

KENYA

X. 3938

29 APR 1926

Date

347 6th April, 1926.

COVE'S DEPT  
NORTH OVA

CIRCULATION

1st SUPPLEMENTARY ESTIMATES 1926.

Trs for consen 10 copies of  
----- together with copy of explanatory  
memorandum and 10 copies of statement  
position.

Perms U.S. of S.  
Perms U.S. of S.  
Secretary of State.

*James Alfred Thompson*

Previous Paper

*Order 295 MINUTES*  
*in all 416*  
*in letter 146*

*Order 352*

*Order 543*

Attachment Paper

*Order 26 (Amalgamation)*  
*Order 231 (Amalgamation)*  
*Order 26 (Supply Etc)*

C.O. 538

I attach a separate note on the various items.

The despatch points out that the total expenditure of £52,246 is expected to be met by -

£27,000 savings on interest charges.

£10,568 revoted expenditure from 1925.

£ 4,500 covered by receipts.

£ 7,072 new revenue.

In addition -

£ 2,806 will be saved on the provision for military expenditure which had already been made in the draft Estimates.

The Treasurer's statement shows that a surplus of £220,183 is expected for 1925, making a total surplus of assets of £279,393. The Legislative Council has now agreed to write off the item "Railway Stores unallocated" (£242,347; see in this connection paragraph 5 of the Secretary of State's despatch of 4th March on 797/26) on condition that the item Military Expenditure (£104,541) is transferred to general revenue. The result of this is to leave a real surplus in the Colony's books of £141,587 on December 31st, 1925. We had already heard of this in connection with the Loan papers.

2. Acknowledge and note with satisfaction that the working of the year 1925 shows a real surplus of £141,587 and refer in this connection to paragraph 7 of the Secretary of State's despatch Confidential of the 14th of May, and approve the Supplementary Estimates.

3926/26.

*6. Director of works  
has been finally  
submitted in 1926  
refer to the sub-  
refer passed. Conf. ref. 11/11*

*Shel*

29 May 1926

*As proposed, subject to approval of  
protocols in 4169 (Munich aft) &  
4233 (for instructions) 11/11/26*

21 June, 1926.

Sir,

I have the honour to acknowledge the receipt of your despatch No. 347 of the 6th April, and to inform you that I approve the first Supplementary Estimates of Expenditure for the year 1926.

2. As regards paragraph 7 of your despatch, I have in my despatch No. 572 of the 21st of June approved the writing off from the statement of assets and liabilities of the Colony of the items -

Reserve Fund-Military Expenditure - £104,021/1/78.

Unallocated Stores - Uganda Railway. £312,347/4/86.

3. I take this opportunity to acknowledge the receipt of your despatch No. 377 of the 18th April, on the subject of the provision made under Head XI of the Supplementary Estimates to cover the salary of an Electrician and duty pay for an Electrical Inspector.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

(Signed) L. S. Amey

VERNON,

LIEUTENANT COLONEL.

SIR E. V. M. GRIGG, K.C., F.R.C.S., D.M.S., M.B.E.,

14.6.26.  
16.6.26.  
6.26.

*fs*  
*Ind*

J. Harding.  
Machey.  
Shuckburgh.  
Grindle.  
Davis.  
Wilson.  
Gosby-Gore.  
Clarendon.

Downing Street,

21 June, 1926.



*AS*

Sir,

I have etc., to acknowledge the receipt of your despatch No. 347 of the 6th April, and to inform you that I approve the first Supplementary Estimates of Expenditure for the year 1926.

RAFT.

573.

Grigg.

2. As regards para. 7 of your

despatch, I have in my despatch No. 572 of the

21.6.26 approved the writing off from

the statement of assets and liabilities of the

Colony

*the output with 14233*

Colony of the items -

Reserve Fund - Military Expenditure - £104,541/2/76

Unallocated Stores - Uganda Railway - £242,347/4/86.

3. I take this opportunity

to acknowledge the receipt of your

despatch No.377 of the 15th April,

on the subject of the provision made

under Head XI of the Supplementary

Estimates to cover the salary of an

Electrician and duty pay for an

Electrical Inspector.

I have, etc.,

Colony of the items -

Reserve Fund - Military Expenditure - £104,541/2/76

Unallocated Stores - Uganda Railway - £242,347/4/86.

3. I take this opportunity

to acknowledge the receipt of your

despatch No.377 of the 15th April,

on the subject of the provision made

under Head XX of the Supplementary

Estimates to cover the salary of an

Electrician and duty pay for an

Electrical Inspector.

