



EAST AFR. PROT.
3840.3

C.O
38403
REC'D
DEC 12 1912

793
793
Date
1912
November
Previous Paper

DRAFT ESTIMATES 1913-14

Has not found it possible to adhere strictly to the "half and Half" principle but has been obliged to draw on accumulated balances to the extent of £25,000. Trusts that this will be approved for reasons stated. States proposed expd on works necessitated by sanitary & hygienic considerations. Promises deep. as to application of accumulated balances on works of urgent necessity notably Kilindini Pier. States proposed financial arrgs for 1913-4. Sends preliminary memo. by Treasurer.

W. G. Fielder
~~W. G. Fielder~~ (Lester 38408/1)

These to be sent to

Draft to be inserted to cover a

Gov. G. Fielder's instructions.

MS 10/10

H. J. R.

11/11

Sir J Anderson

I agree with Mr Batterbee's criticisms of the off. tel wh. he proposes.

As he is leaving the Coast Dept I take this opportunity of recording how highly Mr Read & I appreciate the ability, zeal & carefulness etc

Copy to be sent to Mr G. Fielder

Subsequent Paper
38408
W. G. Fielder

he has done while working under us. His
work in the dept has been very heavy, and has
been largely increased by his undertaking the
duties of Secy of the U.S. Lands Office, the Pension
Office & more other things than I can recollect
at the moment.

P. W. 11/12

Mr. Batten has done excellent work, and
will be a great loss to the Ed. Dept.

as proposed

11.12.12

Agree on all points

E. 12.12

THE SECRETARIAT,
EAST AFRICA PROTECTORATE,
NAIROBI.

14/11/12
November 16th, 1912

73

Dear Dad,

Mr. Nelfield is

away on a tour of
inspection at the
East Coast returns
tomorrow.

In his absence I am
forwarding two advance
copies of the estimates.

There is no further work
until the 30th and it
doubtful whether there
will be time to get off
the estimates despatched
then.

A deduction of £ 1350

will

Tommy
Hawley

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be necessary from the
schedule of loan charges.

The program here covered
includes the charge in
respect of the loan
to the Thika branch
and, at the same time
the program schedule
shows £600 as net
earnings of the bin. The
£600 is after charging
the £1350 of the against
the working expenses.

The amount has therefore
been charged twice.
The result will be that
our available balance
will be increased
proportionately.

MEMORANDUM ON EAST AFRICA PROTECTORATE
DRAFT ESTIMATES 1913-14

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The Estimated Revenue for 1913-14 is £971,710 as against an Estimated expenditure of £1,035,396, but for the purpose of arriving at the true financial position certain deductions must be made from these figures.

From the Revenue side must be deducted

Busoga Railway	+	£ 16,500
Uganda Railway Marine (Busoga Section)	+	19,332
		<hr/>
		35,832
		<hr/>
leaving a total Revenue of		971,710
		<hr/>
		35,832
		<hr/>
		935,876
		<hr/>

And from the Expenditure side	£
Busoga Railway	16,500
Uganda Railway Marine (Busoga Section)	19,332
Magadi Special Expenditure	14,000
	<hr/>
	49,832
	<hr/>

Leaving

do not understand
the Treasurer has
used these in the
whole body of the
accounts. Our
actions were that
these were to be included
in Estimates of
Uganda Railway as
separate account.

Leaving a total Expenditure of	£ 1,035,396 49,832
	<hr/> 985,564
or deducting remanet Expenditure	3,050
	<hr/> 982,514

Taking these figures, the present financial position is as shown in the following table :-

	1911-12 Sanctioned Estimates	1912-13 Sanctioned Estimates	1913-14 Draft Estimates	Increase or De- crease in 1913-14 as compared with 1912-13
	£	£	£	£
ated Gross Expen- diture	762,246	889,399	985,564	+ 96,165
t remanet diture	10,000	1,010	3,050	+ 2,040
ated new diture	752,246	888,389	982,514	+ 94,125
ated Revenue	620,279	780,684	935,878	+155,194
it	131,967	107,705	46,636	- 61,069 +

It will be seen from the above figures that the Estimated revenue for 1913-14 is £935,878 as against £780,684 Estimated revenue for the current year,

an
+ (N.B. No reference is made in the above figures to Special Magadi Expenditure which should be kept quite separate from ordinary expenditure)

an anticipated increase of £155,194.

Under the modified "half and half principle" we must from this deduct New Railway Expenditure £26,666, leaving

£128,528, one half of which viz.,

£64,264 is available for expenditure

other than Railway. Adding to this

again new Railway Expenditure £26,666,

we arrive at £90,930 as the total amount

of increased Expenditure permissible for

1913-14. To discover the total amount of

expenditure permissible for 1913-14

we must add this not to the actual

Expenditure of 1912-13 but to the ex-

penditure which would have been per-

missible in the current year under the

half and half principle, i.e. £865,234.

