase of pensionable posts and the rapid growth of charges for house rent and maintenance. Of the increase in recurrent expenditure here proposed only £17,000 is provision for new pensionable posts. This compares with £40,000 voted for new pensionable posts in 1926. I would add that it is not proposed to fit the seven additional administrative posts added by the Select Committee to the 1926 Estimates. As I explained at Mombasa, I am not satisfied that the present leave conditions conduce either to good administration in the Colony or to the welfare of the Civil Service. Considerable economies and other great advantages may be secured by providing for longer tours of service with regular annual spells of local leave. Measures to secure these reforms, which must of course be accepted voluntarily by officers now in the service, are being carefully worked out. In the meantime it is desirable to maintain a conservative attitude with regard to the increase of administrative and technical posts since, if the tour of service can be satisfactorily lengthened, it will enable Government to provide for a considerable expansion of services without the increase of personnel which such expansion would otherwise necessitate.

The subject of housing is in my opinion closely allied with that of lengthened tours of service. Since I spoke at Mombasa we have had the advantage of the advice of Mr. A. E. Basden, secretary to one of the chief Building Societies in South Africa, who came here at our invitation, studied our conditions, and gave us a valuable report. This report is being laid on the table with a memorandum explaining the action which Government is prepared to take upon it, and I hope that a useful expansion of private building may result.

It will be desirable, when new building is sufficiently advanced, to reconsider the scale of house allowance for officers in Nairobi and Mombasa and to leave them free to rent or build for themselves such houses as they may please. Both the ownership and renting of houses by Government should in

due course be almost entirely given up. The system involves Government in heavy charges for rents in excess of house allowance and in equally heavy charges for maintenance. Only a few senior officers should be entitled to the provision of a house.

I have been specially concerned this year with the hardship inflicted on Asiatic clerks in Nairobi by the high rate of rent. A loyal and reasonable deputation came to see me some little time ago to represent their case, and I am glad to say that provisional means have been found to alleviate the hardship. The alleviation is, however, only temporary, and I trust that a permanent solution will be found in that case also on the lines of Mr. Basden's report.

Mr. Basden agrees that, while officers should be encouraged to build and own their own houses in Nairobi and Mombasa, houses must in the out-stations be built and owned by Government. More than one district officer has recently shown that sound and durable buildings can be raised in such stations by officers themselves with a minimum of skilled supervision and at some considerable saving in cost. I am therefore endeavouring to arrange that wherever possible in out-stations the necessary building shall be carried out by administrative officers with the help and supervision of the Public Works Department, instead of by the Public Works Department direct. If honourable members desire to see a promising example of this new method of co-operation between District Officers and the Public Works Department, they will find one progressing under the capable hands of the Senior Commissioner, Mr. Horne, close by at Ngong.

There is ground for hope that the encouragement of private building in Nairobi and Mombasa, and the new method for out-stations just described, will enable houses to be built at a reasonably rapid rate, and at a large saving to the Colony in both recurrent and non-recurrent expenditure. The state of housing is bad, and has long been going from bad to worse. Government is continually being forced into the market for houses to hold its officers, and rents rise accordingly, not only against Government, but against private residents in Nairobi, who can ill afford a higher rate. There can be no question that this is one of the main elements in the high cost of living, and that all members of the community, official and unofficial, are deeply interested in seeing it reduced. I am most anxious that this growing evil should be redressed. There can be no doubt that a practical solution of the housing question will do

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much to promote a wider prevalence of thrift, a higher average of health, a stronger sense of settlement in the Colony, and in consequence a readier acceptance of longer tours of service without European leave. The future efficiency and welfare of the Civil Service depend in no small degree upon the achievement of these results.

I gave an undertaking to the Civil Service that anomalies overlooked or created by the revision of salaries would, so far as possible, be redressed. I am shortly submitting proposals to the Secretary of State embodying the recommendations of the Committee which dealt with these cases. A one-line vote to cover the necessary expenditure has been inserted in the Estimates.

Coming to a more controversial head of expenditure, honourable members will observe that provision is still being made in the Military Estimates for six companies of the King's African Rifles. I am very anxious to reduce this head of expenditure, which bears very heavily on the finances of the Colony, and propose to discuss it again with the Inspector-General, who will be passing through the Colony at the end of the year. The establishment of the Defence Force will contribute a valuable addition to the organised and available military reserve against any unforeseen or exceptional contingency, and I trust that a reduction of one company of the King's African Rifles, costing roughly £16,000, may be approved in consequence.

Some further economy will be effected on the votes for the motor allowances shown under different heads in these Estimates. The votes for local transport, travelling and motor allowances have been very carefully checked, and though they show an increase of £11,000 on the Estimates for 1926, I am satisfied that in two particulars only can they be advantageously reduced. One is the scale of motor allowances. Uganda introduced a lower scale than ours as from July 1st this year, and though a representative committee has recently reported against such reduction in Kenya, I share the private opinion of all my chief advisers that our rates are in fact too high and can be lowered without injustice or hardship. Lower rates will therefore be introduced as from January 1st, and there will be a proportionate saving under this item in the Estimates. There are also one or two respects in which the allocation of travelling allowance needs to be checked. These will be dealt with before the beginning of next year.