I have, etc.,

NOTES ON KENYA'S FIRST SUPPLEMENTARY ESTIMATES, 1926.

Head IV.  
Governor.

The sum of £3,350 was provided in the Third Supplementary Estimate, 1925. £1,630 of this is now revoted.

74/26

Head IVc.  
Conference of  
East African  
Governors.

The £1,200 provided is the amount shown as Kenya's contribution in the despatch of 30th December, 1925.

4891/25 (papers  
for circulation)

I understand that since the date of that despatch proposals have been made involving higher charges, but ? this provision may stand.

See below

Head VI.  
"Official  
Gazette".  
See Minutes on  
4189/26.

See minutes on X 4169/26  
As regards the items for paper, etc. (£1,000) and stationery (£900), also contract (~~£20,000~~<sup>1,000</sup>), see the Treasurer's memorandum. ? These may be approved.

Head VIIa.  
Mombasa Fire  
Brigade.

See the Treasurer's memorandum. We have, apparently, no previous papers on this point.

Head XV.  
Police

This is dealt with in the Treasurer's memorandum, and, in view of the explanation given, ? the increased staff may be approved.

Head XVII.  
Medical Department - extra-ordinary

The purchase of a motor launch for sleeping sickness investigations in Kavirondo ? may be approved.

Head XVIII.  
Education

See paragraph 4 of the Governor's despatch, and also the Treasurer's memorandum. The estimates for the Educational Department do not appear to have been very accurate in the first instance.

Head XIX.  
Military.  
See 4132/26  
a flimsy  
is annexed.

The Governor's Confidential despatch K.A.R.3. of the 12th of April dealing with the provision under this head is in circulation.

C.O. 533/34  
PUBLIC RECORD OFFICE LONDON



Head XIXa  
Military  
Extraordinary.

The papers about the  
Inspection Report of the I.G. on the Supply  
and Transport and circulation (but I  
understand from Mr. Mackley that no objection  
need be taken to the provision for the  
purchase of three motor trucks

Head XX.  
Post Office  
and Telegraphs.

See minutes of Governor

X.F.4233/26.

Head XXV.  
Miscellaneous  
Services.

The grant of £250 to the  
Imperial Institute is revoked from

1925. (In the memorandum enclosed

with the Secretary of State's despatch of March 4th

787/26

on the draft Estimates, reference was made to the  
effect that it would probably be necessary to ask  
the Governor to provide a further grant of £50, in  
addition to the grant of £250 already provided in  
the draft Estimates for 1926 towards the upkeep of  
the Exhibition Galleries of the Imperial Institute,  
but no further comment is necessary at this stage.)

Salaries, etc.,  
of African  
Civil Servants.

The £6,850 here shown  
represents the balance of the  
provision of £17,500 made in

the Third Supplementary Estimates, 1925.

794/26

Revised Edition  
of the Laws.

The payment from Govern-  
ment funds of the Income Tax

incurred by Mr. <sup>Lyall</sup> Lisle Grant whilst engaged in this  
country on the preparation of the Revised Edition  
of the Laws was approved on Governor's 51985/23.

Purchase of Plots,  
Mairobi.

This provision of £4,157  
represents the purchase already

Head XXVIII.  
Public Works  
Recurrent.

7  
The cost of renting offices for the Medical Depart-  
ment (see the Treasurer's memorandum) for any consider-  
able time will probably be much greater than interest on  
the sum necessary to build new offices.

Head XXIX.  
Public Works  
Extraordinary comments.

See the Treasurer's memorandum no further



interest charges owing to the slow progress in Loan works imposed by necessary inquiries and local shortcomings in the building trade. The new expenditure proposed arises from not fully anticipated requirements in the Police Force and the Education Department, and from the need shown by recent accidents for better inspection of the electric supply in Nairobi, Mombasa and elsewhere.

*File  
G.W. 4235  
26*

5. £10,568 of the total vote is for re-votes against expenditure already approved while another £4,500 will be covered by revenue. The amount, therefore, of new money required is only £7,072 and there is no reason to think that this will not be easily obtained from other savings and an expanding revenue.

Annexure.

6. I annex also an explanatory memorandum which will, it is hoped, suffice in regard to most of the items while the following will be dealt with under separate despatches:-

*Sw 469  
? G.W. 432KAD X  
2044  
E 4233  
7. 3663*

- Official Gazette and Printing,
- Military, X
- Post Office and Telegraphs,
- Purchase of Plots, Nairobi.

