

26
87

KENYA

X. 787
21 JAN 1926

1894

Date
29th December 1925

DRAFT ESTIMATES 1926.

Submits with comments and enclosed statement of the financial position, schedule of new posts and capital reports.

1 copy H. B. Stanley
J. B. [unclear]

Shaw [unclear]

vious paper

(Minutes within)

55767/25

out paper

see [unclear] (P.W.D. Staff)
26

2228

XLR

C.C.

San S. Green 10 to 12

S. L. Green had written to the S. G. P.

about the woman in his story.

getting out the money and

looking to the husband, if he

changed, to get the money and

to see that it is going down; he

on that point he sends his S.

Green will also

S. L. G.

30. 6. 16

Very J. P. a various kind of Green letter
sent in my room

Sec of State.

I don't think it is necessary for you to read the attached despatch to Sir E. Grey on Kenya Estimates but I think you should know -

(a) That no reference is being made to the increase in the Governor's salary, as it is difficult to think of any formula which would by implication reflect on Governor's silence in Council.

(b) That while appreciating "the requirements of the Colony and the aspirations of its peoples" you are pointing out to Governor that Colony must meet the charges on a loan such as he has in mind, and that you were offering assistance on this.

25.2.76.

J. A. G.

Sec of State
will
write
J. A. G.

1/76

1/3

Bostonley
Mr Allen

Minutes below after discussion with
you and Mr. Bostonley, and with the
comments on the Medical and Military
Heads have been supplied by Mr Jeffries
and Mr Mackley respectively.

The telegram approves the Estimates
Should include comments as suggested
by Mr Jeffries on Head XVIII, XIX, F. 2, 3, and
25, and also state as in last Home
Mr Mackley's comment on Head XII that
this Head is approved provisionally pending
further action.

I recirculate for despatch, and to
deal with the various other papers requiring
action, of which I have kept a note.

✓
Mr Stanley

Steel

29.1.26

✓ Allen

28/1/26

A brief note is now annexed, and
need only add in press:

(1) Decision of Governor's salary. See

Spiff was clearly taken by action - to call

have sound the withdrawal of the

order. Is the time? (the time is evidently

that Lord Dunsin is not unanimous) in

Ent Office
21.1.26

Hand by questioning it is more generally
by with the elected members than with the
Gov. Also, I am afraid in the ^{short} term
visit Kenya on the "Colony" term should be
I am afraid I have no comments to make
regarding the Governor's proposal will have
the Governor - in that time can be
considered.

2) For the limit at the end of the letter see
70/48016/25 below. The limit is
fixed by the Finance Dept. (including
understand & Gov) any raised accordingly, &
there is no serious reason to object from
that desired. It will be done to £20,000
by the end of 1926.

The Governor's Director estimate (184,793)
of Public Works Dept (185)
is not correct, ~~as follows~~

W. C. Somerville
30.1.26

Mr S. Wilson
The estimate has been very carefully examined in the
Department. I would call special attention to the
increase in the Governor's salary referred to above.
? as proposed

(This is the sort of
that makes me
that there are
advantages in
Contract?)

C.S.
4.2.26

Tel to Gov. 6th February 1926
So Gov 718 cons 4 MAR 1926
(9.11.26)

Must apply
in Part 4

Mr. Strachey

8ft. Kenya Estimates despatched herewith.

There is no final minute on the
Governor's salary point, and I can find
no formula which does not by implication
refer to the Governor's release in
Council. Possibly the ground has been
covered by private letter. In any

Wilson
I am assuming
nothing is to be
C.S.

case I have put in a reference to
the "implications" of the (strong and anyone
who wishes may apply it to the
pleasures (the balance are to follow in
the Home proposals) of official
entertainment.

I hope that the last part of the
draft may stand. Kenya's position
is precarious and - without undue
interference - much can be done by
a sense of warning to maintain some
degree of moderation.

W. C. Somerville
15.2.26

MEMORANDUM.

156

	<u>Actual 1924.</u>	<u>Approved Estimates 1925.</u>	<u>Revised (Oct) Estimates 1925.</u>	<u>Estimates 1926.</u>
Revenue	£2111,564	£2160,325	£2248,695	£2373,994
Expenditure	1861,510	2117,225	2172,607	2388,753
	S 250,054	S 43,100	S. 76,088 ^(N)	D 14,759

(8)

According to the latest figures the surplus now expected for 1926 is £72,600; but, if the revised salaries are brought into force from the 1st January 1925, it is proposed to charge the cost for that year £9,218 to Surplus Balances, and it is also proposed to take from the same source £25,000 in reduction of the so called assets Unallocated Railway Stores. If so the surplus for 1926 is, in effect, reduced to £28,391.

Estimates 1926.

The Estimates, as ^{submitted} passed, show a deficit of £69,858 but, owing mainly to additions to the Estimates of Revenue on the recommendation of the Treasurer and after consideration by the Select Committee, this deficit has now been reduced to £14,759 and as £17,065 represents re-votes on account of Public Works Extraordinary from 1925. It is proposed that the deficit should be met from the so called Surplus Balances, in accordance with Colonial Regulation 248 (although the reference to that Regulation is certainly open to some criticism).

Revenue.

The Estimates, as passed, show an increase of £262,430, on the actual results of 1924, of £213,669 on the approved Estimate 1925, and £125,299 on the Revised Estimate for last year. This last figure

1065
754
306

Main increases in R 1925

shown below are:

	£	
Invest	90,000	(NET £27,000)
Wages	69,717	
Fuel	44,933	
Structure	24,135	
Materials	17,709	
Repairs	12,302	
Insurance	9,286	
	<u>6,583</u>	
	270,665	
Depreciation	<u>42,520</u>	
	232,145	

is almost entirely accounted for by Customs up £42,800, Licences up £23,473 and Interest up £51,794.

Expenditure.

As compared with the actual expenditure in 1924 the Estimate for 1926 shows an increase of £525,243. The increase as compared with the Approved Estimates for 1925 ^{to} ~~is~~ ^{£271,528}, but the increase as compared with the ^{revised} ~~actual~~ Expenditure 1925 is about £210,000 to £220,000.

Assets & Liabilities.

A statement as at 31st December 1924 shows a surplus of £59,210. The previous floating debt had been liquidated and the figure for Unallocated Stores, Public Works Department, ~~has~~ ^{is} been reduced to £54,807 which is less than the standard stock ⁶⁰ (£55,000).

The item £242,347, Unallocated Stores, still appears, ^{and} It is recognised that it is not a proper asset, and it is proposed (on other papers) to set ^{it} against it £104,541 on the Liability side on account of Military Reserve Fund, and also to reduce it by a further £25,000 out of the realised Surplus for 1925, in accordance with the instructions which were given by the Secretary of State in connection with that year's Estimates.

It is, however, proposed also to charge against the Surplus, £9,218 in respect of salaries. On this basis, ^{of} after writing down ^{Unallocated} Railway Stores by the amount of the Military Reserve Fund, the position is as follows:-

Surplus

Surplus at 31st December 1924	£59,210
Add 1925 Surplus, £72,610	
Less £9218 + £25,000	34,218
	<u>£38,392</u>

Surplus at 31st December 1925

To be reduced -

(a) 1926 Deficit £14,759

(b) Railway Stores
in 1926 £25,000

£39,759

Surplus at 31st December 1926

£27,843

but the Balance Sheet would still

show an Unallocated Railway Stores

£242,347 less (£104,541 + £25,000

+ £25,000)

£87,806

deducting this, the actual position

at 31st December 1926 would be a

Deficit of

£29,963

The question of taking up with the Government the question of a reserve fund and the balances required for stores, advances, working capital &c., was raised on the Loan papers (43831) but the matter was deferred (50442) pending receipt of the Estimates.

Apart from other considerations the question of the balance sheet with its present fictitious surplus will assume more importance if and when the Colony raises a loan for its own purposes: and it seems a pity

pity

pity if advantage cannot be taken of the improved financial position to go beyond what has hitherto been proposed, since there is ground to believe that, if the Colonial Government had been a little less expansive in some directions it might, without interfering in any way with essential services, have budgetted for an actual surplus of assets to be shown by the balance sheet at the end of 1926, even if the illusory asset "Unallocated Railway Stores" had been swept away altogether.

AF.Allen

27/1/26.

Kenya Draft Estimates, 1926.Note on details.1. Revenue.

Head 1. Customs. The amount of customs revenue shown as transferable to Uganda is 2420,000 (37½% of the total). The Uganda estimates show a figure of 2400,000, but the Governor of Uganda in his estimates despatch explained that he had not estimated for the full 37½%, so as to be on the safe side. (The Governor of Uganda was warned in a telegram of 16th November that Customs revenue estimates should be conservative, in view of the possible effect of a fall in the price of cotton).

Head V.Reimbursements.

Items 13 - 21. The draft Estimates for the Uganda Railway for 1926 have not been received, and the contributions-in-aid shown under these items cannot be checked at present.

Item 22. The Officer Administering the Government was informed in the Secretary of State's despatch No. 825, of 27th August, 1925, that it was considered advisable that before the grant made by the Carnegie Corporation was definitely allocated to any particular purpose, Mr. Dougall should have an opportunity of studying conditions in Kenya. The first instalment of the grant (£1,500) has therefore not yet been applied for, and although provision is made under Head XVIIIa, Item 2 for the expenditure of this sum in 1926 such expenditure will presumably be deferred pending further correspondence after the Governor has considered Mr. Dougall's views.

In this connection it should be noted from paragraph (4) page 6 of X.784/26 that there has been some difficulty in deciding on the type of building most suitable for this purpose.

Head XI. Interest.

A note on this item and the similar expenditure item is attached. The net provision for interest on additional Colony loan Expenditure in 1926 is £32,000 representing roughly a capital sum of £1280,000. It ^{will} almost certainly prove excessive, but £20,000 of the £32,000 was added by the Select Committee and the Governor says that the whole provision is unlikely to be required, but it was desirable to have an ample margin.

Expenditure.

509/25
Head IV. Governor Item 1. In the Secretary of State's despatch of 16th July No.651, the Governor's salary was put at £4500, and the Secretary of State said that he would be prepared to reconsider the arrangements later if they were found after careful trial to be inadequate. 787/26. The Governor now explains in paragraph-16 (a) of this despatch, that following a resolution in the Council moved by Lord Delamere and passed without a division, the amount has been increased by £500 to £5,000, for the consideration of the Secretary of State.

Head V. Secretariat.

787/26. The increase in the staff of the Secretariat is explained in paragraph 16 (b) of ^{SAL} Governor's despatch. There is no doubt that an expansion is very necessary, but it may be noted that the Senior establishment (i.e. that of Assistant Secretaries) is composed entirely

of

of higher grade posts.
 Head VII. Administration. *A minute on certain new posts provided under this Head on 5/5/26.*

Head VII. Administration. Item 5.