Before leaving this subject, I desire to repeat the warning which I have already sounded on the subject of Supplementary Estimates. Special Warrants for extra travelling are one of the most frequent causes for Supplementary Estimates. Officers must understand that they are to finance their travelling for the year within the totals allotted to them in the Estimates. Further claims, unless for exceptional cause, will be regarded as a sign of carelessness and inefficiency.

There is one other point to which I should like to call your attention before leaving the financial aspect of the Estimates. That is the increasing demand for post and telegraph services, and the resulting growth of revenue shown in these Estimates. The Chambers of Commerce have recently passed resolutions in favour of a reduction of the letter post to all parts of the Empire from a minimum of twenty cents to a minimum of ten. The Uganda Government favours this reduction, which would undoubtedly be of advantage to the business community. The reduction would, however, entail an estimated loss of £20,000 (Kenya, £16,000; Uganda, £4,000) in the Post Office revenue. This calculation is based on the assumption that there would be a large increase in the use of the letter post. It is therefore beyond the scope of these Estimates, unless extra revenue to a corresponding amount is to be found from new taxation. It is for honourable members to say, in consultation with the business community, whether on these conditions the reduction is desired or not. If not, the reduction should, I think, be provided for in the Estimates for 1928.

One or two new services call for special comment.

In the first place, the Agricultural Estimates, though limited (much against the judgment of its capable Director) to an increase of £4,362 recurrent and £800 non-recurrent expenditure, provide for the establishment of a travelling laboratory for rinderpest service, for a live-stock officer, and for the visit of a marine biologist to advise on the lake and sea fisheries of the Colony. Sir Rowland Biffen, the great authority on wheat, whose recommendations I await with special interest, arrives very shortly. The vote for his visit will therefore be included in the Third Supplementary Estimates, but a token vote covering what may be his recommendations is included in the Estimates for next year.

There are also two important new services provided for in the Public Works Estimates. One of these is a Water Boring Branch, established on the advice of Mr. Lewis, the irrigation

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Finally, I would call the attention of members to the provision for an enlarged printing-press and to the arrangements made for the issue of a complete official report of this Council's debates. The constitutional importance of our proceedings renders it essential that such a record should now be kept and made easily available to the public throughout the Colony.

I apologise for keeping Council so long, but I would conclude this bird's-eye view of the Estimates for 1927 by asking the attention of honourable members for one or two observations on the position of the Colony.

First and foremost is the steady increase in the revenues of the Colony. Seasons have not been altogether favourable, and the basis of taxation has remained unaltered for the past three years. Yet the revenue has continued to expand with remarkable regularity, and the estimates of revenue have always been exceeded by about 20 per cent., or one-quarter of a million pounds. I do not emphasise this feature in the Colony's finances in order to suggest that greatly increased expenditure may be justified. On the contrary, I have dwelt again and again on the importance of conserving our resources and building up a reserve. I emphasise it in order to show that the expanding needs of the Colony should, with careful handling, be met in the next few years without any serious addition to the financial burden which the Colonial Estimates impose.

The point deserves attention because there is, I think, a certain anxiety in the air lest the Local Government Commission should involve the taxpayer in further liabilities. It is therefore perhaps desirable to say that there is no idea in my mind of trying to saddle the settled areas with a premature and costly system of local government. I will take an opportunity later in the session of speaking on the objects of the Commission at greater length. In the meantime I hope that taxpayers, suspicious as they are, will believe that this Commission is intended, not to make our system of Govern-

ment more burdensome, but to help us in checking the circuitous and wasteful forms of expenditure which too much centralisation in such a country as this inevitably entails.

I would also ask the European community in particular to remember that the cost of the primary services of Government is necessarily high when a community is small. The headquarters establishment of Government in the Capital, including the Governor and the chief officers of the administration, and the cost of such necessities as the safeguarding of property, the maintenance of law and order, and defence, will not, however, increase proportionately with the increase of population in the Colony. On the contrary, as population increases, the cost of the primary services per head of the taxpayer will steadily decrease. This is the experience in all the more settled and developed Colonies. Combined with the buoyant record of the revenue, that consideration should form a steady bulwark against alarmist views of the financial burdens maturing for the Colony. On the one hand there is no reason to believe that the revenue will not continue steadily to expand. On the other, it is certain that, as population increases, the cost of Government per head of the taxpayer will fall.

I know that these considerations cannot be completely comforting to many who are wrestling with the labour shortage and other urgent difficulties. My honourable friend, the Chief Native Commissioner, has recently been investigating the labour problem and has made practical suggestions for dealing with it to which Government will endeavour to give effect. Government can legitimately help by discouraging idleness in the reserves and elsewhere, and also by making travel and movement easier for those who wish to go out to labour. It is the duty of all administrative officers to give practical effect in these ways to the land and labour policy laid down early this year by the Governor's Conference.

I trust also that farmers in difficulty will do their utmost to help themselves and each other by making the most of the labour supply available. Acutely as the shortage is felt in some parts of the Colony at the moment, there is labour enough for greatly enlarged cultivation and production, provided only that the supply be wisely handled and economically used, and provided also that new enterprise concentrates wherever possible on those forms of production which are not dependent on very large numbers of native hands.

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The greatest of our difficulties arise from the fact that we know so little of the mind and physique of the native. It is idle to expect continuous energy from individuals afflicted in disproportionate numbers with something worse than a C 3 physique. It is equally idle to look for sudden strides in the moral grasp of life from races which for centuries have kept the primitive minds of children. All far-seeing people therefore recognise that training in hygiene and in such forms of industry as the native mind can truly grasp lies at the root of progress amongst the native population.