I take this opportunity to transmit for your information a statement by the Treasurer, indicating the state of the Colony's finances at the end of last year, together with a copy of a Resolution which was unanimously accepted

Annexure.

Annexure.

by Legislative Council and will have the effect of removing totally from the Colony's Balance Sheet the false asset of the Railway Stores. The Governor feels sure from perusal of the correspondence terminating with your telegram of February 6th that this step will commend itself to you, not the less in view of the increasing Loan requirements of the Colony.

*Gov 787 (26)*  
*with AD. Sir*  
*my note to the effect - 2*

I have the honour to be,

Sir,

Your most obedient, humble servant,

*J. A. S. Herbert*  
 GOVERNOR'S DEPUTY.

AS.

KENYA.

No. 347



GOVERNMENT HOUSE,  
NAIROBI.

KENYA.  
6<sup>th</sup> April, 1926.

X. 3938

10

29 APR 1926

Sir,

I have the honour to forward for your favourable consideration the 1st Supplementary Estimates for 1926 as passed by Legislative Council on March 25th, 1926.

2. Supplementary Estimates were introduced on March 18th and, after amendment in Select Committee principally by additions in respect of Police and Education, were accepted by Council without opposition.

3. The Governor is aware that the sum asked for is large, especially in view of the shortness of the period since the Annual Estimates were passed, but he trusts that if the following considerations are borne in mind it will receive your approval.

4. It has become evident that considerable savings will accrue on the 1926 Estimates. In particular it has appeared that a saving of at least £27,000 will be derived from estimated

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

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COLONY AND PROTECTORATE OF KENYA

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**FIRST SUPPLEMENTARY ESTIMATES**

**1926.**

*(As passed in Legislative Council on March 25th, 1926.)*

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# First Supplementary Estimates, 1926.

of ad.	HEAD.	SUBHEAD.	Sanctioned Estimates.	Amount applied for on 1st Supplementary Estimates.	Expected Savings.
IV.	H. E. THE GOVERNOR.	Upkeep of Government House Furniture .. .. .	£ 550	£ 1,630	£ ..
IVA.	CONFERENCE OF EAST AFRICAN GOVERNORS.	Secretariat .. .. .	..	1,200	..
		Expenses in connection with the 1926 Conference .. .. .	..	750	..
			..	1,950	..
V.	SECRETARIAT AND LEGISLATIVE COUNCIL.				
	LEGISLATIVE COUNCIL.	Personal Emoluments .. .. .	480	120	..
VI.	"OFFICIAL GAZETTE" AND PRINTING.	Personal Emoluments .. .. .	11,016	510	..
		Printing Paper and Printers .. .. .	..	1,000	..
		Sundries .. .. .	2,000	74	..
		Passages .. .. .	320	..	..
		Stationery, Books, &c., for Departments .. .. .	4,125	900	..
		Outfit Allowance .. .. .	..	30	..
		Contract Printing .. .. .	..	1,000	..
			..	3,514	..
VIIa.	ADMINISTRATION.—EXTRAORDINARY.	Mombasa Fire Brigade .. .. .	..	850	..
VIII.	TREASURY.	Personal Emoluments .. .. .	19,348	225	..
Xa.	PORT AND MARINE DEPTS.—EXTRAORDINARY.	Removal of Sunken Lighter .. .. .	..	400	..
XV.	POLICE.	Personal Emoluments .. .. .	102,886	840	..
		Arms and Equipment .. .. .	1,100	5	..
		Miscellaneous Stores .. .. .	1,700	5	..
		Local Travelling .. .. .	6,752	150	..
		Travelling Allowances .. .. .	600	50	..
		Animal Transport .. .. .	650	72	..
			..	1,122	..
VII.	MEDICAL DEPARTMENT.—EXTRAORDINARY.	Purchase of Motor Launch .. .. .	..	600	..
VIII.	EDUCATION.				
	EUROPEAN EDUCATION.	Personal Emoluments .. .. .	17,017	530	..
		Nairobi .. .. . £ 300	..	..	..
		Nanyuki .. .. . £ 230	..	..	..
	INDIAN EDUCATION.	Personal Emoluments (Nyanza) .. .. .	8,681	414	..
		Rent of building .. .. .	..	75	..
		Preparation of playing grounds .. .. .	..	192	..
		Alidina Visram, High School .. .. .	..	95	..
	NATIVE INDUSTRIES.	Personal Emoluments .. .. .	..	..	..
		Books, Stationery and Equipment (all schools) .. .. .	3,000	3,000	..
			..	4,306	..
<i>Carried forward</i> £				14,767	..

