

1923



KENYA

251

CO  
40103  
RE  
11 AUG 25

FROM  
Dep Sec  
North Col  
1009

DATE  
17th July 1923

FOR CIRCULATION  
Mr. [Signature]  
Mr.  
Mr.  
Asst. U.S. of S.  
Permy U.S. of S.  
Part U.S. of S.  
Secretary of State

SUBJECT

Queries re Estimates

Replies to

Previous Paper

3662

MINUTES

This is very largely explanatory  
in reply to No. 1779/23. (Estimates)  
With regard to para 1 of their despatch  
Mr Bottomley has already expressed  
views on OTC 32938/23 as to the danger  
of these supplementary estimates  
being used to force the S.F.S.'s hand  
by getting the Legislative Council to  
vote money in addition to that  
provided in the Estimates, and then  
presenting him with a fait accompli.  
In view of the desirability that in  
view of the economy which is expected  
to result S.F.S. has no objection to  
the procedure followed, we should desire  
that so far as possible Supplement

Subsequent Paper

See [Signature]

in which [Signature]

Estimates should be  
referred to the necessity  
of having formal sanction  
to the reallocation between  
Items of the provisions made  
in the Annual Estimates

Para 2 This is in  
reply to para 4 of S/S's  
despatch on 1779/23, in  
which S/S said he had hoped  
that a small beginning wd.  
have been made this year  
to branch for interest on  
production as well as  
for the due service  
paid for one of the  
(for Schedule of 15,000,000  
units - volume for the  
of the operation)

As indicated, the  
works will be a few in  
then it is slightly  
correct as to make provision  
taken in the (Salary) of the Railway  
for a later this year; but no  
response is made to the suggestion  
which, as noted above, was  
made in para 4 of S/S's  
despatch.

Para 3 See para 5 of 252  
S/S's Despatch on 1779/23, para  
para 27 of the Treasurer's Budget  
Statement in that paper  
The explanation of the claim  
of £879,059 referred to by the  
Treasurer is that the  
Sheet (P. 241 of M. Estimate)  
the Railway's Revenue  
Statement and the balance  
these are to be shown  
in future. But it is  
is a balance sheet  
to the extent of £879,059  
could have been realized  
with their advance from  
funds

Para 4 The question of the  
adjustment of accounts between  
Kenya & the W.O. to under  
separate control, on W.O. 4316/23  
& connected papers

Para 5 This is a matter  
in which perhaps a CA should

he asked to advise. Professor Zouch  
advocated the system of  
inter-departmental accounting  
between the Forestry Dept. & other  
Govt. Dept. in strong terms in  
para 47 of his Report, & the  
system is of course used by the  
W.O. & S.P.O. in this country. It  
is perhaps doubtful whether such  
elaborate colling is necessary  
in the Forestry Dept. whose functions  
are not so varied as those  
undertaken by the head of the Dept.

17/1/25 indicated quite clearly  
that the expenditure  
of the Forestry Dept.  
is not to be included as ordinary  
Dept. expenditure  
and should be asked  
for from the Budget now raised.  
It may be noted that the 2 can  
Estimates conform to the procedure  
advocated in the C.O. memorandum  
yet they are able to show  
(on page 1) the total Special

17/1/25

253  
Expenditure quite distinct  
from ordinary and extraordinary  
Expenditure. There seems no  
reason why they should  
not do this.

I have made a series  
of notes on the points raised in  
the memorandum of details  
which do not in a form suitable  
for transmission to the Comptroller  
but there seems no objection  
to the memorandum in reply.

Notes file 17/55 CA

referred on the  
17/1/25  
The file  
will be brought in soon  
for audit to be done.

has looked  
at file 17/55 CA  
Sol 3.9.13

Disposal of notes marked  
as 'X' on memo beneath  
under Head XVIII & XX  
XX (file 17/55 CA)  
(2) Then send pp. to S.P.O.  
for comments of the points on

Done  
17/1/25

W. S. S. v. S. S.  
marked X

acc?  
10/2/23

M. S. S. S.

Para 5. This point

has fully discussed in 18054/15  
of the Coast. I suggest that you  
might refer in the sense of the  
report to the former a brief  
paper.