There is new provision in both the Medical and Agricultural Estimates for essential native services; but the largest individual provision is that allotted to the Jeanes School in the Education Estimates. The object of this experiment is to train supervisors of native village teachers with their wives and families in health, habits of application and industry, and in practical agriculture and handicrafts. When they go out from the school, these supervisors and their families will, it is hoped, do even more by example than by precept to spread what they have learnt in their reserves. Their work will be constantly inspected, and they will return to the school at regular periods for a short course of instruction, so that their standards may not deteriorate. If this experiment succeeds, and of course it is still an experiment, the results should be so valuable that I trust no member of this Council will begrudge the proposed expenditure. It has already aroused an interest extending far beyond the boundaries of Kenya.

When all is said, however, we are working in the dark; and everything depends upon the character which we establish in the native population. The native is at present exposed to a number of well-meaning but often contradictory and mutually destructive influences. The problem which he presents engages the thoughts and sympathies of the civilised world as much as any other of the cardinal problems of the century. Here in Kenya we are dealing with that problem in its most searching form, and we have reason to know that it sometimes gives rise amongst its students to a fanaticism and bitterness of feeling almost equal to those engendered by the religious wars of earlier centuries.

Amid the welter of opinion which rages round us, our most urgent need is for a practical study of facts. Mr. Walter, the Statistician attached to the Secretariat of the Governors' Conference, who has now been at work for three months in

Kenya, is endeavouring to lay the foundations of a system which will give us reliable statistics upon the native population. Such statistics as we at present possess, even upon the labour supply, are too scanty and incomplete to form the basis of any serious study of the native problem, and Mr. Walter's work is vital to substantial progress.

We are also fortunate in that the Committee of Civil Research in London, under Lord Balfour's inspiration, has taken a special interest in our problems. As a result of Dr. Orr's visit, there are now three representatives of the Rowett Institute making scientific researches in the Colony, and we hope shortly to have some further practical assistance in medical research from the Civil Research Committee. I am sure you will gladly approve anything that can be done to assist this scientific work, which does not fall upon the Estimates of the Colony.

In this connection I was much impressed with the lecture on the mind of the native recently given in Nairobi by Dr. H. L. Gordon, of Koru. He dealt most graphically in that lecture with considerations which have been much in my own mind and which prompted me some few months ago to write assuring the Secretary of State that Kenya would gladly give all possible facilities to any organisation for research into native life and mind which might commend itself to the Civil Research Committee, of which, as I just said, Lord Balfour is the moving spirit. In that despatch I outlined some of the problems which confront us here, and suggested that, for the benefit of the Colonial Empire in general, the Imperial Government might assist the establishment of an organisation for such research by setting aside for it a sum of £100,000 from the Transport Loan. The suggestion, I believe, has been sympathetically received, and I trust that we may have the opportunity of inaugurating here a new departure in research of vital interest to all parts of the Empire in Africa.

The hardness of all political development lies in the fact that a majority of those who are most closely affected by the policy of Government are, like soldiers in a battle, never in a position to see the whole of the field. It is comparatively easy for those to take long views of the native problem who are not struggling face to face with the vagaries of African labour. But leaders are as useless in peace as in war, who cannot see a little further than those who are bearing the

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There is new provision in both the Medical and Agricultural Estimates for essential native services; but the largest individual provision is that allotted to the Jeanes School in the Education Estimates. The object of this experiment is to train supervisors of native village teachers with their wives and families in health, in habits of application and industry, and in practical agriculture and handicrafts. When they go out from the school, these supervisors and their families will, it is hoped, do even more by example than by precept to spread what they have learnt in their reserves. Their work will be constantly inspected, and they will return to the school at regular periods for a short course of instruction, so that their standards may not deteriorate. If this experiment succeeds, and of course it is still an experiment, the results should be so valuable that I trust no member of this Council will begrudge the proposed expenditure. It has already aroused an interest extending far beyond the boundaries of Kenya.

When all is said, however, we are working in the dark; and everything depends upon the character which we establish in the native population. The native is at present exposed to a number of well-meaning but often contradictory and mutually destructive influences. The problem which he presents engages the thoughts and sympathies of the civilised world as much as any other of the cardinal problems of the century. Here in Kenya we are dealing with that problem in its most searching form, and we have reason to know that it sometimes gives rise amongst its students to a fanaticism and bitterness of feeling almost equal to those engendered by the religious wars of earlier centuries.

Amid the welter of opinion which rages round us, our most urgent need is for a practical study of facts. Mr. Walter, the Statistician attached to the Secretariat of the Governors' Conference, who has now been at work for three months in

Kenya, is endeavouring to lay the foundations of a system which will give us reliable statistics upon the native population. Such statistics as we at present possess, even upon the labour supply, are too scanty and incomplete to form the basis of any serious study of the native problem, and Mr. Walter's work is vital to substantial progress.

We are also fortunate in that the Committee of Civil Research in London, under Lord Balfour's inspiration, has taken a special interest in our problems. As a result of Dr. Orr's visit, there are now three representatives of the Rowett Institute making scientific researches in the Colony, and we hope shortly to have some further practical assistance in medical research from the Civil Research Committee. I am sure you will gladly approve anything that can be done to assist this scientific work which does not fall upon the Estimates of the Colony.