No. of Head.	HEAD.	SUBHEAD.	Sanctioned Estimates.	Amount applied for on 1st Supplementary Estimates.	Expected Savings.
		<i>Brought forward</i>	£	£	£
XIX.	MILITARY			14,767	
	3RD KING'S AFRICAN RIFLES	Personal Emoluments	61,554	5,186	
		Arms, Equipment, etc.	6,500		500
		Rations	12,200		800
		Local Travelling	3,050	300	
		Passages	2,050	260	
		Transport of Stores	4,000	800	
		Miscellaneous Stores	1,400		400
		Outfit Allowances	350	50	
		Contingencies	350	50	
		Grain Rations for Animals	150	100	
		Riding and Pack Animals	738		389
		Riding Animals to replace Casualties		38	
	DEPOT	Personal Emoluments	1,944	69	
	KING'S AFRICAN RIFLES RESERVE	Personal Emoluments	1,630		718
				6,853	2,806
XIXa.	MILITARY—EXTRAORDINARY.	Purchase of 4 Motor Trucks		1,300	
XX.	POST OFFICE AND TELEGRAPHS	Personal Emoluments	76,112	479	
		Passages	4,488	55	
		Local Travelling			
		Travelling Allowances	1,000	25	
		Local Travelling and Transport	4,000	50	
				609	
XXV.	MISCELLANEOUS SERVICES.	Grant to Imperial Institute	250	250	
		Illustrative Propaganda and Advertisements		112	
		Compensation to Ibrahim Shengo for Land, Kwale		100	
		Expenses in connection with Salvaged goods and Ambergis		800	
		Famine Relief		3,403	
				4,665	
		<i>Carried forward</i>	£	23,529	2,806

No. of Head.	HEAD.	SUBHEAD.	Sanctioned Estimates.	Amount applied for on 1st Supplementary Estimates.	Expected Savings.
		<i>Brought forward</i>	£	£	£
XV.	MISCELLANEOUS SERVICES.—(Contd.)	Expenses of Commissions of Enquiry and Committees	500	600	
		Retrospective adjustment from April 1st, 1920 of Salaries and House Allowances of African Civil Servants		6,850	
		Refunds of Revenue, Rents, &c., from Lands in Native Reserves		4,000	
		Revised Edition of the Laws of Kenya		220	
		Purchase of Plots, Nairobi, in connection with the Town Planning Scheme		4,187	
				20,492	
XVIII.	PUBLIC WORKS RECURRENT.	Rents of offices and houses and house allowances in lieu of quarters	33,000	600	
XXIX.	PUBLIC WORKS EXTRAORDINARY.	Construction of Houses at Wajir		1,000	
		Roads in South Kavirondo Gold Mining Area		238	
		Hospital &c., at Holma Point for Sleeping Sickness		1,500	
		Construction of Kakamega Station		400	
		Extension to Secretariat Offices, Nairobi		1,135	
		Extension to Treasury and Audit Department Offices, Nairobi		4,000	
		Labour Rest Camp, Kisumu		1,152	
		Supply of Electrical Energy for Kabete Laboratory		1,200	
				7,625	
		TOTAL	£	52,246	2,806
		NET EXCESS	£		49,440
		TOTAL	£	52,246	52,246



FIRST SUPPLEMENTARY ESTIMATES, 1926.

14

EXPLANATORY MEMORANDUM.HIS EXCELLENCY THE GOVERNOR.

upkeep of Government House Furniture, £1,630. Re-voted from  
3rd. Supplementary Estimates, 1925.

CONFERENCE OF EAST AFRICAN GOVERNORS.

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X  
 Secretariat (Kenya's share) £1,200. This sum is intended to cover  
the cost of Kenya's share of the Governors' Conference Secretariat  
during 1926.

Expenses in connection with the 1926 Conference, £790. The  
details of this item are as follows:-

Hire of Cars, . . . . .	£252.	
Cost of Tents, . . . . .	247.	
Cost of Banda Dining-Room at Nakuru Camp, . . . . .	50.	
Hire of Camp Equipment, . . . . .	80.	
Shipping Charges at Kilindini, . . . . .	3.	
Baggage Expenses, . . . . .	10.	
Reserve for further debits... . . . .	98.	£790

SECRETARIAT AND LEGISLATIVE COUNCIL.LEGISLATIVE COUNCIL.