The title of the post provided for under this item should be "His Britannic Majesty's Consul in South West Abyssinia."

306.E.A.

(The Governor has proposed in a Confidential despatch (No. 226) of 12th December, that 3/5 of this officer's salary should be paid at the par value of the Abyssinian Dollar, with effect from 1-4, 1923. Subject to periodical review, and subject to the observations of the Secretary of State for Foreign Affairs, ~~the Secretary of State proposes~~ *it is proposed* to approve).

Item 241. The increase in this and other items due to increases in the salaries of Headmen is explained in paragraph 16 (c) of the Governor's despatch.

37.

Item 386. Paragraph 16 (c) of the Governor's despatch also explains the increase in the item "Northern Frontier Expenditure" which is due to the ⁷⁴charge from Military to Civil Administration, and ~~set off~~ ^{offset} by a large decrease on the military vote.

Head VIII. Treasury. Item 7.

25.

With regard to the increase of 4 Junior Clerks, approval was given in Secretary of State's despatch 779 of August 14th, for the appointment of three additional Junior European Clerks. The 4th new appointment is said to be in replacement of a Non-European.

Head X. Port. 76-82.

The Treasurer's Memorandum, on page 5, refers to the

putting

putting into commission of the Steam Tug ^{Nguvu} "Uganda" ^{for} ~~the~~ ^{T.A.C.}
 cost of ^{this} which has been charged against Kilindini
 Harbour Works Expenditure. The revenue expected for the
 first year is £2,500, as against an expenditure of
 £3,270.

Head XI. Audit. Item 2.

See the Governor's despatch on 336/26.

The Secretary of State has not been approached by
 the Governor of Zanzibar with regard to the provision
 for an additional Senior Assistant Auditor ^{with} one
 Assistant Auditor, but it is understood from correspondence
 which the Director of Colonial Audit has received from
 the Auditor, Kenya, that ^{the} Government ^{of Zanzibar} concurs in the
 change, and on this understanding it may be approved.

It is presumed that the Examiner of Accounts who
 is said, in paragraph 5 of Governor's despatch 336/26
 to have been assigned to the Uganda Railway will be
 shown in the Railway Estimates which have not yet been
 received.

Head XV. Police. A separate despatch has been sent
 (X.335/26) as to the increase of staff involved in the
 organisation of the Criminal Investigation Department,
 and it has been suggested in minuting that despatch that
 the increases should be approved.

Head XVII. Medical.

It seems necessary to go into this Head in some
 detail, in view of the effect of changes in organisation
 and staff on other ~~branches~~ of the East African Medical
 Service.

General. The net increase as compared with 1925 is £44,933, accounted for by a large increase of staff and considerable development of existing services. Medical work in Kenya has been hampered by lack of staff and funds since the curtailment of expenditure necessitated by the financial position in 1922, and it is satisfactory that the Colony is again finding itself able to press on with this very necessary work. Directly or indirectly, most of the increases are definitely for the benefit of the natives.

Items 1, 2 and 3. The salaries inserted are those proposed by the Secretary of State in his confidential despatch of the 4th of July sending out the East African Medical Service regulations. It is at present undecided whether the officials in question should receive an immediate increase of pay plus local allowances or whether the matter should stand over until the proposals for a general revision of salaries have been considered. The items may stand, but pending a settlement of the general question of the salaries of the Heads of Medical Departments in East Africa the officers should continue to be paid at the old rates. The titles of the three posts should be amended to correspond with the system of nomenclature adopted in the East African Medical Service. This last remark applies also to items 4, 26, 54, 71 and 73.

Items 4 and 5. These are new appointments designed to provide the Deputy Directors of Medical and Sanitary Services respectively with an assistant in the office. This is a sound proposal.

Item 6.

Item 6. No justification is given for these duty allowances, and they should not be approved unless cause for them is shown. If they are intended as allowances in lieu of private practice they are open to objection.

Item 7. The new scale has already been approved.

Item 8. The new scale was approved in the Secretary of State's telegram of 5th January 1925 on file 199/E.A.

Item 31-22 The increased clerical staff asked for in the Medical Department is referred to in the Treasurer's Memorandum (top of page 8). The activities of the Department are much increased, and the new stenographers are no doubt required to relieve the Senior officials at Headquarters as much as possible in performing routine administrative duties. It will be noted from item 22 that 3 African clerks are dispensed with.

Item 27. The new appointment is to enable a Senior Medical Officer to act as Superintendent of Nairobi Civil Hospital and Director of Medical Education.

Item 28. Ten new appointments only are to be made in 1926, as it has not been found possible to provide housing accommodation or the necessary new hospitals etc., to allow of the full number of 25 which had been proposed being appointed. In the circumstances it would have been preferable to show the establishment as 30; the higher figure is misleading. A similar remark may be made as to items 33, 34, 55, 59, 64 and 74.

Item 53. Note the large increase due to expansion of hospital work.

Item 54.

Item 54. The creation of two posts of Senior Sanitation Officers is to be welcomed.

64400/25) Item 55. See on item 28. In his telegram No. 564 of 3rd December, the Governor particularly asked that six new sanitation officers should be selected in 1926. Candidates have not yet come forward and it may be regarded as unlikely that six men with a Diploma in Public Health or equivalent qualification can be obtained in the very near future. The Governor should however be asked to state definitely how many he is prepared to take; and whether, if candidates with Public Health qualifications do not come forward within a reasonable time, the vacancies should be filled up by ordinary Medical Officers.

Item 59. See on item 28. The scale of salary should have been shown, viz; £300-£15-£450 with an efficiency bar at £350.

Items 64 & 65 See on item 28.

Item 71. The salary of the Director of Laboratory is being considered separately; the provision made here for salary on the existing scale may stand.

Item 74. See on Item 28. One of these posts has already been filled by a local Medical Officer.

to be amended telegram
Item 75. These allowances are not payable to officers appointed to laboratory posts after the issue of the East African Medical Service regulations. The item should be amended accordingly.

Item 120 (a) This represents the maximum contribution which Kenya has guaranteed towards the cost of the commission.

Item 122. See remarks on pages 10-11 of Select Committee's report.

Head XVIII. Education.

The Governor's explanations on the various alterations on this Head as compared with 1925 are contained in Gov. 793/26, which has been minuted separately. A reference to the reply made to 793/26 seems all that is required on this Head in conveying approval of the Estimates.

Head XVIII a. Item 2. See above on Head V. Item 22. (Revenue).

Head XIX. Military.

The organization of the Kenya King's African Rifles garrison, consequent upon the amalgamation of the 3rd and 5th Battalions into one unit, is still under consideration and it has been agreed on 53722/25 that the estimates might be submitted on the basis of a 5 company battalion on the understanding that this would not prejudice the decision as between 5 companies and 6 companies.

The draft estimates accordingly provide for personnel and material on the basis of 6 companies (Total (ordinary) £124,502 as compared with £167,022 for 1925).

But in the covering despatch the Governor says that

that after discussion with the Inspector General he is hopeful that the sixth company can be retained without any further addition to the estimates and that a separate despatch is being sent (not yet received). It is not clear whether the proposal of the Officer Commanding troops to add a Headquarters Company, costing £500⁰/₁ to a five company garrison is going to be pursued.

In the circumstances it is impossible usefully to consider the detailed provision in the draft estimates, which is already evidently out of date, and it appears that the schedule should be passed provisionally without detailed comment on the understanding that when a decision is taken on the main question a revised schedule will be submitted, and that for the present, the various items must not be taken as finally approved.

Head XX. Posts and Telegraphs. Items 22-25. It is noted that there has been a regrading of the Clerical Staff of the Traffic branch, with 13 new appointments, 6 of which are for the Uganda Service.

Head XXa. Items 2 and 3. The provision under these items is dealt with in the Governor's despatch on X357/26, and may be approved.

Head XXI. Agriculture.

Item 6. It is proposed to abolish the post of flax officer. The Governor states in paragraph 16(f) of his despatch that the area under cultivation of flax is now 3,029 acres, as compared with 11,781 acres in 1923. Mr. Calder does not wish to offer any observations

on this.

Items 101(a) to 101(h) provide for a Central Veterinary Training Depot which, according to paragraph 15 of the Governor's despatch, is to be used also as a training centre for African Veterinary Staff.

Items 102 to 109. Rinder pest service. The Treasurer's memorandum (top of page 11) shows that this provision is a continuation of that made in the First Supplementary Estimates, 1925.

Items 140 to 143. As the leave of Mr. R.E. Montgomery will probably extend into 1926, some provision will be necessary for leave salary etc., for this officer.

Generally, under this head, it is observed that there is no increase in the total provision for native agriculture and in fact the provision for the Native Agriculture Subdivision under items 37 to 47 shows a slight decrease, though the provision for purchase of seeds (item 44) is increased by £500.

Head XXII.

Item 3. The Governor deals with the appointment of Assistant Conservators in 332/26. A telegram has been sent to the Governor, on that paper, dealing with this point. The Select Committee (page 14) discuss the question of part of the cost of the Assistant Conservator to be employed in the Native Reserves being met from Native Funds. In view of the ruling - see 17063/24 - against charging the natives with services normally met from Colonial funds it is a question whether such a proposal should be admitted in principle. A similar point comes up in regard to the appointment

of ~~accounted~~ ⁱⁿ proposed paragraph 8 of 333/26 relating to the administration.

Head XXIII. Game Department.

Item 3. The appointment of a Fish Warden and the undertaking by the Government of the work hitherto performed by the Fishing Association is dealt with in the Governor's despatch on 338/26, and these proposals may now be approved.

Head XXIV. Land Department.

The increases of staff in this Department are referred to in paragraph 15(g) of Governor's despatch. It does not appear necessary to do more than note that these increases have been found necessary.

Head XXV. Miscellaneous.

Item 8. Provision is made for the annual grant of £250 for the Imperial Institute; but not for the grant of £50 for the upkeep of the Exhibition Galleries of the Institute. In paragraph 4 of the Secretary of State's circular despatch of 27th June, 1925, the Governor was informed that this latter contribution must be regarded for the present as provisional. The Grant of £50 in 1925 was to be provided in the 3rd Supplementary Estimates, (See 43760/25), and it will probably be necessary to ask the Governor to adopt the same course when the amount of the grant is determined in 1926.

Item 28. The Governor's despatch on 50426/25 refers to the increase of the proposed grant to the National History Society, which may be approved?

Item 34. In the Secretary of State's despatch of

12th September, 1925 (39715/25) the Secretary of State asked that the question of an Air Service from Khartoum to Kisumu should be referred to the Governor's Conference, but this provision may be allowed to stand.