In this connection I was much impressed with the lecture on the mind of the native recently given in Nairobi by Dr. H. L. Gordon, of Koro. He dealt most graphically in that lecture with considerations which have been much in my own mind and which prompted me some few months ago to write assuring the Secretary of State that Kenya would gladly give all possible facilities to any organisation for research into native life and mind which might commend itself to the Civil Research Committee, of which, as I just said, Lord Balfour is the moving spirit. In that despatch I outlined some of the problems which confront us here, and suggested that, for the benefit of the Colonial Empire in general, the Imperial Government might assist the establishment of an organisation for such research by setting aside for it a sum of £100,000 from the Transport Loan. The suggestion, I believe, has been sympathetically received, and I trust that we may have the opportunity of inaugurating here a new departure in research of vital interest to all parts of the Empire in Africa.

The hardness of all political development lies in the fact that a majority of those who are most closely affected by the policy of Government are, like soldiers in a battle, never in a position to see the whole of the field. It is comparatively easy for those to take long views of the native problem who are not struggling face to face with the vagaries of African labour. But leaders are as useless in peace as in war, who cannot see a little further than those who are bearing the

heat and burden of the fray. These Estimates represent a careful effort, in the course of which I have owed much to my honourable friend, the Acting Colonial Secretary, and my other advisers, to provide for the most urgent requirements of the day within the means which the Colony can afford, without overlooking either the problems of to-morrow or the need of adding to the Colony's reserves. As such, I commend them to your scrutiny.

SUPPLEMENTARY MEMORANDUM EXPLAINING ALTERATIONS MADE IN THE DRAFT ESTIMATES OF EXPENDITURE FOR 1927 DURING CONSIDERATION IN COMMITTEE OF THE LEGISLATIVE COUNCIL, OCTOBER - NOVEMBER, 1926, AND EXPLAINING INCREASES UNDER HEAD IV HIS EXCELLENCY THE GOVERNOR.

Head IV. His Excellency the Governor.

Item 6. CHIEF CLERK AND STENOGRAPHER. It is proposed to place the Chief Clerk on the same scale as Office Superintendents, in view of the increased work and responsibilities attached to future developments. This represents an increase of £2, as the Chief Clerk would, with duty allowance (item 9), which is to be abolished, have drawn £498 in 1927 in his present scale.

Item 8. CLERK-AIDES-DE-CAMP. An enormous increase has taken place in the clerical work entailed in regard to entertainments, etc. The present clerical staff is unable to cope expeditiously and efficiently with the large increase, and it is necessary that the Aides-de-Camp should be provided with a clerk. The work in this connection will further increase during the course of 1927 and 1928. His Excellency the Governor has personally borne the expense of this extra clerk during 1926.

Item 13. TELEPHONE OPERATOR: An arrangement has been made with the Postmaster General to provide a junior telephoniste to work the exchange at Government House at a cost of £10 per mensem. A new exchange has been installed at Government House with three main lines from the Public Main Exchange, and with twelve extension lines. This in all probability will be increased to four main lines with twenty extension lines next year. The provision of the operator will facilitate business, and leave the ordinary office staff free to cope with their own increased duties.

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Item 18. MOTOR CAR DRIVERS. An extra car driver is necessary, as there are now five cars:-

- 2 Rolls Royces.
- 1 Sunbeam.
- 1 Lorry.
- 1 Overland Box Car (the private property of His Excellency, but largely employed on Government work).

The present staff consists of:-

- 1 European chauffeur-mechanic.
- 3 Non-European drivers.

A "learner" is being trained as a fifth driver.

The provision of an extra driver will relieve the present small number, who are too often on the road (especially the chauffeur-mechanic) to give the necessary and proper attention to the care of the cars under their control. His Excellency at present pays one of the Non-European drivers half salary from his private purse.

Item 26. LIGHTING: - The new extensions to both Government Houses will necessitate the installation of a larger lighting system and consequently the cost of consumed current in the official reception rooms will be greater. It is estimated that the increase of £50 will cover this additional cost in 1927. The flat rate for the Nairobi residence was discontinued early in 1926, and the lighting system was placed on a meter.

THE FOLLOWING ALTERATIONS WERE MADE IN THE DRAFT ESTIMATES DURING CONSIDERATION IN COMMITTEE OF THE LEGISLATIVE COUNCIL.

Head VII. "Official Gazette" and Printing.

Item 2. GOVERNMENT PRINTER. The amount provided was increased from £750 to £1,000, the salary offered to and accepted by Mr. Knightley whose appointment on a thirty-month agreement has been approved on a non-pensionable basis. The total vote was accordingly increased from £24,673 to £24,923.

Head VIIa. "Official Gazette" and Printing - Extraordinary.

It was found possible to reduce the Estimate under this head by £850.

Head VIII. Administration.

The following provision was inserted.

1 Labour Inspector	£300	Item 75.
1 Clerk (Finger Print Bureau)	£ 90	" 105.
1 Clerk (Labour Inspection)	£ 60	" 78a
1 African Clerk (Registration)	£ 36	" 95
1 Interpreter (Labour Inspection)	£ 24	" 85
Travelling and Office Expenses. (Labour Inspection)	£215	Items 144, 145 and 152.
Labour Camps.	£300	Item 131.
<u>Total.</u>	<u>£1,025</u>	

The present authorised staff of Labour Inspectors is four only and the distribution is as follows:-

- One at Eldoret. For Trans Nzoia, and Uasin Gishu Districts and Nyanza Province.
- One at Naivasha. For Nakuru, Naivasha and Ravine Districts.
- Two at Nairobi. For Co-ordinating work at Headquarters and for inspection duty in Nairobi, Fort Hall and Machakos Districts, Railway Fuel Camps, Magadi Soda works and the Coast Province.