Personal Emoluments, £120. The amount asked for is to cover the  
cost of allowances for two reporters. The reporting arrangements  
for Legislative Council are to form the subject of inquiry by  
a Committee, but until that Committee reports the two officers  
who are at present doing this work should continue to draw the  
allowances of £50 per annum sanctioned by the Secretary of  
State. The figure £120 includes provision for the local  
allowance on these allowances.

"OFFICIAL GAZETTE" AND PRINTING.

Personal Emoluments, £510; Passages, £74; Outfit Allowance, £30.  
If the recommendations of the Committee on the Amalgamation of the  
Government and Railway Presses are adopted, a Government Printer,  
as suggested in paragraph 11 (3) of the Report, must be engaged  
in the first instance. Consolidated salary on the scale  
£720 by £30 to £840 is suggested. The amount under Personal  
Emoluments provides for salary from April 1st.

Printing Paper and Printers' Sundries, £1,000; Stationery, Books,  
etc., for Departments, £900. Increased demands for printed  
forms, stationery and books.

Contract Printing, £1,000. Owing to pressure of work it will be necessary to place certain printing out to contract. Such printing work will include forms ordered by Government Departments and reports of Commissions and Committees (where this is practicable).

ADMINISTRATION EXTRAORDINARY.

Mombasa Fire Brigade, £250. The amount applied for is to cover the cost of equipment required to carry out a fire-fighting scheme recommended by the Mombasa District Committee. The scheme, which provides for the police to undertake the duties of a local fire brigade, has been approved by the Commissioner of Police and the Director of Public Works. The recurrent expenditure in connection with the scheme will amount to £138 per annum.

TREASURY

Personal Emoluments, £275. The amount applied for is to strengthen the Examination Division by the addition of a European Clerk and a third grade Asiatic clerk, for the purpose of dealing with the Police and Military Accounts, which have not hitherto been checked in the Treasury. The Secretary of State was asked to allow these Departments to be self-accounting, which would have rendered the Treasury check unnecessary. Colonel Amery, however, has decided against this proposal and requires the Colonial Regulations to be adhered to. The Secretary of State has sanctioned the Customs Departments being made self-accounting, but for which fact the request for additional Treasury clerk would have been considerably greater.

PORT AND MARINE EXTRAORDINARY.

Removal of Sunken Lighter, £400. The amount applied for is to cover the cost of removing an obstruction to navigation off the Maize Pier, Kilindini. The work was undertaken on the advice of the Port Captain and the General Manager, Kenya and Uganda Railway.

POLICE.

£1122. In view of the rapid increase in crime recorded in the Trans Nzola district the Commissioner of Police considers it necessary to strengthen the Police establishment in that area. It is proposed to provide money for police stations out of Loan Funds. The Commissioner of Police requires an additional establishment of three Assistant Inspectors and one Assistant Sub-Inspector for the Trans Nzola district. The cost of these officers is estimated to amount to £1122 for the remaining nine months of the current financial year.

MEDICAL DEPARTMENT EXTRAORDINARY.

Purchase of Motor Launch, £600. A motor launch is essential for the proper conduct of investigations with regard to sleeping sickness in Kavirondo. The area to be investigated is on the borders of the Lake and unprovided with roads.

EDUCATION.

Native Industries: Personal Emoluments, \$95. The amount applied for is to provide a clerk for the distribution of and accounting work in connection with the native newspaper "Habari."

The sum of \$3,000 provided in the Estimates for 1926 for books, stationery and equipment is insufficient. The Director of Education estimates that the additional \$3,000 now asked for will meet all requirements for the remainder of this year.

MILITARY.

The amount applied for under this Head is to provide for the re-organization of the 3rd. K.A.R. battalion on a six-company basis. A six-company battalion was asked for when the draft 1926 Estimates were presented. The Select Committee preferred a suggestion for providing additional training staff at headquarters at an estimated cost of \$5,000, but the matter was left in abeyance pending the visit of the Inspector-General. The Inspector-General has now pressed strongly for a six-company battalion.

MILITARY EXTRAORDINARY.

Purchase of Four Motor Trucks, £1,300. This purchase follows a recommendation in the inspection report of the Inspector-General on the Supply and Transport Services of the King's African Rifles.

POST OFFICE AND TELEGRAPHS.