Para 6. I agree with the views

expressed in the memo in  
1779/23 which I think should  
be accepted.

*[Signature]*  
26/9/23

M. S. S. S.

I think this is  
all in order now for  
a dft. to Gov to  
be prepared.

C. J. J. 29/7/23

Yes, let me know

26/7/23

Minutes on Memo. acc. Gov. <sup>Corp</sup> ~~Dept~~ of July 1923  
140103/23. (Details of 1923 Est. & etc.)

Revenue

Head VI. Item 10.

See para 4 of the Com. dft. on  
Gov. dft. 36664/23. The explanation has  
been accepted on that basis.

Head VIII. Item 2. B.

~~The reference to para 10 of the Com. dft. is  
not understood as that para refers to  
the adjustment of accounts in respect of  
military transactions.~~

The reference given should presumably  
be to para 5 of the Com. dft.

The Treasurer and the O.A.G. are both  
opposed to the system of book debts and  
credits between the different Dept<sup>ts</sup> and  
even urge its ~~discontinuation~~ abandonment  
in the Post Dept. where it had already  
been adopted. The system is observed in other  
countries, and before accepting their  
suggestion we might perhaps wish D.C.A.  
to give his views. See also under Expenditure  
General. <sup>also in minutes</sup>

Head XIV. Item 2.

The net increase (estimated) in receipts



Head XVII 23.

? no Bns

It is rather curious - but perhaps we can leave it

Head XVII 440 45

In the absence of recent orders on the salaries of Indian Teachers it is difficult to comment on the revised salaries now shown.

The scales do not show any provision for Asiatic schools. The scales given by the O.A. especially for graduates & bachelors.

I should like to know how far we are from the O.A. scales.

Head XIX 15

accept the explanation

Head XX Agricultural

News 2 & 11. The appointment of an additional Agricultural Assistant was agreed to on O.A. 24504/13 and P.S. (Applic) has been asked to select a candidate.

News 36 & 37

The explanation is correct

Para 56

Head XXIX

See E 5 of Officers' Serp.

Head XXIII 79 & 81

accept the explanation & but see E 5 of Officers' Serp.

Heads XXIV & XXVI

The question of a Publishing Office is still under consideration & a desk has recently been drafted to the O.A. on this for a further

result in

Revenue

extracted to the relevant KAR papers to be dealt with separately

similarly the query and reply on the part of Captain. Supply and for author's det<sup>n</sup> should be extracted to file 11095 KAR (Capt. Birch)

34

don

use of their own allowances in the O.A. & the O.A. should be used for the purpose.

all

report on the proposal.

Yr. int. practically  
turning it into  
deed

Head xxv. Miscellaneous

Item 18.

Proposed note

deed

Note also that provision will  
be made in Second Supplementary  
Est. for the estimated expenses in  
connection with the British Empire  
Exhibition

We can wait  
for this plan

Head xxvii. Public Works

Item 3. <sup>1</sup> ~~debatable~~ quoted. <sup>2</sup> (on 17458(A))

does not, as Trifewell has test out  
in writing it, answer the ques-  
tions which were put to the Com-  
missioner and am. namely

- ① No saving has resulted as the  
difference between the salaries of  
the Exec Engineer & the Am<sup>n</sup> Engineer  
is more than counterbalanced  
by the pension which has to be  
paid to the retired Exec Engineer
- ② If the Am<sup>n</sup> Engineer is needed  
at H.Q., he cannot be available

for releasing Exec Engineers

As to (1) however, Mr Reynolds has  
now been given a post in T.T. & his pension  
will therefore be saved, and in the event, perhaps  
the new arrangement may be allowed to  
stand, without referring to the Sikes for  
a further explanation as suggested by  
the O.A.G.

the date of  
the 23 Aug.

transfer  
of 17458 (A)  
or so

to handle  
and on last  
of memo  
which should

deed  
we can wait  
on the file  
off

We can wait if this is  
the personal file - a provision  
under some of the

Head xxvii. Item 18. deed

accept the explanation

Head xxx. Item

The reports on the Finance Commission  
show that it is going to be successful and no loss  
will presumably have to be made good from the  
Native Trust Fund. But the statement that  
repairs will be financed from this source is  
rather odd. Should not an assurance have  
been given under Sec 7(a) of the Ord<sup>n</sup> 146 of 1921, 6000(?)  
that the Government Council has approved of this?  
Item 3.