In view of the very large number of labourers passing through Kisumu and travelling to and from their places of employment by rail, it is considered that the flow of labour would be greatly facilitated

and encouraged by stationing another Labour Inspector at Kisumu to (1) supervise recruiting, (2) control the Labour Rest Camp near Kisumu Station, (3) assist in attesting labourers and getting them sent on, (4) to keep in touch with any labour forwarding agencies that may be established and (5) inspect labour employed in Nyanza Province. It is not possible for the Labour Inspector at Eldoret to carry out these duties.

It is necessary to provide an African clerk to help with correspondence and to look after the Office when the Labour Inspector is absent on duty and to interpret between Swahili and the local vernacular.

NATIVE REGISTRATION.

It is considered desirable to reduce to 12 years the age at which male natives in Nairobi must be provided with Registration Certificates under the Native Registration Ordinance. The present staff of the Department, which has been greatly reduced in strength since 1922, is insufficient to carry out the extra work involved; even the present volume of work necessitates overtime work in both the Registration Section and the Finger Print Bureau. To cope with the initial registrations entailed by proposed reduction of registration age, and to record the movements of an increased number of registered natives, one additional African clerk is needed in the Registration Section and one more Asiatic classifier in the Finger Print Bureau.

Item 111a. TEMBO SUPERVISORS: A sum of £360 was inserted. During 1926 an African has been employed at Rabai to supervise the collection of licences under the Coconut Ordinance. He has been instrumental in collecting a greatly increased revenue under this head. Provision has been inserted in the 1927 Estimates for four Tembo Supervisors at an annual salary of £90 each, one for each district

or sub-district. These appointments will certainly mean increased revenue and will probably result in less drunkenness.

The total vote was increased from £264,599 to £265,984.

Head XVIII. Medical Department.

Item 26. RADIOGRAPHER. Provision for this service was deleted. The best method of meeting the requirements of the Colony as regards X-Ray work is undergoing further consideration.

Item 119. Provision for the contribution to the International Commission on Sleeping Sickness was reduced from £450 to £225 in accordance with advice received from the Secretary of State that the Commission proposed to carry out investigations for six months only in 1927.

The total vote was decreased accordingly from £199,990 to £198,265.

Head XX. Military.

Item 111a. LOCAL TRANSPORT AND TRAVELLING (BAND) A sum of £250 was inserted. The King's African Rifles Band is frequently called upon to visit Mombasa and other centres. Hitherto there has been no provision made for the cost of this transport.

Item 142. TRAVELLING ALLOWANCES. (Supply and Transport). The vote was decreased from £225 to £25.

Item 143. LOCAL TRANSPORT AND TRAVELLING: (Supply and Transport). The vote was increased from £360 to £560.

The total (Military) vote was increased from £128,215 to £128,465.

Head XXIII. Agricultural Department.

Item 38a. A sum of £100 was inserted for the expenses of Research Workers under the Rowett Institute. A sum of £200 has been inserted for this purpose in

3rd Supplementary Estimates, 1926, as a contribution towards expenditure on experiments dealing with mineral deficiencies and malnutrition of stock. Some provision on this account is also necessary in 1927.

Items 77(a)
(b), (c) &
(d)

METEOROLOGICAL SERVICE: A sum of £496 was inserted for the establishment of a central meteorological station at Kabete and of five second order stations at various parts in Kenya. By this provision it is hoped to be able to take advantage of the special knowledge of meteorological work possessed by the Statistician, Mr. Walter, to whom it is proposed to entrust the general organisation of the meteorological services in an advisory capacity. By this means it will be possible to lay the foundations for future work in this important branch of science on a sound basis without undue expense. It is hoped that the Government of other East African Dependencies may be able to record similar meteorological observations for co-ordination by Mr. Walter. The Director General of the Physical Department, Ministry of Public Works, Cairo, who recently visited Kenya expressed the interest taken by the Government of Egypt in the meteorology of the Nile Basin and in that of bordering countries on account of its bearing on the Nile's water supply and stated that the Egyptian Government would probably be prepared to contribute something towards the upkeep of a well organised and efficient East African Meteorological Service which would extend southwards the range of observations now maintained by the existing network of stations in Egypt and the Sudan.

X Committee
(As in the Report
of the Committee
on the 1926
Estimates.)

It was pointed out during the course of the debate that the value of meteorological observations in East Africa and the Nile-Basin would be greatly enhanced if observations were simultaneously being made in the Abyssinian highlands and it was suggested that the Abyssinian Government should be approached through the proper channels with a view to co-operation in the matter.

The vote for the Agricultural Department was increased from £120,936 to £121,532.

Head XXIIa. Agricultural Department Extraordinary.

The total vote was increased from £800 to £1,550 by including provision for the purchase and installation of equipment for the Meteorological Service.

Head XXVI. Miscellaneous Services.

Item 8. The amount provided for the grant to the Imperial Institute was reduced from £500 to £300. Three new items were inserted.

Item 41. Statistical Examination of selected Native Areas....
£300.