Item 36. Paragraph 6 of the Governor's despatch on 621/26 shows that of the provision of £19,000 under this item for the additional cost involved by the proposed revision of salaries, the sum of £14,094 only is in respect of additional cost in 1926. The cost which would be involved in the ante-dating of the revision to July 1st, 1925, is £9,218, which it is said can be met from the surplus balance for that year.

Item 36. The provision of £10,000 for the renewal fund of the Mombasa Water Works in accordance with the Secretary of State's despatch (Confidential) of the 8th April 1925, on 10386/25.

Head XXVI. Interest.

Of the provision of £170,000 made, £20,000 was added by the Select Committee to provide for expenditure under the loan proposals in 1926 - see paragraph 16 (i) of the Governor's despatch.

Head XXVII. Public Works Department.

The provision under items 2, 6, 7, 8, 11, 13, 14, 19, 20 and 22 is discussed in Governor 788/26, and it only seems necessary to refer to the telegram and despatch proposed on that paper.

Items 39, 41, 42, and 69-72.

The making of separate provision for the inferior establishment is said to be due to a Treasury ruling, which has not, so far as can be traced, been referred

to previously. It seems necessary to observe that under this system, since the estimates for particular works will not show the whole cost of such works to the Colony, the necessity for careful watching of expenditure on works will be increased.

u
Items 84 to 102. Reference should be made to the Secretary of State's telegram of the 16th of October on 46280/25. The result of discussion between the Governments of Kenya and Uganda as to the future of the Coast Agency is still awaited, but in the meantime, the provision now made is on the same lines as hitherto, and should stand?

Head XXVIII. Public Works Recurrent.

Item 1. The provision for maintenance ^{and} of improvement of roads shows a heavy increase of £30300 i.e. nearly 50%. There is nothing in the Supplementary Estimates for 1925 to indicate any large excess in that ^{year} ~~case~~ - in fact the total excess does not appear to have been more than £1800 at the outside. The increase in 1926 is explained to be due to increase in traffic and mileage.

v
Item 3. The large sums provided under rents ^{of} for officers and house allowance were discussed in the Governor's despatch on 43960/25. It does not appear necessary to comment further on this item at present, but it may be noted that the Colonial Secretary, speaking in the Legislative Council on December 15th on the Colonial Loan, suggested that of the sum of £586,430 provided for housing, the debt charges on £421,000 would be offset by the removal from future Estimates

of the item "Expenditure on rents and house allowances"
 (E.A. Standard, Special Supplementary, 19th December 1925).

Head XXIX.

Item 13. The provision £26,850 for roads and bridges (which is a reduction of £22,350 as compared with the original estimates) may be approved as it stands, but it should be observed that the Secretary of State regrets that it has not proved possible to make greater provision for expenditure on Public Works Extraordinary within the annual estimates, as it is not desirable that too great recourse should be had to loan funds for this purpose.

Item 19. The provision of £5,000 as an emergency ^{reserve} appears to be contrary to Colonial Regulation No. 245.

It is not clear how the control of the Legislative Council over the spending of this provision is to be maintained, and it may be well to enquire what steps will be taken to see that the allocation of this money is properly safeguarded.

Attention may be called to the recommendation of the Select Committee (page 18 of Annexure 4 to the Governor's despatch) that the suggestions with regard to passages given on page 19 of the same Annexure should be adopted. The adoption of the proposals put forward would involve a variation as regards Kenya officials of the general passage regulations for East African officials. The Governor, however, does not refer to
 this

this matter in his despatch, and it is perhaps not necessary to take any action as regards instructing the Crown Agents to adopt these proposals for Kenya officers, until the Governor specially asks that this should be done.

KENYA ESTIMATES, 1926.

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

7. 15-17)

Revenue.

Re-imbusement by Uganda Railway on account of interest and sinking fund on £5,000,000 loan, and expenditure of management. £305,834

Interest on advances pending raising of loans. £130,000

(a) £435,834Expenditure.

Interest and sinking fund and £5,000,000 loan £365,000

Interest on advances by Crown Agents. £170,000

(b) £535,000

The difference between (a) and (b) shows a net charge to the Colony on account of interest of £99,166. Of this sum, £59,591 is accounted for by the Colony's share of interest and sinking fund on the £5,000,000 loan (Head I, Expenditure). As regards the remaining £40,000 (which equals the difference between Head ^{XXV} XI and ^{XXVI} XXX (Revenue) and Head XXVI (Expenditure)) the Governor's telegram on 55425/25 shows that by December 31st 1925, £159,837 was to have been spent on account of the "Colony" ^(loan) and interest on this at 5 per cent. would account for some £8,000, leaving a balance of £32,000 to be accounted for.

£20,000

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£20,000

£20,000 of this is the amount added by the Select Committee of the Legislative Council to cover any loan expenditure during 1926. (See paragraph 16(i) of the Governor's estimates despatch in which, however, it is stated that it is extremely unlikely that the amount provided will be actually required.)

The net interest charged unaccounted for is thus only £12,000.

and that provision was wisely made for essential services and for general development in the interests of the country. That such is the case is shown by the fact that though the original budgeted deficit of £69,858 has been converted into a surplus of ~~£2,036~~ ^{£2,306} no essential services have been in any way reduced or omitted, except where Government has been satisfied that it would not be possible to provide the accommodation and essential equipment required for new staff in 1926. These considerations particularly apply in respect of the Medical Department, on which there has been a saving of £15,995.

5. The only other large reductions in expenditure as compared with the original Estimates were in respect of Public Works Extraordinary, £22,350. In this case it was not considered possible to carry out the full programme of road-work proposed in 1926, in view of the large expenditure to be incurred on Roads and Bridges under Public Works Recurrent, on which there is an increase of £30,300. It is, however, intended if possible to undertake certain of the more important roads for which provision could not be made in the 1926 Estimates, from Loan Funds.

6. It will be seen from Annexure 4 that certain other reductions in expenditure were effected, but in no case were they very considerable; explanations have been given in each instance.

7. The Report of the Select Committee furnishes particulars in regard to increases in revenue. I need only specially refer to the increase under Land Sales - £25,000, which is largely due

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to the postponement of certain land sales which were to have been held this year - of which you have approved (vide your telegram of the 16th September, 1925), and the proposed auction in 1926 of certain valuable blocks in the towns of Nairobi and Mombasa.

8. An increase on other items, i.e. - Registration of Documents, Stamp Duties, Conveyancing Fees and Rents, amounting in the aggregate to £4,750, is due to the same cause.

9. That the Revenue Estimates have been framed on a very conservative basis may be judged by the fact that the estimated increase in Customs Revenue - although £50,000 above the amount shown in the approved Estimates for 1925, - is in fact only £6,000 more than the amount which, according to the latest figures supplied by the Commissioner of Customs, will actually be collected this year.

10. I would further point out that whereas the Revised Estimates for 1926 exceed the approved Estimates for 1925 by £213,669, the approved Estimates for 1925 exceeded those for 1924 by £224,647. The excess over the revised Estimates for 1925, as shown on page 3 of the Estimates now submitted, and which will be actually exceeded not only in Customs Revenue but under other heads also - is ^{£13,171} £154,834 only.

11. It is of interest also to note that whereas the Estimates for 1926 exceed the average collections of two years by £208,322 the Estimates

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for 1925 exceeded a similar average by £205,903. The Revenue estimates for 1926 may therefore be regarded as conservative and likely to be exceeded.

12. With regard to the Expenditure Estimates, I have already referred to the decrease in the amounts which were originally shown on the Draft Estimates for the Medical Department and Public Works Extraordinary. The net decreases under these heads amount to £38,365. The further decreases recommended by the Select Committee were counter-balanced by recommendations for increases - exclusive of a sum of £20,000 added on account of interest and explained below, and in Annexure 4.

13. I would especially invite your attention to the provision which has been made for the native population of this Colony. The schedule annexed, which was compiled on the Estimates, as altered in conformity with the report of the Select Committee, shows that of the new services inserted, provision to the value of £89,443 is solely for the benefit of the native population, while services to the value of £191,487 are for general services which will generally benefit the natives with the rest of the population. If interest charges and public works are excluded on the ground of the difficulty of allocation, the increased provision made in these Estimates for the various sections of the community may be briefly summarised as follows:-

Native Services,	£81,634.
General Services,	£36,432.
Non-Native Services,	£18,687.

I commented at some length upon this aspect of the Estimates in my speech to Council (Annexure 5), to which I would direct your attention. The emphasis which I there laid upon two branches of native education, namely: training in handicrafts, and training in maternity and infant welfare, is strongly supported by a valuable exchange of views which I have just enjoyed with an official of the Belgian Congo, the second-in-command

file.
Annexure 7.

at appointed

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Annexure 7.

of the Colony's Medical Services, le Docteur Mouchet, who is here in attendance on His Royal Highness the Duke of Brabant. In both cases broad progress depends upon the training of native instructors and midwives, and I am giving close consideration to our organization from this standpoint.

14. I have already addressed you in separate despatches in regard to increased provision under Administration, Audit, Police, Posts and Telegraphs, Forests, Public Works, Education and Game Departments.

Enclosures 2, 3 and 4 explain the new items of expenditure and I only propose, therefore, in this despatch to comment on such items as have not already been dealt with by separate despatch and which appear to call for further comment.

15. Under Revenue I would invite attention to the increases appearing under Head IV, Item 8 - Veterinary Inoculation Fees, which shows an increase of £16,000, which is due to the increasing popularity of the Rinderpest Inoculation Services in the Native Reserves, and to the establishment of new depots where this work will be done.

As will be seen from Items 94, 101 (a) to 101 (h), 131 and 132, it is proposed next year to establish a new depot, which will also be used as a training centre for an African Staff for the Veterinary Department, and also to strengthen the existing organization for Inoculations in the Native Reserves.

Attention is also called to the increase of £18,966 under Posts and Telegraph Revenue, due to increasing traffic in these directions. The effect of the reduction in telegraphic rates to 1/- per telegram of ten words, which was effected last year, has produced a larger corresponding revenue than the Postmaster-General had estimated.

The increases in Revenue under Native Hut and

-Non-Native-

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Non-Native Poll Tax will, I am sure, be realised by the additions in staff which will ensure fuller collections being made and by an improved system for securing accurate returns of non-natives, which will be further assisted by the Census to be taken in February next. A large proportion of the Non-Native population have escaped their liabilities in the past.

16. Under Expenditure I would call your attention to the following items:-

(a) Increase in the Governor's Salary by £500.

This increase was moved by Lord Delamere and seconded by Captain Coney, and was passed without a division, the only dissentients being two Indian Members who objected to any change being made in the amounts approved by you. A resolution to the same effect had been embodied at the request of the Unofficial Members in the Report of the Select Committee. The matter being one which concerns myself no comment was, of course, made by me and I have included the item in the Estimates for your consideration and decision.