(546479/22)

we are of  
the  
to 1921  
should  
be made  
at H.Q.

The explanation with the provision  
for Tora. Planning & other work has been  
accepted in the Dept. 16.3.1922.

10103

258

KENYA  
No. 409.  
CONFIDENTIAL.



GOVERNMENT HOUSE,  
NAIROBI,  
KENYA.  
17th July, 1923.



3395-24

My Lord Duke,

*800*  
*1949 22*  
*23*

With reference to Your Grace's Confidential despatch of February 15th, regarding the Estimates for the current year, I have the honour to state that the Acting Governor has signed a General Warrant for expenditure as shown in the Draft Estimates, excluding items which have not been approved by Your Grace's despatch. To avoid delay in the introduction of the

*a further de*  
*3666*

the Estimates with the motion Sir Robert Gordon Guggenheimer was advised that the Legislative Council and subject to Your Grace's consideration. The additional items approved by the Council will have to be dealt with as a first supplementary estimate.

I accompanied my delegation to the Legislative Council on 28th July. I trust that, in the circumstances, Your Grace will be able to approve of the procedure adopted.

2. The provision of £4,174 for the interest of Loan funds represents an interest of £52,892 which was arrived at as follows:

YOUR GRACE  
THE DUKE OF DEVONSHIRE, K.C., P.C., G.C.M.G., G.C.V.O.,  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET, LONDON, S.W.



(1) Colony's share of Item 3 of the Schedule to the Loan Ordinance (No. 59 of 1921)		£ 84,469
Plus proportionate share of Item 6 of the Schedule		<u>£ 8,444</u>
		£ 92,913
(2) Item 4 of the Schedule of the Loan Ordinance	£200,000	
Plus proportionate share of item 6 of the Schedule	<u>59,979</u>	<u>£ 559,979</u>
		<u>£ 752,892</u>

It is not yet certain whether the Colony or the Railway Administration will ultimately be responsible for the interest on Loan funds for construction of Kilindini Harbour works so that it is not possible to estimate whether any additional provision for interest in the Colony's Estimates will be necessary in future years. It is presumed that interest on the other items of the Schedule of the two Specific Loan Ordinances will fall a charge against Railway funds with the exception of "Advance to Nairobi Municipality" (Item (f) of the Schedule attached to Ordinance 2 of 1922) in which case the amount payable by the Colony will be recovered from the Municipality. The only liability, therefore, in future years in respect of interest, additional to £45,174 allowed for in the present Estimates, would appear to be for Sinking Fund Contribution on the above sum of £752,892, the estimated amount of which is £9,787.

5. I regret that the despatch covering the Treasurer's Budget Statement did not refer more fully to the simultaneous existence of an overdraft and a surplus in the Colony's Balance Sheet at 31st December 1921. The explanation of the position is to be found in the fact that

£ 1779

cash

cash had been converted into other assets which, if reconverted, would enable the overdraft to be liquidated. In the course of the debate in the Legislative Council the Treasurer explained that to the extent to which the Colony's assets were realized in excess of the amount necessary to meet any immediate demands in respect of its other liabilities, to that extent could the particular liability of the overdraft be reduced. The Treasurer also stated that if and when the net amount owing to the Colony by the War Office as reflected in the Balance Sheet was recovered, the overdraft would be reduced unless the cash resulting from the receipt were used for liquidating other liabilities or for creating fresh assets other than cash assets. In other words the Colony is in the position of having borrowed cash against its non-liquid assets. A similar position which is quite usual in business existed prior to the raising of the Loan, the only difference being that the cash was then borrowed from the Crown Agents whereas in 1921 it was borrowed from Loan Funds. It is the Treasurer's intention to show the Loan Account Balances in future quite separate and distinct from the General Account Balances. If this had been done in the 1921 Balance Sheet the Liabilities Side of the Balance Sheet as regards the General Account would have been decreased by £2,228,757-3-04 and would have shown instead the amount due by General Account to Loan Funds, £279,061-18-03. Similarly the Asset Side of the Balance Sheet as regards the General Account would have been reduced by the amount shown under Investment Interest of Surplus Funds

	£ 275,903-7-79
and the amount shown as Cash lent at Interest	£1,073,793-7-52
	£1,349,696-15-31.