This provision is intended to enable a start to be made in compiling an agricultural and economic survey by means of a detailed investigation in native reserves by selected native officials permanently employed as inspectors to work on pre-arranged lines in the reserves section by section under the immediate supervision of the District Commissioners. The item was inserted at the instance of the Statistician who urges that no amount of theory or guess work can solve such problems as the resources of the native reserves and that it is necessary to collect facts on a defined working plan before deductions of any value can be made. If after six months' trial of the proposed method it is found that results do not justify the expense some other means will be tried. The Statistician believes that the greater part of the Colony could be covered in from one and a half to two years by the method proposed if it proves successful.

Item 42. A sum of £20 was inserted as a contribution towards the Seamen's Hospital. For many

years Kenya Civil Servants have received medical services free or at reduced charges at the Hospital for Tropical Diseases conducted by the Seamen's Hospital Society. The fees at this Hospital have recently been re-cast on a sliding scale, particularly favourable terms being offered to officials on a salary of £300 or under and the small contribution inserted in the Estimates is intended as a grant to the Society towards general expenses.

Item 43.

Development of Local Government, Nairobi and Mombasa - £2,000.

This item was inserted in order to meet expenses which may fall due in 1927 in taking preliminary action to implement recommendations which may be made by the Local Government Commission. The Commission has not yet reported, but it is considered advisable to make some provision in respect of the preparation of a new valuation roll in Mombasa, voters' rolls, elections and other expenses in connection with the establishment of a Municipality in Mombasa and for grants to Nairobi and Mombasa during the course of the year.

Item 44.

Removal of Sudanese Colony from Jubaland....£145.

Subsequent to the cession of Jubaland to Italy those Sudanese ex-soldiers who had settled in Jubaland with their families were given the option of remaining in Jubaland and becoming Italian subjects or settling elsewhere in Kenya. A sum of £175 has been inserted in 3rd Supplementary Estimates, 1926, to provide for the passages and maintenance expenses of those who have elected to move. The further sum required during 1927

represents the cost of maintaining 63 persons at 25 cents per diem for six months.

The total vote for Miscellaneous Services was increased from £70,219 to £72,484.

Head XXVIII. Public Works Department.

Item 129. The Estimates for the Timber Seasoning Branch

originally showed a total of £3,310 and included provision against depreciation, interest and sinking fund charges. These estimates were amended as shown to a total of £2,500. A one-line vote, accompanied by an explanatory appendix, is considered the most appropriate method of making provision for 1927 owing to the uncertainty regarding salaries and other expenses during the first year of operation of this new service. The cost of the Branch will be shown in detail in the Estimates for 1928.

The vote for the Public Works Department was reduced accordingly from £91,923 to £91,113.

Head XXX.

Public Works Extraordinary.

The draft Estimates under this Head provided £20,000 for purchase of furniture for new buildings and left £45,000 to be allocated later. The total vote was increased to £70,000 and the schedule now shown in the Estimates was accepted after reference to a Select Committee of Council.

STATEMENT OF NEW NON-PENSIONABLE POSTS FOR WHICH PROVISION
IS INCLUDED IN THE ESTIMATES OF EXPENDITURE FOR 1927.

Head.	Item.	Title.	Reference to page of: Memorandum. Supplementary Memorandum.
IV. <u>His Excellency the Governor.</u>			
	8	Clerk (Aides-de-Camp) ✓	1
	13	Telephone Operator ✓	1
	18	Motor Car Drivers. ✓	2
VI. <u>Secretariat</u>			
	24	Two Reporters ✓	10
	25	Assistant to Statistician. ✓	10
VII. <u>Official Gazette and Printing.</u>			
	2	Government Printer ✓	11
	6	European Reader ✓	11
	15	Two Linotype Operators ✓	11
	22	Two Compositors ✓	11
	34	Clerk 4th Grade ✓	11
VIII. <u>Administration.</u>			
	18	Five Clerks 4th Grade ✓	12
	78a	Clerk (Labour Inspection) ✓	-
	85	Two Interpreters ✓	13
	95	Eight African Clerks ✓	13
	105	Three Clerks, 4th Grade ✓	13
	111a	Tembo Supervisors ✓	4
X. <u>Customs.</u>			
	16	13 Clerks 4th Grade ✓	15
XII. <u>Audit.</u>			
	4.	Examiner of Accounts ✓	16
	11	Two Clerks 4th Grade ✓	16
XIII. <u>Judicial.</u>			
	21	Clerk 4th Grade ✓	16
XIV. <u>Registrar General</u>			
	7	Clerk 3rd Grade ✓	17
XVI. <u>Police.</u>			
	8	Inspector (Weights and Measures) ✓	19
	50	11 Clerks 4th Grade ✓	20
	99-105.	Railway Police ✓	18
XVI. <u>Prisons.</u>			
	8	European Chief Warders ✓	20
XVIII. <u>Medical</u>			
	37	Sergeant Instructor ✓	22
XIX. <u>Education.</u>			
	7	European Clerk ✓	23
	8	European Clerk ✓	23
	9	African Clerk ✓	23
	48	25 Assistant Masters ✓	24
	50	4 Assistant Mistresses ✓	25
	62	Principal (Kajiado) ✓	25
	63	2 Assistant Masters ✓	25
	64	2 Assistant Mistresses ✓	25