(b) Additional Staff in the Secretariat.

I am satisfied that it is essential that there should be increases in this Department, the officers of which have for some time past been very heavily over-taxed. In a new Colony such as this, where a considerable number of new schemes are being worked out, Departments have to rely to a very considerable extent for co-ordination of policy and detailed preparation of schemes, on the Secretariat. You are,

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of course, aware from your own correspondence files of the number of despatches and telegrams which pass between your office and the Government of Kenya.

All communications with the Crown Agents also pass through this office. The correspondence with the neighbouring territories is also considerable and work in this connection has been conducted hitherto entirely by the Secretariat.

It has been found necessary to replace Asiatic Clerks by Europeans in certain branches owing to the knowledge of English required in all secretarial work. It is increasingly difficult to secure the services of Asiatic clerks with the requisite knowledge of English; the type of Goan who formerly sought employment in Kenya apparently no longer applies for posts in this Government's service.

It is also considered that the Secretariat affords the best training for junior European Clerks.

(c) ADMINISTRATION.

With regard to posts in the Administration, I have already addressed you. The only other item of increased expenditure under this Head to which special reference may be made is increases in the pay of chiefs, for which an additional provision of £4,938 has been inserted. I would refer in this connection to the report of the East African Parliamentary Commission, pages 48, 187 and 188. It is proposed to improve the prospects of the most capable chiefs by placing their salaries on an incremental scale, and gradually to reduce the number of paid minor headmen by paying them on a reward system. What is required is to build up a Native Administrative Service which will afford opportunity.

-8-

opportunity both to the chief with local influence and position, and to the better educated native who has been to a Government or Mission School. This can only be done by improving the scales of pay and at the same time increasing the responsibilities and duties of the headmen.

As a working basis for the calculation of the amount to be spent on the pay of headmen in the different districts it is suggested that a percentage of the native hut tax collected in each area should be set aside for this purpose, or an equivalent sum voted for the pay of headmen.

It will be noted that the provision under this head and under POLICE has been considerably affected by the change in administration from Military to Civil control in the Northern Frontier Province and in Turkana.

In this connection I would refer you to my Confidential despatch No. K.A.R. 12 of 29th October, 1925, from which it will be seen that a decrease in cost of administration of these areas cannot be immediately expected. I am glad to be able to inform you that the transfers have been made in a very expeditious manner.

(d) MEDICAL.

I would refer you to my telegrams Nos. 555 of 26th November, 1925, and 564 of 3rd December, and correspondence ending with your despatch No. 1213 of 1st December, 1925.

122/25 53309/25 54400/25 53307/25

The only two new appointments which have not been specially dealt with in the scheme already put forward are two Superintendents of Inland Revenue and Conservancy for the rapidly growing towns of Nakuru and Eldoret. Their salaries are provided for under items 57 (a) and 99 (b) Head VII. Administration.

You will notice that provision has been made under Medical Extraordinary for a properly equipped ~~lazaretto~~ Leger Lazaretto.

(c) MILITARY.

Provision has been made in the Military Estimates on a five-company basis. In this connection I would refer you to correspondence terminating with your telegram of the 21st December, 1925.

The Officer Commanding Troops pressed for the inclusion of certain new appointments which he considered necessary for the proper training of his men. The cost involved is estimated at about £5,000.

The Select Committee were favourably inclined to this provision being made, provided that they were assured that a five-company and not a six-company basis would be accepted.

I have now had the opportunity of discussing this subject with the Inspector-General and am hopeful that the sixth company can be provided for without any further addition

-10-

to these Estimates. I am sending, for your information, a separate despatch on the subject.

Additional expenditure will be incurred on account of Mechanical Transport, mainly under the Head of "Military Extraordinary", but it is believed that this will result in considerable savings in the future.

(f) AGRICULTURAL.

It was decided to abolish the post of Flax Officer, as I regret to state that the present position of this cultivation does not justify the employment of a special Flax Officer. The area under cultivation of flax is now 3029 acres as compared with 11781 acres in 1923.

Contributions have been included for the Imperial scheme of Agricultural Scholarships, vide despatch No.176 - Confidential - of the 17th September, 1925; for the Agricultural Conference, vide Despatch No.395 of 4th April, 1925; and in Committee of Council a sum of £1,300 was included for the Amani Institute, vide my telegram No.580 of 12th December, 1925.

(g) LAND OFFICE.

It has been found necessary considerably to strengthen the staff in this Department owing to the delays which have taken place in the preparation of Deeds, and completion of Land Sales and Settlements, etc.

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(h) MISCELLANEOUS.

The new items which appear under this Head have all formed the subject of separate correspondence, namely: Census, £1,000, vide despatch No.1274 of 10th October, 1925; Contribution to Survey of Air Route from Khartoum to Kisumu, £2,000, vide despatch No.504 of 29th April, 1925; Incorporation of Local Allowance, £19,000, vide Confidential Despatch No.230 of 21st December, 1925, from which it will be seen that the sum may be reduced by £4,906; Renewals Fund, Mombasa Water Works, £10,000, vide Confidential Despatch No.56 of 7th May, 1925.

I agreed to an additional sum of £150 being moved in Committee of Council as a further grant towards the Natural History Society, vide my despatch No.1268 of 8th October, 1925.

It is considered that the grant to the Kenya Agricultural Society should be continued. This Society is doing excellent work in promoting the holding of shows, etc., throughout the country and the money is well spent in the interests of the Colony as a whole.

(i) INTEREST.

A further provision of £20,000 was made on the recommendation of the Select Committee to the amount already included under the head of "Interest", which now amounts to £90,000.

I am addressing you at length with regard to the Loan Proposals which it is hoped will at least be commenced in 1926. The provision now made for

-Interest-

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interest on loans should more than cover any loan expenditure in the ensuing year. I fear the difficulties with regard to labour, materials, and staff, render it extremely unlikely that the amount now provided will actually be required. It was, however, considered desirable to insert ample provision to cover all possibilities of expenditure under Loan Funds.

(j) PUBLIC WORKS.

The new posts to be provided in this Department have already been referred to in my despatch No. 1596

of *December 1925*

788/26
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The largest increase under the Head of Public Works Recurrent is £30,300 for the maintenance and improvement of roads and bridges. It is urgent that steps should be taken as soon as possible to improve the roads of this Colony, which are in a very unsatisfactory condition. It is clear that any increase in branch railway lines and in communications generally should be accompanied by additional expenditure on branch roads.

In order to secure efficiency in road-work it is essential that further expenditure should be incurred on tools and plant, and the vote under this head has been increased by a further sum of £5,000.

CAF
1926/25
The vote for rent of offices and houses and house allowance in lieu of quarters has been increased by £3,950, and I would refer you to Confidential despatch No. 163 of 5th September, 1925. I can only add that if the loan proposals are approved, in course of time the necessity for this provision should be removed.

In PUBLIC WORKS EXTRAORDINARY you will notice a reduction has been made in the provision for roads and bridges, but I have already referred to the reason for this alteration in the Draft Estimates. The necessity for each road was carefully considered by the Select Committee and it was agreed that only the most urgent should be included in the Estimates for 1926, in view of the heavy expenditure to be incurred on account of maintenance and improvement of existing roads and the possibility of new roads, especially in the coastal area, being undertaken from Loan Funds. A list of the roads finally approved will be found on page 17 of annexure 4.

The only other items of importance are the provision of £1,300 for the Bondeni Drain at Mombasa - an urgent local work; and for the erection of new post offices at Muhoroni, Rongai, Gil Gil and Nanyuki - £2,800.

17. All other items are explained either in the Estimates, in the annexures, or in separate despatches which I have addressed to you, vide paragraph 14 supra. The usual list of the new posts shown in the Estimates is attached.

18. I am glad to be able to inform you that the Estimates as finally recommended by the Select Committee passed through Council in one day's sitting without a division, which establishes a record for this Colony. I trust, therefore, that you will approve these Estimates, and will inform me at the earliest possible opportunity of your decision

as in view of the unavoidable delay in their preparation the expenditure on the new items must necessarily be deferred until later in the year than would otherwise be the case.

I have, ^{etc.} ~~the honour to be,~~

~~Sir,~~

~~Your most obedient, humble servant,~~

Edward Gigg.

G O V E R N O R .

FINANCIAL POSITION.

In October last I estimated from the information then before me that the surplus which at the commencement of the year amounted to £59,210 would have increased at the 31st of December by £76,988 to £136,298. With a view to bringing the figures as much up to date as possible I have in the interval been in communication with the Revenue collecting Departments and have also brought up to date the draft 3rd Supplementary Estimates with the result that as far as one is able on such information to forecast results, it does not now appear that the surplus of the year will exceed £42,944 which added to the surplus of £59,210 at the commencement of the year will give a total surplus at the 31st of December of £102,154.

The principal alterations in the Revenue figures as compared with those on which the October Estimates estimate was based are:-

DECREASES.

Head VIII.	Revenue from Government Property - Royalties	£4,900	
Head IX.	Sale of Government Property	£17,940	£22,840

INCREASES

Head III.	Licences, Duties, etc.	£ 4,112	
Head IV	Fees, etc.	801	
Head VI	Post & Telegraphs.	1,448	
Head VII	Earnings of Government Departments	2,160	
Head XI	Interest	1,840	
Head XII	Land Sales.	4,599	£14,960

Net Decrease

£ 7,880

The decrease in Head VIII is made up of £2,000 in the subhead "Timber Sales and Royalties" and £2,900 in the subhead "Fuel Sales and Royalties". These are extremely disappointing figures in view of the fact that in August the Conservator of Forests considered himself justified in increasing the estimate under the first subhead from £15,500 to £17,270 and under the latter from £7,500 to £7,900 both of which increases he confirmed in October. These estimates are now reduced to £13,270 and £5,000 respectively, that is a reduction in each case below the original estimate.

The decrease in Head IX is in the subhead "Ivory etc". The explanation given by the Game Warden is the cession of Jubaland to Italy as a result of which some of our best herds of elephant have been lost to the Colony. It is worthy of note that the Game Warden's estimate of revenue under the subhead for 1926 is £26,000.

As regards expenditure it will be seen from the statement handed to Members and headed "Alterations in the Printed 3rd Supplementary Estimates, 1925" that it is proposed when the 3rd Supplementary Estimates are in Committee to move amendments to the draft Estimates as printed in October the result of which will be to increase the sum in the "To be voted" column in the Estimates from £35 by £16,360 to £52,332 and to decrease the expected sum from £91,087 by £6,904 to £84,153 the net excess sum being increased from £56,532 by £25,364 to £80,946

Adding the estimated decrease of 4 to the estimated increase of £25,364 in the Estimates and deducting the resulting total the surplus of £135,298 estimated in my Oct

arrive at the revised estimated surplus of £102,154 given in the 1st paragraph above.