The excess of Assets over Liabilities would of course have remained unchanged.

4. The explanation of the difference between £603,209 and the sum of £579,313 shown in Sir Charles Bowring's despatch, King's African Rifles, No.209 of 20th December and referred to in paragraph 5 of Your Grace's despatch is as follows:

Balance due by	on 31-12-21	£.603,209
Add:-		
Excess of debits	credits, for	
period 1-1-22 to 31-3-22, on		
Military transactions passing		
through the Treasury books.		<u>44,524.9</u>
		£.647,734.8

and addit:		
ifications	vice a/c	<u>£.109,090-9-11</u>
set to ash:		£.53,825-5-35
		<u>£.177,516-3-22</u>
		£.579,313-2-47

since its... further point, ... desirable... section  
 been inclin... the general system... credits and debits  
 pieces of... inter-departmental...  
 of June... created by Pro...  
 Department... Head VIII... It has  
 been put in... practice for telephone services...  
 in paragraph 13 of Governor's Confidential Despatch...  
 of December 12th and has been recommended for wider  
 application by one or two Heads of Departments who are  
 desirous of showing in Estimates the financial position of  
 their respective Departments. The Treasurer is opposed to  
 the system and points out that the logical result would be

Gov  
4305  
Henry

22  
23

3 no 4305 11 no 1779

a series of debits and credits between all Departments, a procedure which would defeat the principal object of the Estimates i.e. to show estimated Revenue and Expenditure of the Colony as a whole. I am doubtful whether economy, which was the object of the inauguration of the system, has resulted and I agree with the Treasurer in thinking that the true financial position of each Department can be reflected in its Annual Report and that it is incorrect to swell the Colony's Revenue and Expenditure on account of such inter-departmental transactions. I shall be glad to be informed of Your Grace's decision in this matter and to know if Your Grace will approve of the abolition of this procedure in regard to telephones.

I desire to refer specifically to the comments in the Memorandum, which accompanied Your Grace's despatch under the Head of "Expenditure - General" in connection with the form of the Estimates. The separation of the several Heads of Extraordinary Expenditure from their relevant Recurrent Votes was adopted in order that the annual accounts should follow the Estimates exactly. It is evident that if each Department's extraordinary expenditure is placed immediately after its ordinary expenditure in the Schedules, the annual accounts will not show the Colony's Extraordinary Expenditure distinct from its Ordinary Expenditure. It seems desirable that this should be done and the new grouping will enable not only all items of Extraordinary Revenue but also of Extraordinary Expenditure to be shown distinct from the Ordinary Revenue and Ordinary Expenditure in the annual accounts. The Treasurer informs me that this work has been adopted with

success

success in British Guiana and I trust that, in view of the explanation now given, Your Grace will not withhold approval to the change introduced this year.

7. I enclose a Statement dealing, seriatim, with the other points raised in the Memorandum accompanying Your Grace's despatch.

*etc.*  
I have the honour to be,

My Lord Duke,

Your Grace's most devoted  
and most obedient servant,

*W. A. ? Northcote*

*J. G. V. Northcote*

GOVERNOR'S DEPUTY.

*W. L. M.*  
MEMORANDUM.



264

Revenue.

*Kunya*  
in Despatch No. 427

Head V Item 10.

An explanation of the figure given as the Railway contribution to interest on Loan Funds is to be found in Confidential despatch No. 385 of July 3rd, 1923, dealing with the Railway Estimates.

*Gov*  
*36668*  
*23*

Head VIII, Items 2 and 3.

See remarks in paragraph 4 of covering despatch.

Head XII, Item 2.

The actual receipts of the Government of Sierra Leone in 1922 amounted to £5441.