Personal Emoluments, \$479; Passages, \$55; Travelling, \$75. The amount applied for is to cover the salary of an Electrician at \$500 per annum, consolidated pay, and his passage and travelling expenses and also duty pay at \$150 per annum for an Electric Inspector. Government has under consideration the placing of the administration of the Electric Power Ordinance under the Postmaster General and for the time being the Electric Inspector's duties will be performed by the Telegraph Engineer.

MISCELLANEOUS SERVICES.

Grant to Imperial Institute, \$250. Re-voted from 1925.

Illustrative Propaganda and Advertisement, £112. The amount applied for is to cover the cost of preserving two pages in the first edition of "Ports and Cities of the World" for matter dealing with Kenya.

Compensation to Ibrahim Shenge for Land at Kwale, £100. Re-voted from the 3rd. Supplementary Estimates, 1925.

Expenses in connection with Salvaged Goods and Amber, \$100.

The amount applied for is to meet the claims of salvors, who are awarded half the proceeds of sales. Expenditure under this subhead is covered by corresponding revenue.

2233

794/26

Famine Relief, £3,403. The amount applied for is to supply food to the population of certain areas in Digo District, where a shortage is reported. The natives asked for relief through the Digo Local Native Council and were willing to work for food. It is proposed to utilise famine labour on the consolidation and improvement of roads and on dam-making at Mwavumba Trading Centre. It is recommended that a sum of £495.17.0. be recovered from the Famine Relief Account of the Native Trust Fund and applied in this object.

Expenses of Commissions of Enquiry and Committees, £600. The provision in the Estimates has proved inadequate. Heavy expenditure was incurred in connection with the Port Commission.

Retrospective Adjustment from 1st April, 1920, of Salaries and House Allowances of African Civil Servants, £6,850. Re-voted from the 2nd Supplementary Estimates, 1925.

Refunds of Revenue: Rents, etc., from Lands in Native Reserves, £4,000. The amount applied for is required to pay out to the Local Native Councils the amounts credited during the year to the Colony's revenue in respect of rents, etc., derived from alienated lands in the Native Reserves. It is legally necessary for these receipts to be credited to Revenue in the first instance, and the Revenue of the year will be increased by an equivalent sum.

Revised Edition of the Laws of Kenya, £220. The amount applied for is to meet the income tax payable by Mr. Lyall Grant owing to his detention in England in connection with the preparation of the Revised Edition of the Laws of Kenya.

#### PUBLIC WORKS RECURRENT.

Rents of Offices, etc., £600. The amount applied for is to cover the rent of a building for the Headquarters Office of the Medical Department. The present building is inadequate and unsuitable and inconvenience and distraction are caused by the Railway Workshops development in the immediate vicinity. An opportunity has occurred of securing Hunter's Buildings at the corner of Sixth Avenue and Sadler Street. The site of this building is conveniently central and occupation of the building would enable accommodation to be provided for the whole of the staff. In the present building there is no accommodation for the Senior Medical Officer and the Chief Sanitary Inspector has to be accommodated at the Health Office.

Hunter's Buildings can be leased for a period of three years with an option of renewal for another two years. The rent would be a matter for negotiation, but the figure suggested is £600 per annum. The cost of renting this building for three years would be approximately the same as the cost of an extension to the present building, which would not alleviate the inconvenience caused by the Railway Workshops. The General Manager of the Railway states that the noise from these shops will very much increase in the near future with further development and foundry and boiler-making work.

PUBLIC WORKS EXTRAORDINARY.

Construction of Houses at Wajhair, £1,000. The amount applied for is to provide housing accommodation for civil and military war officers at Wajhair. The present buildings are unsuitable and inadequate.

Roads in South Kavirondo Gold Mining Area, £238. Re-voted from 3rd Supplementary Estimates, 1925.

Hospital, etc., at Homa Point for Sleeping Sickness, £1,500. Re-voted from 3rd Supplementary Estimates, 1925.

Construction of Kakamega Station, £400. The amount applied for is required to complete the work for which £2,600 was provided last year. The extra cost is due partly to change in design and partly to unexpectedly heavy transport expenses.

Extension to Secretariat Offices, Nairobi, £1,135. The amount applied for is to provide necessary additional accommodation.

Extension to Treasury and Audit Department Offices, Nairobi, £1,000. The old income-tax building at present used by the Audit Department is falling down, and has been condemned; the amount applied for is to provide the necessary new buildings for the accommodation of the Audit Department Staff.

Labour Rest Camp, Kiambu, £1,152. The labour rest camp at Kiambu, consisting of nine grass huts, became heavily infected with spirulum ticks, and had to be destroyed. It is necessary to replace these huts with buildings of a permanent and sanitary type. Over 90,000 labourers used this camp last year.