Main. Out of this surplus of £102,154 it is proposed to write off £25,000 of the asset of £242,347 Unallocated Railway Stores which appears in the Colony's Balance Sheet.

Final accounts have been prepared up to the 31st of August last and the Balance Sheet shows a total surplus at that date of ~~£222~~ £328,342 or £226,188 more than the anticipated surplus at the 31st of December, 1925, of £102,154 based on estimates furnished by Departments. The principal cause of this apparent discrepancy is the fact that until the Customs statistics for the year are completed Uganda's share of the joint Customs receipts of the two Colonies is being adjusted in our accounts on the basis of 37½%. For the reasons given in paragraph 2 of my October statement, however, I have taken Uganda's share of this joint item of Revenue for the purpose of my financial statements at 44%. This accounts for £78,000 of the difference of £226,188 between the Balance Sheet surplus and the estimated surplus in this statement.

Further amounts which assist in explaining the difference are the sums of £17,500 voted in the Supplementary Estimates for the adjustment of allowances and house allowances of African Civil Servants paid, £8,000 voted in the 2nd Supplementary Estimate for Refunds of Revenue, rents to Messrs. Parr & Company's adjustment of £5,000 and £10,200 Supplementary Estimated in respect of Messrs. Parr & Company's taken account of in the figure of the estimated surplus of £102,154.

the Colony's accounts at the 31st of August.

It is also proper in this connection to take account of the amount by which the half yearly payments of interest and sinking fund charges on the £5 million loan made in September last exceeded the re-imbursment on this account viz. £30,000.

It is not possible at present to analyse more fully the difference. The unexplained balance may be due to a multitude of causes. In view, however, of the experience of past years it would not be surprising if it is found when the year's accounts are closed, about April next, to be due to larger savings in expenditure and larger revenue receipts than have been estimated for by Heads of Departments - both of these, if they occur, will of course cause an excess on the estimated surplus of £102,154.

Note. Included in the above mentioned surplus are savings amounting to £9,400 on Public Works Extraordinary. Since writing the Statement I have been informed that these savings will amount to £17,065, provision for the whole of which sum has been made in the 1926 draft Estimates. The surplus of £102,154 referred to in the Statement should therefore be increased by £7,665 to £109,819.

I have also now been informed by the Commissioner of Customs that the Customs revenue may safely be increased by a further £22,000, which will further increase the surplus to £131,819.

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Page	Head	Description	Item	Details	Amount included for purely native services.	General Services of Community	Remarks.
40	VII (C)	Secretary and Legislative Council.	3	Assistant Colonial Secretary (£200)	£	£	Includes Local Allowance.
			5	Statistical Officer £200x£50-£1000:		910	
			10			910	Ditto.
			12				
			& 14/18	Net Increase Clerks			
		Administration.	6	2 1st Grade Administrative Officers (£600 to £700)	1556	355	Ditto 2 Europeans less 6 Asiatics.
			8	11 2nd Grade Administrative Officers. (£300)	4103		Kerle & N.F.D - Includes Local Allow & Passages.
			25	Ration Allowance - Clerks - N.F.D.	1000		Native Reserves - Includes Local Allow. & Passages - 7 for 6 months only.
			27	Typewriters		280	These are for various District Officers.
			48/146	Increases - Settled Areas.		542	This includes Cards, Station hands etc.
			-	Superintendents - Con-servancy, Nakuru and Eldoret. (£250 to £400)		600	Includes Local Allowance.
			-	Accountant - N.A.D.	75		
			245/386	Native Areas: (a) Interpreters	11		Net Cost excludes contribution from Native Funds.
				Carried forward.	6745	3597	

40
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 JAN 1920
 VII (C)

Page No.	Description	Item	Details	Purely Native services	General Services	Remarks.
82	VIII Treasury	6/7	Brought forward:- (b) Office boys etc 34 (c) Chiefs & Headmen 4938 (d) Tribal Retainers 125 (e) Station Hands 150 (f) Sweepers 19 (g) Native Clerk, Ukamba. 33 (h) Presents to Chiefs 70 (i) Travelling Allowances 150 (j) Tools & Implements 25 (k) Conservancy 60 (l) Contingencies 467 (m) Carts & Livestock 100 (n) Carriage of Goods 100 (o) Tents & Equipment 345 (p) Northern Frontier 3268	6745	3597	All these items are for betterment of services in purely native areas. They are collated from the various Provinces and include no increments or automatic increases.
84		23 & 25	European Clerks		8	Two Clerks £320 less 1 Asiatic £312:
86	IX Customs	6	Duplicator & Telephone. Assistant Accountant		70	
88		14/16	3 Clerks (£90 each)		580	Includes Local Allowance, Outfit and Passage.
		39	Occasional Clerical assistance.		270	
					125	
				16699	4650	

Page	Head	Description	Item	Details	Purely Native services	General Services	Remarks.
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84			23 & 25	European Clerks Duplicator & Telephone.		8 70	Two Clerks £320 less 1 Asiatic £312:
86	IX	Customs	6	Assistant Accountant		580	Includes Local Allowance, Outfit and Passage.
88			14, 16 39	3 Clerks (£90 each) Occasional Clerical assistance.		270 125	
						<u>4650</u>	

4,650

Carried forward:- 16,899

13

Port & Marine

X

90

Inspector of Services
Perry Staff
Local Transport
Expenses of Ferries

26
41
42

92

Telegrams

45

Province of Nyansa

71

Steam Launch Nguvu

76/83

Port & Marine
Extraordinary.

98

Motor Launch

5

Steel Pontoon

6

Resting Sheds

7

Audit Department

100

2 Examiners of
Accounts.

4

3rd Grade Clerk

10

Legal Library

27

Judicial

104

Local Travelling

32

Telegrams & Bicycles

35/38

Police

110

C. I. D.

-

Force for M.F.P.

-

2 M.P.Cs - settled
areas.

17/19

Carried forward 26,121

13,363

Less previous allowance paid
Better Ferry services.

Sleeping Sickness.
Port Services.

Better Ferry services.

Includes Local Allocé.

Customs Accounts.

Courts of Appeal.

Superintendent, A.S.I. E.P.C.,
S.J. and 1st rank and file.
Includes Depot Reserve, but
savings on Jubaland deducted.

			services.	services.	Remarks.
90	X	Port & Marine	Carried forward:- 16,899	4,650	
92			Inspector of Ferry Staff 13	70	Less previous allowance paid
			Local Transport 26	62	Better Ferry services.
			Expenses of Ferries 41	30	
			Telegrams 42	450	
			Province of Nyanza 45	60	Sleeping Sickness.
			Steam Launch Ngavu 71	3270	Port Services.
98	Xs	Port & Marine Extraordinary.	Motor Launch 76/83	580	Better Ferry services.
			Steel Pontoon 6	450	
			Resting Sheds 7	150	
100	XI	Audit Department	2 Examiners of Accounts. 4	600	Includes Local Alloc.
			3rd Grade Clerk 10	126	Customs Accounts.
			Legal Library 27	100	Courts of Appeal.
104	XII	Judicial	Local Travelling 32	150	
			Telegrams & Bicycles 35/38	49	
110	XV	Police	C. I. D. -	2045	Superintendent, A.S.I. E.P.C., S.J. and 10 rank and file.
			Force for N.P.P. -		Includes Depot reserve but savings on Jubaland deducted.
			2 N.P.Cs - settled areas. 17/19	521	
			Carried forward. 26,123	13,365	

			Native Services	General Services	Remarks
128	XVII	Medical	26,123	13,363	
		Brought Forward	400		
		Senior Medical Officer	50		6 months, Labour inspection General assistance 6 months for S.M.Os.
		Duty allowances		500	Office
		2 Clerks		1,080	
		6 Stenographers		371	
		Duty Allowances	60		
		Senior Medical Officer	600		Training African staff
		10 Medical Officers	2,100		Native Reserves - total 42 months service. General work.
		1 Dispenser		300	Native Hospitals
		6 Nurses	600		For Nurses
		6 Uniform allowances	120		9 months each Native Hospitals
		2 Male Orderlies	325		
		Local allowance	900	60	
		Native Attendants Hospitals	2,500		
		2 Senior Medical Officers of Health		1,600	Native Hospitals and Mental Hospitals.
		3 Medical Officers of Health			
		Duty Allowances		1,460	General work
		9 Sanitary Inspectors		50	-do- 9 months each
		5 Sanitary Overseers	750	1,703	-do- 8 for total of 39 months.
		Uniform Allowances	30	500	2 Native Reserves, 3 General
		2 Nurses		100	
		2 Uniform allowances.		400	General
		2 Duty Allowances		40	
		Carried forward	34,683	22,087	
132					

142

XVIII

Education

		Native Services,	General Services,	Remarks.
5	Brought Forward	53,794	31,409	Native areas.
6	2 Inspectors	800		Office.
	2 European Clerks		500	
10	Local Allowance	110	100	
15	Typewriters	52		Native Schools & Inspectors.
17	Camp Equipment	150		Inspectors.
18	Outfits	90	30	
19	Passages	148	108	
24	Books, Stationery & Equipment	200	100	
55	1 Assistant Master	400		
73	Local Allowance	80		
75	Servants Native	100		
77	School			
	Hat & Poll Tax	250		
78	Apprentices			
	Grants in Aid	6,948		Native Education General.
78	Alliance High School	1,270		
82	Evening Classes	300		
83	Passages	74		
84	Local Transport	100		
	Carried Forward	64,855	32,247	

148

			Native Services.	General Services.	Remarks.
152.		Brought forward.	64,856.	32,247.	
		Supervisor Technical Education	600.		} Native Industrial Training Dept., Kabets, General Technical Education. Increased number of pupils.
	107.	Technical Instructor.	400.		
	109.	Local Allowances	80.		
	111-114	Other Charges	370.		
	3.	Grants for Buildings	2,000.		
154.	XVIII.	Education.			} Building Grants to Missions.
	4.	Alliance High School	1,970.		
184.	XII.	Agricultural.			} Office.
	12.	Two Clerks		400.	
	14.	Junior Clerk		100.	
	21.	Carriage of Goods.	100		} Larger issues of seed.
	22/23.	Travelling Expenses.		550	
	25/25.	Other Charges.		505	} General benefit.
		Expense Agricultural Conference.		350	
186.	43.	Seeds for Issue.	300		} Actual increase £500 but £200 Revenue expected.
	57/59.	Other Charges Scott Laboratory.		470	
		Carried forward	70,576.	34,622.	} Dykes, Seeds and Manure.