Expenditure.

(1) General.

The system of departmental telephones is discussed in paragraph 1 of the despatch. As regards installations of telephones in officials' residences, the matter was discussed with the Executive Council and the decision reached appears to be based on justifiable grounds. An officer's whole time is at the service of the Government and in view of the scattered nature of the Government's business it is in the interests of Government to provide houses of many officials, e.g. police, dock, and other officials of the Government. It must be recognized that the telephone system is a necessary part of the Government's administrative system and it is not possible to all Departments to each other of their duties. It has not been practicable to maintain houses as per the plan for specific officials in all cases, but the principle is applied as far as circumstances permit and it is not

considered

considered that the telephone concession is being abused. It is hoped that further payment will not be insisted on.

Observations on the form of the Estimates have been given in paragraph 5 of the covering despatch.

Head V. Secretariat.

Item 7.

The remuneration of £50 to the Officer performing the duties of Clerk of Council has now been approved in Colonial Office Confidential despatch of March 13th.

800  
9046

23 Head VII. Items 22-25.

It was uncertain, when the Estimates were drafted, whether provision would be required for the payment of the Local Allowance to Mr. A.W.Hodson, Consul for Southern Abyssinia; this question was submitted for decision in despatch No.127 of January 22nd, 1923. In view, however, of the transfer of Mr. Hodson from Mega to Maji as reported in Colonial Office despatch No.622 of 3rd May no provision on this account will be necessary and the explanation of the reduction should read 'abolition' instead of 'Reduction'.

File  
4306

File  
20220

Items 35-53 and 205-248.

A separate despatch on the subject of Coastal Administration will be sent later.

Head IX. Customs.

Item 2.

This matter came before Executive Council shortly after the present Governor's arrival. In reversing his predecessor's recommendation to abolish the post of Deputy Commissioner of Customs he was influenced by the following considerations. The nature of the work performed by the Department and the fact that it is responsible for

Customs

Customs administration both in Kenya and Uganda render it essential that the officer, who is required to take charge of the Department when the Commissioner is absent from Mombasa and is called upon periodically to conduct tours of inspection on his behalf, should not only receive special emoluments in recognition of his responsibilities but should be designated Deputy Commissioner if he is not to be handicapped unfairly in his relations with the public and other Departments. There is the further point that all the officers holding first class appointments in the Department are seconded from the Home Service and would prefer to revert thereto unless adequate prospects of advancement are maintained. The duties of our Officers requires a specialized training and the recruitment of qualified candidates must not be disconcerted. The efficiency of the Department is to be maintained.

#### Head XII. Legal.

The Estimates of the Departments under this Head were scrutinized by the Economic Committee which suggested reductions in the number of Puisne Judges as finally passed in Executive Council. Executive Council was divided in opinion as to the reduction of the number of Puisne Judges to 10 but Sir Edward Nathan decided that provision for 12 Judges should be made in the Estimate was passed accordingly. It is impracticable to abandon the services rendered to the public by the Judges and in the opinion of the Chief Justice it is impracticable to cut down the staff performing these services if they are to be adequately and promptly performed.

The Secretary of State's decision regarding item 4 is noted out in order to remove any implication that a

"Junior"



"Junior" Magistrate is a young and inexperienced Officer and in view of the fact that all 4 Magistrates perform the same duties it is recommended, at the Chief Justice's suggestion, that this item should appear in future as 4 Resident Magistrates (two £500 x £25 - £700 and two £700 x £25 - £800).

With regard to item 8 the rate of increment has been described wrongly in Estimates since 1921. The holder, Mr. A.H. Price, was engaged in a temporary capacity as approved in Mr. Churchill's despatch No. 1180 of 30th July, 1921, and was no longer in it in consequence. He is now being placed on agreement with retrospective effect from the date of original employment and increments of £15 per annum are being included for that purpose. A copy of the agreement will be transmitted on completion in accordance with standing instructions.

The Economic and Financial Committee recommended that the staff of the Attorney General's Department should be reduced by 1 Crown Counsel by a majority of Executive Council. This recommendation was not adopted. The work of the Department has increased in recent years and Sir Edward Northey gave in the advice of the majority that a reduction of staff would not be a real economy. The elimination of the increased incremental scale to Crown Counsels is...