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Head.	Item.	Title.	Reference to page of Memorandum.	Supplementary Memorandum.
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<u>XX. Military</u>				
	124	R.S.M. (Head Conductor)	27	
	126	Armourer Sergeant.	27	
<u>XXI. Post Office and Telegraphs.</u>				
	17	Electrical Mechanician	-	
	32	12 Clerks 4th Grade	28	
	41	Telegraph Inspector 3rd Class	-	
	42	2 Indian Sub-Inspectors	-	
	48	Telegraph XXXX Carpenter.	-	
	60(21)	Tracer	28.	
<u>XXII. Agricultural</u>				
	6	Livestock Officer	29	
	45	Assistant Agricultural Officer	29	
	77(a)	Clerk 4th Grade		6
<u>XXIII. Forest</u>				
	2	Forest Adviser	30	
	6	Assistant Forest Surveyor	30	
	11	3 Assistant Foresters	30	
	15	Clerk 4th Grade	30	
<u>XXIV. Land.</u>				
	8	Survey Cadet	31	
	11	2 Clerks 4th Grade.	31	
<u>XXVIII. Public Works</u>				
	6	Junior Clerk	33	
	7	Learner.	33	
	41	8 Clerks, 4th Grade.	33	
	87	2 Clerks, 4th Grade.	33	
	116-120	Water Boring Branch	33	
	129	Timber Seasoning Branch	33.	

STATEMENT OF NEW PENSIONABLE POSTS FOR WHICH PROVISION IS
INCLUDED IN THE ESTIMATES OF EXPENDITURE FOR 1927.

Head.	Item.	Title.	Reference to page of Memorandum.	Supplementary Memorandum.
<u>Secretariat.</u>				
VI.	8	Assistant Establishment Officer.	10.	
<u>VIII. Administration.</u>				
	75	Labour Inspector.		3
	87	Chief Registration Clerk	13	
<u>IX. Treasury.</u>				
	5	Assistant Treasurer	15	
<u>X. Customs.</u>				
	3	Collector of Customs.	15	
	7	Two Examining Officers	15	
<u>XVI. Police.</u>				
	2	Assistant Commissioner of Police.	19	
	6	Two Chief Inspectors	19	
	11	7 Assistant Inspectors	19,	
	20	3 Chief Sub-Inspectors	20	
	94, 96,			
	98.	Railway Police	18	
<u>XVIII. Medical</u>				
	11	Clerk	21	
	25	Two Medical Officers	21, 22.	
<u>XIX. Education</u>				
	5.	Office Superintendent,	23	
	24	Two Principals.	23	
	26	Two Assistant Masters.	23	
	27.	Senior Assistant Mistress.	23	
	28.	2 Assistant Mistresses	24.	
	30	1 Assistant Matron	24	
	46	6 Principals.	24	
<u>XXI. Post Office and Telegraphs.</u>				
	4 and 5.4	Postal Clerks and Telegraphists.	28	
	13	Assistant Telegraph Engineer	28	
	18	2 Telegraph Inspectors 2nd Class.	28	
<u>XXIII. Forest.</u>				
	7	Forester.	30	
<u>XXV. Land</u>				
	4	Accountant.	31	
<u>XXVIII. Public Works.</u>				
	10	Executive Engineer.	33.	

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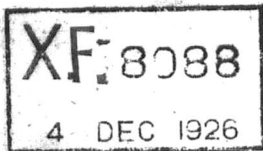
SELECT COMMITTEE ON ESTIMATES, PUBLIC WORKS RECURRENT (ITEM 1)
AND EXTRAORDINARY.

REPORT:

The Select Committee having examined Appendix H to the draft Estimates of Expenditure for the year 1927, recommends that the provision of £93,100 made in Head XXIX item 1 should stand part of the Estimates.

2. The Select Committee recommends that the subjoined schedule for Public Works Extraordinary stand part of the Estimates, the schedule of Roads and Bridges being amended within the total as shown to provide funds for a bridge over the Uso Nyiro between Rumuruti and Nanyuki out of the money previously allocated to the Nyeri division and the Northern Frontier Roads and Bridges Expenditure.

3. The Committee recommends that £1,000 of the Emergency Reserve be reserved to provide for roads in Eastleigh when it has been ascertained from the Nairobi Municipality what the intentions of that Municipality are in regard to providing an adequate road of access thereto.



(Sgd) G.A.S. NORTHCOTE
(CHAIRMAN)

(Sgd) FRANCIS SCOTT.

(Sgd) W.C. HUGGARD.

(Sgd) H.L. BAYLES.

(Sgd) W.M. LYNDE.

(Sgd) W. MACLELLAN WILSON.

(Sgd) E. VAUGHAN KENEALY.

(Sgd) J. BRITTON.

(Sgd) T.J. O'SHEA.

(Sgd) SHAMS-UD-DEEN.

4th November, 1926.

XXX. Public Works Extraordinary.

1. Police Stations.	£6,000.
2. Postal Buildings,	£2,750.
3. Timber Seasoning Plant (Completion)	£3,500.
4. Water Boring Plant. (Completion)	<u>£2,000</u>
<u>Total Major Works.</u>	£14,250.
5. Roads and Bridges.	£25,000.
6. Minor Works.	£ 7,250
7. Purchase of Furniture for new buildings.	£20,000
8. Emergency Reserve.	<u>£ 3,500</u>
<u>Total Public Works Extraordinary</u>	<u>£70,000</u>



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Statement of the Colony's Financial
Position, October, 1926.