Page.	Head.	Description.	Item.	Details.	Native Services.	General Services.	Remarks.
190.				Brought forward	70,576.	34,622.	
			80.	Maintenance Quarantine Station	1,150.		
			88/89.	Travelling Expenses.		1,000.	
			90.	Carriage of Goods	100.		Transport of Serum.
			94.	1 Stock Inspector	250.		
			95.	Veterinary Assistant	228.		
			96.	Clerks.	200.		
			98.	Labour	500		Native Reserves.
			99.	Incidental	100		
			100/1.	Travelling	300		
192.			101a to g.	Central Training Depot	1,500	810	Also includes East Coast Fever Service.
194.			131.	Upkeep of Animals	1,550		
			132.	Production of Vaccine	4,000		Rinderpest Inoculation in Reserves.
XLVI.		Interest	1.	Interest on advance by Crown Agents.		90,000	General Loan Works.
				Carried forward	80,554.	126,432.	

			Public Works Department		Brought forward:	80,554	126,432	Remarks
218	XVII				2 Senior Overseers		500	General utility.
				2 Foremen		600		
				2 Surveyors		250		
				19 Storekeeper		250		
				20 Clerk		250		
				22 Architect		700		
				2 Quantity Surveying Assistant		1,017		
				Local Allowance		880		
				Tracer		126		
				Passage		668		
				Travelling		1,462		
220								
226	XVIII		Public Works Recurrent	1	Maintenance & Improvement, Roads & Bridges	2,629	22,972	Purely Farm Roads excluded.
				2	Maintenance & Repair, Public Buildings		1,500	
				3	Rents of Offices & Houses, &c.		3,950	General utility.
				5	Tools & Plants		5,000	
				6	Running of Workshop		160	
280	XIX		Public Works Extraordinary	18	Boondeni Drain	2,000		Mombasa.
				1 c	Quarters for Chiefs	760		Purely Farm & Non-Native roads (e.g. Lolgorian Road) excluded.
				2	Roads & Bridges	3,500	8,700	Government Buildings &c.
				3	Minor Works		15,700	
						89,443	191,487	

SCHEDULE OF NEW POSTS FOR 1926

X. 787
21 JAN 1926

Head IV. His Excellency the Governor.

- 2nd Clerk.
- Carpenter.
- 3rd Motor Car Driver.

Head V. Secretariat.

- Assistant Colonial Secretary 2nd Grade (vice Junior Assistant Secretary).
- Statistical Officer.
- 4 European Clerks. } vice 6 Asiatics.
- 5 Junior Clerks. }
- Clerk to Councils.

Head VII. Administration.

- 2 Administrative Officers 1st Grade.
- 11 Administrative Officers 2nd Grade.
- 2 Superintendents, Inland Revenue and Conservancy, Eldoret and Nakuru.
- 1 Accountant, Native Affairs Department.
- 1 Contracts Clerk for Ukamba.

Head VIII. Treasury.

- 2 European Clerks. (1 vice an Asiatic)
- 1 Junior Clerk (vice an Asiatic)

Head IX. Customs.

- 1 Collector, vice 1 Assistant.
- 3 Clerks.

Head X. Port and Marine Department.

- 1 Inspector of Ferries.
- 1 Master, Steam Tug Nguvu.
- 1 Engineer, Steam Tug Nguvu.
- 1 Mate, Steam Tug Nguvu.
- 2 Drivers, Steam Tug Nguvu.

Head XI. Audit Department.

- 1 Senior Assistant, vice one Assistant.
- 2 Examiners of Accounts.
- 1 Clerk 3rd Grade.

Head XIV. Legal Department.

- 1 Senior Crown Counsel (vice 1 Crown Counsel).
- 2 Crown Counsel.
- 1 Clerk 4th Grade.

Head XV. Police.

- 2 Superintendents (1 vice Quartermaster).
- 1 Assistant Inspector.
- 3 European Police Constables.
- 1 Assistant Sub Inspector.
- 3 African Sergeants.
- 11 African Corporals.
- 158 African Constables.
- 24 African Recruits.

Head XVI. Prison.

- 1 European Technical Instructor (vice 1 Asiatic Carpenter and 1 Mason).

Head XVII. Medical Department.Administrative Division.

- 1 Senior Medical Officer.
- 1 Senior Medical Officer of Health.
- 2 Clerks.
- 6 Stenographers (1 vice 3 Asiatics).

Medical Division.

- 1 Senior Medical Officer.
- 10 Medical Officers.
- 1 Dispenser.
- 6 Nursing Sisters.
- 2 Male Nursing Orderlies.

Sanitation Division.

- 2 Senior Medical Officers of Health.
- 3 Medical Officers of Health.
- 1 Senior Sanitary Inspector.
- 8 Sanitary Inspectors.
- 5 Sanitary Overseers.
- 2 Nursing Sisters.

Laboratory

Laboratory Division.

- 2 Assistant Bacteriologists.
- 1 Entomologist.
- 3 European Laboratory Assistants
- 3 European Laboratory Assistants (Learners).
- 1 Asiatic Laboratory Assistant.

Head XVIII. Education.

Administrative.

- 1 Personal Assistant to Director of Education.

- 2 Inspectors of Schools.

- 2 European Clerks.

European Education.

- 1 Senior Assistant Master.

- 1 Assistant Master.

Indian Education.

- 6 Assistant Teachers.

Native Education.

- 1 Assistant Master.

Native Industrial Training Depot, Kabete.

- 1 Supervisor, Technical Education.

- 1 Senior Technical Instructor.

Head XX. Posts and Telegraphs.

- 13 Clerks of whom 6 are for Uganda.

Head XXI. Agricultural Department.

Administrative.

- 2 Clerks.

- 1 Junior Clerk.

Grading and Conditioning, &c.

- 1 Foreman Mechanic.

- 2 Mechanics.

Veterinary Division.

- 1 Stock Inspector.

Native Reserves.

- 1 Veterinary Assistant.

- 2 African Clerks.

Veterinary Training Depot.

- 1 Veterinary Officer.

- 1 Stock Inspector.

- 1 African Clerk.

- 1 African Instructor.

Rinderpest Service.

- 1 African Clerk.

Veterinary Research.

- 1 Clerk.

Laboratory Division.

- 2 Assistant Bacteriologists.
- 1 Entomologist.
- 3 European Laboratory Assistants
- 3 European Laboratory Assistants (Learners).
- 1 Asiatic Laboratory Assistant.

Head XVIII. Education.Administrative.

- 1 Personal Assistant to Director of Education.
- 2 Inspectors of Schools.
- 2 European Clerks.

European Education.

- 1 Senior Assistant Master.
- 1 Assistant Master.

Indian Education.

- 6 Assistant Teachers.

Native Education.

- 1 Assistant Master.

Native Industrial Training Depot, Kabete.

- 1 Supervisor, Technical Education.
- 1 Senior Technical Instructor.

Head XX. Posts and Telegraphs.

- 13 Clerks of whom 6 are for Uganda.

Head XXI. Agricultural Department.Administrative.

- 2 Clerks.

Grading and Conditioning, &c.

- 1 Junior Clerk.
- 1 Foreman Mechanic.
- 2 Mechanics.

Veterinary Division.

- 1 Stock Inspector.

Native Reserves.

- 1 Veterinary Assistant.
- 2 African Clerks.

Veterinary Training Depot.

- 1 Veterinary Officer.
- 1 Stock Inspector.
- 1 African Clerk.
- 1 African Instructor.

Rinderpest Service.

- 1 African Clerk.

Veterinary Research.

- 1 Clerk.

Head XXII. Forest Department.

- 2 Assistant Conservators.
- 3 Assistant Foresters 2nd Grade.

Head XXIII. Game Department.

- 1 Assistant.

Head XXIV. Land Department.Central Office.

- 1 European Clerk.

- 1 Lady Typist.

Titles Office.

- 2 European Clerks.

- 1 Lady Clerk.

Computing and Drawing Office.

- 2 Computers.

- 1 Draughtsman.

Head XXVII. Public Works Department.

- 1 Assistant Director (vice 1 Executive Engineer).

- 1 Hydraulic Engineer.

- 1 Road Engineer.

- 2 Senior Overseers.

- 2 Foremen.

- 2 Surveyors.

- 1 Storekeeper.

- 1 Architect.

- 2 Quantity Surveying Assistants

- 1 Tracer.

787/26.

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

(Sent 4.0 p.m. 6th February, 1926.)

6th February.

Your despatch 29th December 1895. Estimates approved generally including proposals in your despatch 29th December Confidential 238 education and your despatch 29th December 1896 Public Works.

At the same time I desire to urge necessity for all possible economy especially as to Public Works. While I recognise pressing need for expenditure I consider that much care will be necessary until stability of revenue is assured.

I send for your consideration following suggestions which have been made in my Department after detailed examination of estimates:-

(a) Head XVII Items 1, 2 and 3. Pending settlement as to salaries of Heads of Medical Departments it is suggested that payment should be made at old rates.

(b) Head XVII Item 75 appears to require amendment as allowances not payable to officers appointed to laboratory posts after introduction of East Africa Medical Service Regulations.

(c) Head XIX provision under this head should be regarded as provisional pending receipt of your further despatch.

(d) Head XXI It is noticed that provision for Native Agriculture is not increased see especially items 37 - 47. What provision for agriculture can be made by natives themselves from Trust Funds.

(e) Appendix A. Reserve Fund Military Expenditure £104,541, see your despatch 29th September Confidential 184 may be deleted and assets item £242,347 unallocated stores Uganda Railway should be written down by this

amount

amount This item should also be reduced by £25,000 from realised surplus for 1925 and by similar amount in 1926.

AMERY.

DOWLING STREET,

17 March, 1936.

Sir,

I have the honour to acknowledge the receipt of your despatch No. 1295 of the 29th of December, 1935, submitting the Revised Estimates of Revenue and Expenditure for the year 1936; and to refer to my telegram of the 5th of February, in which I intimated my approval of the Estimates and communicated to you, for your consideration, certain suggestions which have been made by the Department as a result of examination of the draft Estimates in detail.

1. I now transmit to you, for your consideration a memorandum drawing attention also to certain further points which were not referred to in my telegram.

2. In addition to the matters dealt with in this memorandum, I note from paragraph 16 of your despatch that a reduction has been made in the provision for Roads and Bridges under Head IIIA, the reason for this being in part the possibility of new funds, especially in the coastal area, being undertaken from loan funds. I regret that it has not been found possible to make greater provision for expenditure on Public Works Extraordinary within the annual Estimates.

Yours faithfully,

LIEUTENANT COLONEL

SIR E. V. M. GRIGG, K.C.V.O., C.M.G., D.S.O.,

etc.,

etc.,

etc.

Estimates, as it is not desirable that too great recourse should be had to loan funds for this purpose.