No reduction in the small Department of the Administrator General is recommended, but certain proposals for re-organization are now under consideration by the Government.  
Head YV. Medical.

Items 24-26.

The appointments provided under Items 27, 29 and 30

of the 1923 Estimates were not filled and during that year funds were reallocated from the last item for the appointment of a District Surgeon at Eldoret. In considering the Principal Medical Officer's Estimates for 1923 the Economic and Financial Committee advised the deletion of particular provision in favour of a one line vote in order to give the Principal Medical Officer free scope in arranging terms with practitioners and also to allow him to place District Surgeons in the areas which in his opinion most required their services in view of the reduction of Medical Officers.

The present number of District Surgeons is four and they are posted at Magadi, Lumbwa, Eldoret, and Nakuru at salaries of £200, £250, £300 and £400 per annum respectively. The appointment of District Surgeon at Nakuru at a salary of £400 was approved in Colonial Office despatch No. 582 of April 25th, 1923. Arrangements for the utilization of the balance of £350 have not yet been made.

Item 92.

✓ Provision has been made in the first Supplementary Estimates.

Head XVII. Education.

Item 23.

The wording in the draft Estimates is correct.

Items 44 and 45.

The revised salaries of Indian teachers have been fixed with a view to obtaining at as low a rate as possible efficient Indian teachers who have received a recognised training and have had five years experience of teaching in Indian Schools. The qualifications and

Salary

salary for each grade are as follows:-

Graduates of Indian Universities possessing a Diploma in Education, and 5 years teaching experience	Shgs.750 - 1000 p.m.
Masters possessing Senior Anglo Vernacular Certificate, and 5 years teaching experience	Shgs.500 - 700 p.m.
Masters possessing Junior Anglo Vernacular Certificates, and 5 years teaching experience	Shgs.300 - 500 p.m.
Masters possessing Vernacular Certificates and 5 years teaching experience	Shgs.200 - 300 p.m.

House Allowances, Passages, Leave, etc.,  
follow the rates allowed by standing regulations.

Items 57-58.

Items

In conformity with the general scheme for ... it

was found necessary to effect a reduction of £5,000

allowance for Native Education ...

that this reduction is desirable ...

expenses can be provided ...

and ... will be made to include ...

respect of ... should it be ...

providing ... funds in ...

the year.

Head XVIII. Military

Item

Noted.

Item

A small saving will be effected as the leave of the  
Officer Commanding Troops will expire about October, 1923.

Items 113 and 114.

Noted.

Item 116.

Noted. The saving will become operative on  
termination of the leave due to Major Miles.

Supply

Supply and Transport Services.

File  
18/494  
K.A.R.

A Schedule showing the present establishment was forwarded with despatch No. 133, King's African Rifles, of June 29th, 1923.

Owing to reorganization of the line of communications to Turkana the duties of one Regimental Quartermaster Sergeant were considered superfluous, and a reduction of one was recommended to effect economy. At the time the Estimates were drafted, however, Regimental Quartermaster Sergeant Sweetman was entitled to 12 months leave and the salary of one additional Regimental Quartermaster Sergeant was estimated to allow for a substitute during his absence. It is now found that the additional appointment will not be required after the 12th July, 1923. A small saving will thus result.

The retirement of one Armourer Sergeant (from 3 to 2) was effected owing to the reduction in the Mechanical Transport.

Item 238.

The Officer Commanding Troops recommends that in view of the responsibilities attached to his post, the salary of Capt. Brick, Captain in the Supply and Transport Department, should be raised from £550 to £600 and provision was made in draft Estimates. A separate despatch on this subject is being forwarded.

Head XIX. Posts and Telegraphs.Item 16.

Owing to reduction of staff the number of Farakli Clerks who now share the same quarters does not justify the employment of a Matron Housekeeper. A member of the staff who undertakes the housekeeping duties, as allowed

time off for this purpose and the welfare of the female staff has not suffered in any way by the abolishing of the post.

Head XX. Agricultural.

Items 8 and 11.