Supply of Electrical Energy for Kabete Laboratory £1,200. The amount applied for is to provide for a supply of electrical energy by purchase from the East African Power and Lighting Company.

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4th. Annexure.RESOLUTION UNANIMOUSLY ACCEPTED BY THE  
LEGISLATIVE COUNCIL ON MARCH 23rd, 1926.

"Whereas it is expected that the Surplus at the end of 1925 was in the neighbourhood of £279,000 and whereas the Secretary of State has agreed to a sum of £104,541.2.76 which is at present at credit of an account in the Colony's Books styled the "Military Reserve Fund" being transferred to Revenue (which transfer will increase the expected surplus of £279,000 to £383,000) on condition that the amount in the Balance Sheet styled the Railway Unallocated Stores Account, the balance to the debit of which stands at £242,347.4.86 is written down by an equivalent sum, and whereas it is in the opinion of this Honourable Council desirable that the whole balance of £242,347.4.86 at debit of the Railway Unallocated Stores Account be written off in the 1925 Accounts.

Be it resolved that the balance of £242,347.4.86 standing to the debit of the Railway Unallocated Stores account in the Colony's books be written off in the 1925 accounts on the understanding that a sum of £104,541.2.76 now standing in the Colony's Books at credit of the "Military Reserve" Account be transferred to Revenue."

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State of return  
No 3938/26

3<sup>rd</sup> Annexure

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COLONY AND PROTECTORATE OF KENYA.

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

By R. CLIFTON GRANNUM, C.M.G.,  
*Treasurer,*  
*Colony and Protectorate of Kenya.*

NAIROBI,  
PRINTED AT THE GOVT. PRESS.  
1926.



COLONY AND PROTECTORATE OF KENYA

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STATEMENT OF THE COLONY'S FINANCIAL POSITION,  
MARCH, 1925.

In December last I informed Honourable Members that from information furnished to me by Heads of Departments I estimated that the surplus at the close of the year would be £100,819. I subsequently stated that I had been informed by the Honourable Commissioner of Customs that I could safely reckon on a further £22,000 in Customs receipts, which brought my estimate of the surplus at 31st December, 1925, to £131,819. Although the 1925 accounts will not be finally closed for yet a few weeks, it is now clearly evident from figures in my office that the actual surplus will far exceed the estimate of £131,819 arrived at on the information previously furnished to me.

	£	£
The original estimates of Revenue and Expenditure were respectively	2,160,325	
and	2,117,325	
Leaving an estimated surplus on the Budget of	43,000	
The actual Revenue is now expected to have amounted to		2,321,730
An excess of	161,414	
on the original estimate.		
The actual Expenditure is expected to have been		2,160,556
Or	15,669	
less than the original estimate.		
Giving a revised surplus of	£220,180	£220,180

The following statement shows the amounts which Departments in December estimated would be received and expended during 1925, and, in contrast, the receipts and payments as now estimated from the Treasury books:—

## REVENUE, 1925.

	Estimates as submitted by Departments	Treasury Estimates	Estimates of Departments in excess	Estimates of Departments in deficit
	£	£	£	£
I. Customs	691,000	679,726	14,274	—
II. Port, Harbour, etc.	17,600	16,388	—	788
III. Licenses, Duties, etc.	703,554	745,915	—	42,361
IV. Fees, Municipal Revenue, etc.	195,594	115,623	—	10,280
V. Re-imbursements	377,118	378,487	—	1,369
VI. Posts and Telegraphs	151,300	138,372	—	7,072
VII. Earnings of Government Depts.	49,502	48,298	—	1,796
VIII. Revenue from Government Property	85,225	82,980	2,247	—
IX. Sale of Government Property	17,221	21,710	—	4,489
X. Miscellaneous Receipts	4,819	4,772	47	—
XI. Interest	64,840	71,942	—	7,102
	2,244,515	2,303,153	16,568	75,206
XII. Land Sales	18,300	18,586	—	286
	£2,262,815	£2,321,730	£16,568	£75,492