4. My attention has also been drawn to the provision of £2,000 in Head XXX, Item 19, as an emergency reserve to be used apparently at the discretion of the Director of Public Works. Provision of this nature is contrary to the intention of Colonial Regulation 245, and it is not clear how it is proposed that the control of the Legislative Council over the spending of this money is to be maintained. I should be glad to be informed what steps will be taken to see that the allocation of the sum provided under this item is properly safeguarded.

5. The enclosed memorandum includes a statement showing the effect on the Balance Sheet of the Colony of the adoption of the suggestions in my telegram of the 6th of February regarding the Liability "Reserve Fund - Military Expenditure, £104,541", and the Asset "Unallocated Stores - Uganda Railway, £242,347". As the inclusion of the latter item merely serves to obscure the actual financial position of the Colony the matter will assume further importance if it is decided to raise a loan for purely Colony purposes. The arrangement by which this fictitious asset is being liquidated by instalments is in accordance with the suggestion which I made on the Estimates for 1922, and I do not therefore go further than to express the hope that the rate of liquidation, £50,000 a year, which I

then

then suggested, may be adopted in future.

6. While I have dealt with these Estimates with a full appreciation of the requirements of the Colony and the aspirations of its peoples, I am impressed by the continuing need for strict economy. I have not yet fully considered your proposals for a "Colony" loan for services other than transport, but it seems certain that the country cannot hope to meet the charges on a loan to cover all the services which you put forward or you have in mind within its present sources of revenue until a much higher stage of development has been reached. That the country will develop I am confident, but it cannot be assumed that progress will be uninterrupted, and I am anxious lest some emergency, such as adverse climatic conditions, should for a time so cripple the Colony as to lead a repetition of the unfortunate experience of 1922.

7. I trust, therefore, that every effort will be made to check the growth of expenditure as far as possible until the Colony has been able to accumulate a reserve large enough to enable it to face a bad season without apprehension, and, it may be hoped, large enough also for special services to be met from time to time without undue recourse to borrowing and the consequent inflation of annual expenditure.

I have the honour to be,

Sir,

Your most obedient,
humble servant,

(Signed) L. S. AMERY.

then suggested, may be adopted in future.

6. While I have dealt with these Estimates with a full appreciation of the requirements of the Colony and the aspirations of its peoples, I am impressed by the continuing need for strict economy. I have not yet fully considered your proposals for a "Colony" loan for services other than transport, but it seems certain that the country cannot hope to meet the charges on a loan to cover all the services which you put forward as you have in mind within its present sources of revenue until a much higher stage of development has been reached. That the country will develop I am confident, but it cannot be assumed that progress will be uninterrupted, and I am anxious lest some emergency, such as adverse climatic conditions, should for a time so cripple the Colony as to lead a repetition of the unfortunate experience of 1922.

7. I trust, therefore, that every effort will be made to check the growth of expenditure as far as possible until the Colony has been able to accumulate a reserve large enough to enable it to face a bad season without apprehension, and, it may be hoped, large enough also for special services to be met from time to time without undue recourse to borrowing and the consequent inflation of annual expenditure.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

(Signed) I. S. AMERY

X 787

See 11.2.26

Gov. 787/26 Kenya

7099-24

Allen (I have added para.5)

13/2

Bottomley. 15/2

Crackley. 22/2

Shuckburgh.

Davis.

Franks.

Hastings-Smith

Kenyon-Gore

Leary.



C. D.
H MAR
D 5

See 15.2.26

Drawn by Sec of State

J.H. [unclear]

26.2.26

No 2118

Downing Street,

4 MAR 1926

February, 1926

DRAFT FOR CONSON.

15

J.H.

I have the honour to acknowledge the

receipt of your despatch No. 1595 of the 29th of December, 1925, submitting the revised Estimates of Revenue and Expenditure for the year 1926; and to refer to my telegram of the 6th of February, in which I intimated my approval of the Estimates, and communicated to you, for your consideration, certain suggestions ~~regarding the details of estimates~~ which have been made in ~~the Colonial Office~~, as a result of examination of the draft Estimates *in detail*

2. I now transmit to you, for your consideration, a memorandum drawing attention also to certain further points which were not referred

to

X- 787 + 787

to in telegram.

In addition to the matters dealt with in this memorandum, I note from paragraph 16 of your despatch that a reduction has been made in the provision for Roads and Bridges under Head XVII, the reason for this being in part the possibility of new roads, especially in the coastal area, being undertaken from loan funds. I regret that it has not been possible to make greater provision for expenditure on Public Works Extraordinary within the annual estimates, and it is not desirable that too great recourse should be had to loan funds for this purpose.

My attention has also been drawn to the provision of £1,000 in Head XVII, Item 19, as an allowance for the Director of Public Works. It is apparent, at the suggestion of the Director of Public Works, that this provision is contrary to the intention of Colonial Regulation 140, and it is not clear how the Director is to exercise the control of the legislative process over the expenditure of this money to be provided. I should be glad to be informed what

what

487

Gov. 787/26/Kenya.

Coded & Sent
4. of Feb 26
6.5 Feb. 26

G.F.S.) 30/1/26
H.T.A.)

Bottomley 30-1

J. Harding

Sprache

Shackburgh

Grindle

Davis

Wilson

Ormsby-Gore

Clarendon

Moore

Wright

DRAFT: TEL. CODE.



6th February
January 7098-24

Your despatch 29th December 1956. Estimates approved generally including proposals in your despatch 29th December Confidential 238 Education, and your despatch 29th Dec. 1596 Public Works.

At the same time I desire to urge necessity for all possible economy especially as to Public Works. While I recognise pressing need for expenditure I consider that much care will be necessary until stability of revenue is assured.

As regards details

(a) Head XVII Items 1.2. and 3, Pending settlement as to salaries of Heads of Medical Departments payment should be made at old rates.

verbal instructions.

(b) Head XVII Item 75 requires amendment as allowances not payable to officers appointed to laboratory posts

for despatch.

for despatch.

Handwritten notes: 793/26, 788/26, 793/26, 788/26, 793/26, 788/26

/after

introduction of East Africa Medical
Service Regulations.

(c) Head XIX provision ~~may be~~
~~stand pending further consent, but in~~
~~meantime various items should not be~~
~~taken as finally approved.~~

*under this head ^{has} might be
provisional pending
receipt of papers
further despatch.*

(d) Head XXI ~~observe~~ that
provision for Native Agriculture is not
increased, see especially items 37 - 47
~~shall be glad to receive by despatch~~
~~report as to~~ what provision for agriculture
can be made by natives themselves from
Trust Funds.

It is noticed

(e) Appendix A. Reserve Fund.
Military Expenditure £104,541, see your
despatch 29 Sept. Confidential. 184, may
be deleted and assets item £242,347
unallocated stores Uganda Railway should
be written down by this amount. This
item should also be reduced by £25,000
from realised surplus for 1925 and by
similar amount in 1926.

48016/25

introduction of East Africa Medical
Service Regulations.

(c) Head XIX provision ~~may stand pending further consent, but in meantime various items should not be taken as finally approved.~~

*under this head ^{has} might be
provisional pending
receipt of your
further despatch.*

(d) Head XXI ~~I observe~~ that
provision for Native Agriculture is not
increased see especially items 37 - 47
~~shall be glad to receive by despatch~~
~~report as to~~ what provision for agriculture
can be made by natives themselves from
Trust Funds.

It is noticed

(e) Appendix A. Reserve Fund,
Military Expenditure £104,511, see your
despatch 19 Sept. Confidential. 184 may
be deleted and assets item £242,347
unallocated stores Uganda Railway should
be written down by this amount. This
item should also be reduced by £25,000
from realised surplus for 1925 and by
similar amount in 1926.

18016/25

what steps will be taken to see that the allocation of the sum provided under this item is properly safeguarded.

5. The enclosed memorandum includes a statement showing the effect on the Balance Sheet of the Colony of the adoption of the suggestions in my telegram of the 6th of February regarding the Liability "Reserve Fund - Military Expenditure, £104,541", and the Asset "Unallocated Stores - Uganda Railway, £242,347". As the inclusion of the latter item merely serves to obscure the actual financial position of the Colony, the matter will assume further importance if it is decided to raise a loan for purely Colony purposes. The arrangement by which this ^{asset} fictitious amount is being liquidated by instalments is in accordance with the suggestion which I made on the Estimates for 1925^T and I do not therefore go further than

to

53606/24
 1/2/25

53606/24

53606/24

to express the hope that the rate of
liquidation, £50,000 a year, which I then
suggested, may be adopted in future.

6. While I have dealt with these Estimates
with a full appreciation of the requirements of
the Colony and the aspirations of its peoples, I am
impressed by the continuing need for strict
economy. I have not yet ^{fully considered} received your proposals for
a "Colony" loan for services other than transport,
but it seems certain that the country cannot hope
to meet the charges on a loan ^{to cover all the services which go far towards} such as you have in
mind, within its present sources of revenue, until a
much higher stage of development has been reached.

That the country will develop I am confident, but it
cannot be assumed that progress will be uninterrupted,
and I am anxious lest some emergency, such as adverse
climatic conditions, should for a time so cripple
the Colony as to lead to a repetition of the unfortunate
experience of 1922.

7. I trust, therefore, that every effort will
be made to check the growth of expenditure as far as
possible until the Colony has been able to accumulate

[Mr. Shapley
has approved & R.
attaches
C.S.]

a reserve large enough to enable it to face
a bad season without apprehension, and, it
may be hoped, large enough also for special
services to be met from time to time without
undue recourse to borrowing and the consequent
inflation of annual expenditure.

I have, etc.

(Signed) L. S. AMERY

W. P. Wongsall
 1787
 (W. P. Wongsall)



It is noted

No instalment of the grant of £1500 a year for five years allocated by the Carnegie Corporation for native education has yet been applied for, pending the receipt of the Governor's further views, after consultation with Mr W. P. Wongsall, as to the allocation of the grant. The Governor's despatch No 96, of the 24 of Jan. 1926, dealing with this subject, has now been received and will be answered separately. It is presumed that ~~no expenditure~~ will be made, until a decision has been arrived at as to the allocation of the grant, no expenditure will be incurred under the provision made under Head XVI (a), Item 2 of Expenditure.



Minister

No instalment of the grant of £1,500 per year for five years allocated by the Carnegie Corporation for native education has yet been applied for, pending the receipt of the Governor's further views, after consultation with Mr W. P. Youngall, as to the allocation of the grant. The Governor's despatch No 96, of the 24 of Jan. 1926, dealing with this subject, has now been received and will be answered separately. It is presumed that ~~no expenditure will be made~~, until a decision has been arrived at as to the allocation of this grant, no expenditure will be incurred under the provision made under Head (VI) (a), Item 2 of Expenditure.

L. Stirling
 returned on 7/1787
 W.P. Youngall

N. B. No marginal notes to be added in
reply for enclosure to ~~the~~ derhalt. 1



Enclosure in no. 215

MEMORANDUM ON DETAILS OF THE DRAFT ESTIMATES FOR 1926.