The further explanation of the necessity for the appointment of an Agricultural Assistant and of the difference between that post and the post of Personal Assistant is contained in Confidential despatch No. 271 of April 16th last and telegram No. 172 of June 14th, 1923.

Items 36 and 37.

Provision has been made in First Supplementary Estimates.

Item 56.

I regret that the statement that a Botanist was being retained was included in error in paragraph 6 of Confidential despatch No. 310 of November 23rd, 1922.

Head XXI. Forests.

Item 14.

The question of inter departmental accounting transactions has been discussed in paragraph 4 of the covering despatch.

Head XXIII. Land.

Items 79 and 81.

In the draft Estimates of this Department special allowances for the holders of these two posts were submitted to Government but Sir Edward Northey preferred to compensate these officers by increasing the maximum of the scale of their appointments. The officer selected to fill the first post reached the maximum of his existing grade in April of this year and would have advanced

forthwith

forthwith to \$530 per annum; but in the case of the second post the original draft provision remained inadvertently in Estimates. It is thus possible without making any separate provision in Supplementary Estimates to pay to each Officer £30 this year as a special non-pensionable allowance. The difference in the classification of these sums will be duly observed when payments are made.

It is agreed that this is the better method of compensating officers for the additional duties devolving upon them as a result of retrenchment in a Department.

Though in the circumstances related payments in these instances has been authorized, this was done with some reluctance in view of the precedent created.

Reference is made to the fact that next year the same allowances will be provided until the opportunity of discussing the matter with the Secretary of State in London.

Head XXII - 215

Do not

Subject to the provisions of the

in the

London.

Head XXV - 216

Item 18

As £100 for the year 1923 has been paid out of the 1923 provision the balance now available is £144 and this sum will be applied to a contribution to the Association on the understanding laid down.

Provision will be made in the second Supplementary Estimates for the estimated expenses of the Kenya Exhibit at the British Empire Exhibition during the current year.

Head

Head XXVII. Public Works.

243

Item 8.

*File*  
*7458*

The necessity for an Assistant Engineer as Personal Assistant to the Director of Public Works was explained in Confidential despatch No. 34 of January 22nd, 1923. In case any further information is required in regard to this appointment, it is suggested that Mr. Sikes, Director of Public Works, at present on leave in England should be called upon to furnish any particulars required.

Item 80.

This item was incorrectly referred to as a new appointment.

Head XXX. Item 2.

The Swahili newspaper will be financed, for the present, from the Natives Trust Fund.

Item 3. Mombasa Municipality.

*50*  
*36300*

This matter is dealt with in Kenya despatch No. 377 of July 27th, 1923.

*23*  
*not attached*

Dep. Secy. 49103/20  
Niang



15 October 1925

Ames  
17066  
24/10



Sir  
3374-24

I have the honour to acknowledge the receipt of Sir Charles Bowring's confidential despatch of the 17th of July, on the subject of the Estimates for 1925, and to intimate to you that the <sup>letter taken</sup> explanations offered therein regarding the <sup>questions</sup> ~~points~~ raised in the same. ~~into or with my~~

DRAFT.

Confidential  
Consider

MINUTE.

- Mr. Williams 10.10
- Mr. Phipps 16/10
- Mr. Bottanley 22/10
- Sir C. Dove
- Sir G. Grindle
- Sir H. Ross
- Sir J. Macartain Smith
- Mr. Erskine-Gill
- Dioc. of Breconshire

for comment  
27/10  
23/10

Original expense  
in consequence  
which should have  
resulted from a  
reading of the  
minutes.

8 No. 1105  
+ No 1177

15th of February, and the enclosure thereto.