## EXPENDITURE, 1925

	Estimates as submitted by Departments	Treasury Estimates	Estimates of Departments in excess	Estimates of Departments in deficit
I Public Debt Funded	365,000	364,000		
II Rent and Interest to H.H. the Sultan of Zanzibar	16,500	16,500		
III Rensselaer and Gratification	82,102	76,467	5,635	
IV H.E. the Governor	16,560	15,040	1,520	
IVa H.E. the Governor, Extraordinary	2,300	2,201	99	
IVb Governor's Conference		219		219
V Secretariat	14,873	14,772	101	
VI Official Gazette and Printing	19,377	19,322	55	
VIa Official Gazette and Printing, Extraordinary				
VII Administration, Extraordinary	242,358	237,866	4,492	
VIII Treasury	19,989	20,002		14
IX Customs Department	38,330	35,968	2,362	
X Port and Marine Dept.	15,671	14,707	964	
Xa Port and Marine Dept., Extraordinary	3,790	1,403	2,387	
XI Audit Department	15,969	14,107	1,862	
XII Judicial Department	23,421	21,580	1,841	
XIII Registrar General's Dept.	3,360	3,033	327	
XIV Legal Department	7,708	6,521	1,187	
XV Police	123,819	122,226	1,593	
XVI Prisons	13,037	12,531	506	
XVII Medical Department	133,304	132,005	1,299	
XVIIa Medical Department, Extraordinary	919	859	60	
XVIII Education	81,159	78,892	2,267	
XVIIIa Education, Extraordinary	1,650	1,622	28	
XIX Military	180,152	169,360	10,792	
XIXa Military, Extraordinary	3,604	2,938	666	
XX Post Office and Telegraphs	124,920	126,356		1,436
XXa Post Office and Telegraphs, Extraordinary	2,900	2,560	340	
XXI Agricultural Department	106,988	101,152	5,836	
XXII Forest Department	20,055	28,279	8,224	
XXIII Game Department	11,160	7,245	3,915	
XXIV Land Department	39,911	37,238	2,673	
XXIVa Land Department, Extraordinary	175	168	7	
XXV Miscellaneous Services	105,311	97,116	8,195	
XXVI Interest	65,000	69,648	4,648	
XXVII Public Works Department	51,362	49,711	1,651	
XXVIIa Public Works Department, Expenditure	184,558	129,819	54,739	
XXIX Public Works Department, Extraordinary	57,277	42,483	14,794	
XXX Trade Information and Publicity Bureau	5,000	5,000		
	£2,187,871	£2,101,556	£86,315	£1,669

Adding the present estimated surplus for 1925 £220,183  
to the surplus at the commencement of the year 59,210  
the present estimated surplus at the end of 1925 amounts to £279,393

Reference to the Colony's Balance Sheet will show that there is a sum of £104,541 standing to the credit of a Special Reserve Fund which was intended to assist in meeting the Colony's Share of Common War Expenditure if and when that liability had to be met. As it has been decided that the allocation of this expenditure is to be deferred for consideration until 1934, the Secretary of State has been asked and has agreed to the balance of the reserve account being transferred to revenue on condition that the Railway Unallocated Stores account is written down in the 1925 accounts by an equivalent sum plus a further sum of £25,000, or by a total of £129,541. When this amount of £104,541 has been transferred to Revenue, and before the write-off of £129,541 on the Railway Unallocated Stores required by the Secretary of State is made, the surplus of £279,393 referred to previously, will be increased by £104,541 to £383,934.

I very strongly recommend that instead of writing off only £129,541 from the valueless asset of Railway Unallocated Stores, the whole amount appearing under this head be at once eliminated from the Balance Sheet. So long as any part of the value of Railway Unallocated Stores, which we have definitely decided shall not be recovered from the Railway, continues to be shown in the Balance Sheet as a ~~residual~~ asset, so long will the Colony, in my opinion, lay itself open to the suspicion of indulging in unaccounted finance. The amount in question is £242,347, and if my suggestion is acted upon there will still remain at the end of 1925, after the whole of this sum has been written off, a surplus of £141,587, which will be a genuine surplus, subject only to the fact that a part of it, namely, £60,122, will not be represented by cash but by unallocated stores.

It will perhaps interest Hon. Members to know that I fully expect to sign the 1925 Balance Sheet before the end of the current month, thus breaking the records of the past five years by ~~24~~ months and five days, two months and twenty days, two months and seven days, ~~22~~ months and twelve days, and eighteen days respectively, and I would ask to be allowed to take this opportunity of recording my grateful thanks to all departments for assisting my department to bring about such a result by the prompt rendering of their departmental accounts. Especially are my thanks due to the Hon. Commissioner of Customs for his very prompt completion of the heavy statistical work on which the financial adjustment of Customs revenue between Kenya and Uganda has been made.