By H. L. BAYLES,
Acting Treasurer,
Colony and Protectorate of Kenya.

NAIROBI,
PRINTED AT THE GOVT. PRESS,
1926.

STATEMENT OF THE COLONY'S FINANCIAL POSITION,
OCTOBER, 1926.

The Statement submitted by the Honourable Mr. Grannum in May, 1926, indicated that the deficit of £14,759 shown on the year's Budget might be expected, from the figures placed before him by Heads of Departments, to be converted into a surplus of £30,783. From later figures now available, the position has further improved to the extent that the surplus at the end of the year is expected to amount to £59,990.

2. The original Estimate of Expenditure for the current year, including revotes, was	£2,388,759
and that of Revenue was	£2,373,994
leaving a deficit on the Budget of	£14,769

From the latest figures supplied by the Revenue collecting departments it is expected that the actual collections will exceed the estimate by £169,373, giving a revised estimate of Revenue for the year of	£2,543,367
In the First Supplementary Estimates Council voted additional expenditure of	£52,246
and in the Second Supplementary Estimates	£94,121
The amount that will be asked for in the Third Supplementary Estimates is	£59,372
These three amounts, added to the original appropriation of	£2,388,753
give a total appropriation for the year of	£2,594,492
from which should be deducted expected savings on voted expenditure amounting to	£111,115
leaving a Revised Expenditure Estimate of	£2,483,377

It will be seen, therefore, by comparing this figure with the Revised Estimate of Revenue, that in place of the deficit of £14,759 shown on the Budget, a surplus is anticipated of £59,990

3. The estimated excesses and shortages on the original estimates of Revenue are as follows :-

	<i>Excess.</i>	<i>Shortage.</i>
	£	£
Customs	27,500	
Port, Harbour and Light Dues	2,600	
Licences, Duties, Taxes, etc.	89,796	
Fees, etc.	12,037	
Reimbursements	4,684	
Posts and Telegraphs	13,266	
Earnings of Government Departments	—	814
Revenue from Government Property and Royalties	20,850	
Sale of Government Property	581	
Miscellaneous Receipts	398	
Interest	3,185	
Land Sales	—	4,710
	174,897	5,524
	5,524	
Net Excess	£169,373	

4. The Revised Estimate of Customs Receipts is based on the assumption that the proportion of the total Customs Revenue for this Colony and Uganda which will be payable to the latter Colony will be 37½ per cent. The proportions paid to Uganda on this account in respect of the years 1924 and 1925 were respectively 40.61 per cent. and 43.024 per cent., but the Commissioner of Customs thinks that for 1926 37½ per cent. is a suitable figure on the statistics at present available and his judgment of the course of trade during the year.

The increase expected under "Licences, etc.," is mainly in the sub-heads "Licences under the Motor Ordinance," "Stamp Duties," "Native Hut and Poll Tax," "Non-Native Poll Tax," "Fines and Forfeitures," "Estate Duty," "Traders' Licences," and "Petrol Tax." Non-Native Poll Tax is expected to yield an excess of £8,000, partly owing to the new Penalty Tax, but chiefly owing to the efficacy of the recently-introduced card index system. A general extensive increase in motor transport is expected to cause an excess of £5,600 on account of "Motor Licences," and £11,500 under "Petrol Tax." A number of wealthy estates account for the large increase, £24,000, under "Estate Duty." The increase expected under "Fines and Forfeitures" is chiefly due to heavy collections in the Kisumu-Londiani and Eldoret Districts in connection with stock and produce thefts. The Commissioner of Lands anticipates increased collections of "Stamp Duty." Small increases in practically all districts account for an expected surplus of £4,000 under "Traders' Licences."

Under "Fees, Municipal Revenue, etc.," the main excesses are in the sub-heads, "Survey Fees," "Hospital Fees," "Widows' and Orphans' Pensions Contributions," and "Mombasa Municipal Revenue." One large special survey fee accounts for the increase under this sub-head.

The excess shown under "Posts and Telegraphs" is mainly due to an expansion of telegraph and telephone business.

"Earnings of Government Departments" is expected to show a shortage, decreases being shown of £3,000 under the sub-head "Sera, Vaccines and Laboratory Productions," owing to the supplies to Uganda having ceased, and of £2,400 under "Steam Tug 'Nguvu.'" The only other Head to show a shortage is "Land Sales," which is reduced by £5,000 owing to the postponement of sales of plots in Nairobi.

Under the Head "Revenue from Government Property," increases are anticipated for "Rents of Lands," "Timber Sales and Royalties," and "Magadi Soda Royalties." The increase in "Rents of Lands" is partly due to collections of arrears due. The Conservator of Forests expects an increased demand for timber, causing an excess on the Estimate of £3,000 under "Timber Sales and Royalties." The Magadi Soda Company is expected to pay all arrears due amounting to £11,000.

Under "Sale of Government Property" a decrease of £13,000 in the sub-head "Ivory and Confiscated Trophies," anticipated by the Game Warden on account of the transfer of Jubaland and a resulting increase of smuggling, is off-set by the proceeds, amounting to about £13,000, of the sale to the Italian Government of buildings, stores, and other property in Jubaland.

The increase under "Interest" is due to the general improvement in the financial situation. Increased surplus balances result partly in additional revenue from local bank balances and partly in reduced expenditure on borrowings.