2. In the circ. explained in para 1 of the despatch under ack. I do not object to the procedure which has been followed with regard to Appropriation Bill. The <sup>estimates</sup> in view of the emergency which in respect to ~~it would~~

However, I would advise that in general Supplementary Estimates should ~~as~~



to be submitted only for  
 as far as possible, to the  
 purpose of obtaining  
 accounts of going formal sanction to  
 any necessary amongst the various heads  
 of reallocation between them of the total  
 sum provided for expenditure  
 in the annual Estimate  
 interest

3. With regard to the question of  
 inter-departmental accounting to which  
 reference is made in paragraph 5 & 8

In Charles Bowring's despatch  
 I would observe that  
 it is necessary, in my opinion

to draw a definite distinction between  
 the Forest Dept.,  
 which represent what  
 will be incurred  
 had an appropriate  
 will be incurred  
 had an appropriate

it is very important from the  
 point of view of control  
 comparison between their expenses  
 earnings, that the whole of their  
 revenue, whether earned by services  
 rendered to the public, to capital  
 undertakings, or to other departments  
 of Government, should be fully accounted  
 for as such.

DRAFT.

MINUTE.

- Mr.
- Mr.
- Mr.
- Sir G. Davis
- Sir G. Grindle
- Sir H. Read
- Sir J. Masterton Smith
- Mr. Ormsby-Gore
- Duke of Devonshire

to this end, which in regard  
 to transactions between any  
 "industrial" Dept. and another  
 Dept. of the Govt., no cash  
 payment need, or should, pass  
 between the Treasury and the  
 "industrial" Dept., it is essential  
 that all services should be  
 charged for, and all necessary  
 credits given in the ordinary  
 accounts of the Dept. performing  
 the services, under the usual  
 heads, and that  
 and debits, should be  
 given in the ordinary  
 accounts of the Treasury for the  
 particular services to which  
 the service is rendered. This  
 system involves making a full  
 provision in departmental estimates  
 for the expenditure or revenue  
 expected to be incurred or

through such transactions during each year.

In the case of ~~such~~ transactions between the various administrative departments, such as which category I would include in the provision of telegrams in other Government offices by the Post and Telegraphs Dept., I do not consider, having regard to the form <sup>and</sup> of organisation of Colonial accounts, that any useful purpose is served by making inter-departmental payments. It, however, for any special reason it is considered desirable to make such adjustments in any particular case, they should be effected without involving any record of revenue of each transaction being recorded by merely crediting the Head which was originally charged with the expenditure involved, and, at the same time debiting the Head to which it has become chargeable to a corresponding extent.

the question discussed in

6. With regard to para 6 of Sir Charles Bowring's despatch, after further

DRAFT.

MINUTE.

- Mr.
- Mr.
- Mr.
- Sir C. Davis.
- Sir G. Grindle.
- Sir H. Road.
- Sir J. Masterton Smith.
- Mr. Ormsby-Gore.
- Duke of Devonshire.

(See Sir J. Masterton Smith's Minute on 17/9/05)

has been dealt with in separate respects. Of the following appear to

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further consultation with the Director of Colonial Audit, I remain of the opinion expressed in the memo enclosed with my confidential despatch of the 15<sup>th</sup> of February, as to the form in which the extraordinary expenditure should be shown in the Estimates, and I have to request that in future years the practice of showing this as an additional head following expenditure immediately after the ordinary expenditure under the head to which it refers, may be resumed.

Some of the points of ~~7.~~ with regard to the details mentioned in the memo enclosed with the despatch under the heading Accounting items call for special attention -

(a) in view of the <sup>explanation given</sup> reasons advanced

the heading/  
under ~~Head~~ Expenditure (c) General;  
do not wish to offer  
I have no objection to the provision  
at cost. expense)

of ~~the~~ Telephones in the houses of  
Heads of Dept., but ~~free~~ Telephones  
I do not consider that  
per cent or at a reduced cost,  
should ~~not~~ be provided in the houses  
of Govt. officials of lower rank, except  
in special circumstances.

XXIII  
(b) Head ~~20~~, items 79 and 81. /

The explanation given with regard  
note ~~that the allowance provided~~  
to the salaries of ~~the~~ an ~~employee~~ and  
~~under the Head as to be reviewed in~~  
one Draughtsman in the head Dept.  
the proportion of the estimate for next  
year, but I think it necessary however to examine  
the ~~hope that~~ ~~is~~ that the grant  
of ~~such~~ ~~an~~ ~~allowance~~ will not  
of such special increase of salary  
is in general undesirable & should be  
avoided. / have etc.

(B) DEVOTED