A. REVENUE.

Head V. Reimbursements, Item 22.

Reference is invited to the Secretary of State's despatch No. 825 of the 27th of August, 1925, in which the Acting Governor was informed that it was considered advisable, before the grant made by the Carnegie Corporation was definitely allocated to any particular purpose, that the suggestions of Mr. J. W. G. Dougall, after he had had an opportunity of studying conditions in Kenya should be awaited. The first instalment of the grant (£1500) has not yet been applied for and although provision is made under Head XVIII(a) Item 2 of Expenditure for the utilisation of this sum in 1926, such expenditure would presumably be deferred pending further consideration after the Governor has received Mr. Dougall's ^{recommendations} views. In this connection, it is observed from paragraph 2 (4) of the Governor's despatch No. 1588, of the 29th of December 1925, that there has been some difficulty in deciding on the type of building most suitable for the housing of Jeanes Teachers.

B. EXPENDITURE.

Head V. Secretariat.

It is noted that ^{as a result of} on the increase in the staff of the Secretariat ^{which} is explained in paragraph 16 (b) of the Governor's despatch No. 1595 of the 29th of December.

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the posts of Assistant Secretary provided are all in the senior grade. It is presumed that the possibility of substituting a proportion of junior posts will be considered as occasion arises.

Head 7. Administration.

A separate ~~despatch~~ ^{telegram has been sent} will be addressed to the Governor in reply to his despatch No. 1538 of the 17th of December on the subject of additional staff in this Department.

Item 5. The title of the post provided for under this item should be U.B.M.'s Consul ^{for} South West Abyssinia. In connection with this item ^{reference is invited to the Governor's Confidential} ~~despatch No. 226 of the 19th of December, 1925, in which it is recommended that three-fifths of Captain Hodgson's salary should be paid at the par value of the Abyssinia dollar, with effect from the 1st of April 1926. This proposal is under consideration with the Foreign Office.~~

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Head 11. Audit.

Item 2. With reference to paragraph 2 of the Governor's despatch No. 1541 of the 17th of December, no communication has been received from the Government of Zanzibar with regard to the provision for an additional Senior Assistant Auditor vice one Assistant Auditor, but it is understood, from correspondence which the Director of Colonial Audit has received from the Auditor of Kenya, that the Government of Zanzibar concurs in the change.

Head 17. Medical

Items 1, 2 and 3. It is at present undecided whether the officials in question should receive an immediate

333 * No 4306 # 14 22

immediate increase of pay plus local allowance, or whether the matter should stand over until the proposals for a general revision of salaries have been considered. It has accordingly been suggested in the Secretary of State's telegram of the 6th of February that for the present these officials should be paid at their old rates. The titles of the three posts and also those provided under items 4, 26, 54, 71 and 73 should be amended to correspond with the system of nomenclature adopted in the East Africa Medical Service.

Item 6. The reasons for provision of two duty allowances are not stated and the allowances should not be regarded as approved ^{issue of the} pending explanation of these reasons. If the allowances are intended in lieu of private practice they are open to objection.

Item 28. In view of the fact that 10 new medical officers only are to be appointed in 1926, instead of 25 as had been proposed, it would have been preferable to show the establishment as 30, as the higher figure is misleading. This remark applies also to items 33, 34, 55, 59, 64 and 74.

Item 55. In the Governor's telegram No. 564 of the 3rd of December it was requested that 6 new Sanitation Officers should be selected in 1926, Candidates have not yet come forward, and it may be regarded as unlikely that 6 men with a Diploma in Public Health or equivalent qualifications can be obtained in the very near future. It is desired to know ^{if possible} ~~the Secretary of State should be~~ ^{informed of} definitely the number of candidates which should be appointed and whether, if candidates with Public Health qualifications

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but in a later telegram dated the 2nd of February, No 57, the Governor has stated that only ^{three} ~~two~~ should be appointed this year. It is advisable ^{that} the Secretary of State should be informed whether if candidates with Public Health

Observations - observations

qualifications ^{do} not come forward ^{within} a reasonable time, ^{it is desired that} the vacancies should be filled by the appointment of ordinary Medical Officers.

Item 75. As indicated in the Secretary of State's telegram of the 6th of February, the allowances provided under this item are not payable to officers appointed to laboratory posts after the introduction of the East African Medical Service ^{Regulations} and the item requires amendment accordingly.

Head 18. Education.

A separate ^{telegram has been sent} despatch will be addressed to the Governor ^{with regard to the new staff under this head} in reply to his Confidential despatch No. 27 of the 19th of December 1925.

Head 19. Military.

It is noted from paragraph 16 (e) of the Governor's despatch that the question of provision for a 5th Company of the King's African Rifles has been discussed with the Inspector General, and that a separate despatch on this subject will be sent. It is not clear whether the proposal of the Officer Commanding Troop, to add a Headquarters Company, costing £5,000, to a 5th Company Battalion will be pursued. In the meantime, the detailed provision in the draft Estimates under this head is already evidently out of date, and in the Secretary of State's telegram of the 6th of February, the Governor was informed that this head should be regarded as provisional, pending the receipt of the further despatch ^{which is} promised.

Head 21. Agriculture.

In the Secretary of State's telegram of the 6th of February, reference is made to the fact that the provision

provision for native agriculture has not been increased, and that a slight decrease has, in fact, been made under items 37 to 47 (Native Agriculture, Sub Division). The Governor has been asked what provision can be made for agriculture by the natives themselves from trust funds. ^{In this connection it is pointed out that the} ~~It is still awaiting the views of the Governor on the subject~~ Items 140 to 143. As the leave of Mr. R.E. Montgomery, Veterinary Adviser, will probably extend into 1926, some provision will be necessary for leave salary, etc., for this officer.

Head 22. Forestry.

Item 3. In connection with this item reference is made on page 14 on the report of the Select Committee of the Legislative Council to the possibility of meeting part of the cost of one of the posts of Assistant Conservator from native funds. ^{The Staff} ~~It would be advisable before such a proposal were adopted, that the Secretary of State should be furnished with the Governor's observations upon it in the light of paragraph 5 of Mr. Thomas' Confidential despatch (3) of the 27th of June, 1924.~~

Head 24. Land Development.

It is noted from paragraph 16 (e) of the Governor's despatch that it has been found necessary considerably to strengthen the staff in the Land Department.

Head 25. Miscellaneous.

Item 6. It is noted that provision has not been made for any grant for the up-keep of the Exhibition Galleries of the Imperial Institute. In paragraph 4 of the Secretary of State's Circular despatch of the 27th of June 1925, the Governor was

Report of the Commission on the subject of the 14th of the 1925. No. 64. 4-6-25

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3581, 3582, 3583, 3584, 3585, 3586, 3587, 3588, 3589, 3590, 3591, 3592, 3593, 3594, 3595, 3596, 3597, 3598, 3599, 3600, 3601, 3602, 3603, 3604, 3605, 3606, 3607, 3608, 3609, 3610, 3611, 3612, 3613, 3614, 3615, 3616, 3617, 3618, 3619, 3620, 3621, 3622, 3623, 3624, 3625, 3626, 3627, 3628, 3629, 3630, 3631, 3632, 3633, 3634, 3635, 3636, 3637, 3638, 3639, 3640, 3641, 3642, 3643, 3644, 3645, 3646, 3647, 3648, 3649, 3650, 3651, 3652, 3653, 3654, 3655, 3656, 3657, 3658, 3659, 3660, 3661, 3662, 3663, 3664, 3665, 3666, 3667, 3668, 3669, 3670, 3671, 3672, 3673, 3674, 3675, 3676, 3677, 3678, 3679, 3680, 3681, 3682, 3683, 3684, 3685, 3686, 3687, 3688, 3689, 3690, 3691, 3692, 3693, 3694, 3695, 3696, 3697, 3698, 3699, 3700, 3701, 3702, 3703, 3704, 3705, 3706, 3707, 3708, 3709, 3710, 3711, 3712, 3713, 3714, 3715, 3716, 3717, 3718, 3719, 3720, 3721, 3722, 3723, 3724, 3725, 3726, 3727, 3728, 3729, 3730, 3731, 3732, 3733, 3734, 3735, 3736, 3737, 3738, 3739, 3740, 3741, 3742, 3743, 3744, 3745, 3746,

informed that the contributions required for the up-keep of the galleries must be regarded for the present as provisional. It is understood that a grant of £50 is being provided in the third supplementary Estimates for 1925 and it will probably be necessary to ask the Governor to adopt the same course in 1926 when it has been decided what amount the Government of Kenya should be asked to contribute ^{as usual} ~~in respect of the present~~ ^{in respect of the present} this year.

Head 27: Public Works Department.

A separate despatch will be sent to the Governor in reply to his despatch No.1596 of the 29th of December dealing with certain appointments in this Department. (788/26)

Items 39, 41, 42 and 69 to 72. It has not been possible to trace the Treasury ruling referred to in the explanation column against these items. The system of providing separately for inferior establishments would appear to increase the necessity for careful watching of expenditure on works, since the estimates for particular works will not in future show the whole cost of such works to the Colony.

Items 84 to 102. In connection with these items reference is invited to the Secretary of State's telegram of the 16th of October. The result of discussion between the Governments of Kenya and Uganda as to the future of the Coast Agency is still awaited. (46270/22)

Assets and Liabilities.

The Secretary of State's telegram of the 6th of February contemplates the deletion from the statement of Assets and Liabilities of the liability Reserve Fund - Military Expenditure (£104,541) and the writing down of the asset Unallocated Stores - Uganda Railway (£242,347) by a corresponding sum, and also by:-

£107,000 ✓(a) £25,000

- Revised*
- (a) £25,000 from the railway surplus of 1925
 - (b) a further £25,000 in respect of 1926.

On the basis (a) of the Treasury ^{est} statement of the financial position in December 1925 enclosed in the Governor's despatch No.1596 of the 29th December 1925 and (b) of the Estimates for 1926, the position at the 31st December 1926 may be estimated as follows:-

Surplus at 31st December, 1924	£59,210
^{Estimated} Add/Surplus ⁱⁿ of 1925	£72,609
Less writing off of ^{unallocated} Railway Stores	£25,000
	£106,819

Estimated

Surplus 31st December, 1925	£106,819
which will be reduced by:-	
(a) Estimated Deficit 1925	£14,759
(b) Writing off ^{unallocated} Railway Stores 1925	£25,000
	£39,728

Estimated

Surplus 31st December, 1926	£67,060
but the item Unallocated Railway Stores will then appear as £242,347 less (£104,541 + £25,000 + £25,000)	£287,806

and without this item the balance sheet would show a deficit of £20,746.

clause in No 757, not reprinted