Thus we arrive at £956,164 as the total

amount of ^{new} expenditure permissible next

year under the half and half principle

as now understood. The expenditure

proposed

1st June
82103

proposed by the Governor exceeds this sum by £26,350 and I think that we should tell the Governor at once that the Estimates must be cut down by this sum, leaving the details to him. Unless we adhere rigidly to the half and half principle, the Protectorate will never become self-supporting and any year in which we yield to the Protectorate's impertunity will only serve as a fresh precedent for not adhering to the principle in future. If the Protectorate adhered to the half and half principle the Expenditure would exceed the revenue by £20,286, whereas under the Governor's proposals the deficit will amount to £46,636.

Of the total amount viz :-

£94,125 of increased new Expenditure proposed by the Governor no less than £32,000 or £33,000 is on account of

*Personal

"Personal Emoluments". This increase in personal emoluments will of course involve a corresponding increase of recurrent Expenditure in respect of passages, allowances &c. Exactly how big an increase it is somewhat difficult to calculate, but it would probably be safe to estimate the solid amount of recurrent Expenditure involved in the Governor's proposals at not less than £40,000 and possibly considerably more. The large proportion of recurrent to non-recurrent expenditure involved in the Governor's proposals renders it all the more necessary to insist on adherence to the half and half principle, and in telegraphing to the Governor: I would especially insist on a substantial reduction of the proposed increase in Personal Emoluments.

The estimated balance on the 31st March 1913 amounts to £155,051.

~~Under the Governor's proposals~~ . Under the Governor's proposals this will be reduced to £100,366 assuming that we obtain from the Treasury a grant of £14,000 for the Magadi Expenditure.

If we insist on adherence to the half and half principle, we shall have left on the same assumption a surplus balance of £131,715, or £117,715, if we provide for Magadi expenditure out of balances next year.

M.F.B.
7/12

See para 7
7 $\frac{14,000}{38403}$



GOVERNMENT HOUSE,
NAIROBI,
BRITISH EAST AFRICA.

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EAST AFRICA PROTECTORATE

November 12th 1912.

No. 793

3403
REC'D
DEC 4 1912

Sir,

I have the honour to inform you that I propose to submit the draft Estimates for 1913-14 to the Legislative Council at the Sessions which commence on the 25th instant.

Memorandum
Nov. 6th 1912

2. I have not found it possible to adhere strictly to the "half and half" principle but have been obliged to draw on our accumulated balances to the extent of £25,000. I trust that you and the Lords Commissioners of His Majesty's Treasury will consent to the excess over the authorized expenditure in consideration of the following circumstances:-

3. In past years the "half and half" principle has not always been rigidly enforced, for 1912-13 for example additional expenditure to the extent of £23,155 was permitted. Further the total, apart from the £25,000 and £3,050 for remanet expenditure, which is required to balance the 1913-14 budget, is £21,636 only and that without any grant-in-aid at all, except in respect of the Special "Magadi Expenditure" for which £14,000 is required.

THE RIGHT HONOURABLE
LEWIS HARCOURT, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET, LONDON, S.W.

4. The sanitation work undertaken by the Government of the East Africa Protectorate has been very severely criticised by the Tropical Advisory Committee and I am asking for an increase over the current year's expenditure of no less than £10,892 for recurrent expenditure on the Medical Departments which for the first time include provision for a special Sanitation Sub-Department. The various Provincial Administration Votes have also been increased in order to provide for better sanitary conditions at out-stations.

5. I have also found it necessary to provide on the 1913-14 estimates for the following special expenditure on works necessitated by sanitary and hygienic considerations:-

(1) Infectious Diseases Hospital, Mombasa	...	£1,200
(2) Improvement to Indian Bazaar, Nairobi	...	2,500
(3) Continuation of Williams' Scheme	...	10,548
(4) Water Supply, Nakuru		8,800

It will thus be seen that new expenditure on measures which it is proposed to adopt purely in the interests of public health and sanitation exceeds the amount for which I am asking sanction over and above that permissible under the "half and half" principle.

6. Further, even if the expenditure of this additional sum of £25,000 is allowed, our unappropriated balances will still exceed £105,000 and in the letter from the Treasury

(3)

Handwritten:
No. 1446/12
8968

No.1446/12 dated February 17th enclosed in your despatch No.175 of March 29th. Their Lordships were apparently averse to the working balance in the hands of the Protectorate being more than about £25,000.

7. I propose shortly to address you separately with proposals for the application of our accumulated balances to public works of urgent necessity, notably the Kilindini Deep Water Pier, for the construction of which I am already convinced a totally inadequate sum has hitherto been hypothecated, but I trust that in the meantime the immediate reduction of the balances by £25,000 for the purpose of assisting the budget which I am putting forward for the year 1913-14 will be approved.

8. Subject to any minor alterations which may be made before the estimates are submitted for your approval, the proposed financial arrangements for next year are as follows:-

Handwritten:
Treas
8968

Local Revenue	£935,878
Special Grant for Magadi (vide Treasury letter No.5195 of 21st March 1912 enclosed in your despatch No.175 of March 29th 1912)	14,000
Busoga Railway Revenue (to be adjusted with Uganda)	16,500
Busoga Marine (to be adjusted with Uganda)	19,332
To be withdrawn from balances (including £25,000 in excess of amount permissible under the "half and half" principle and £3,050 remanet expenditure)	49,686
Total expenditure on the estimates	<u>£1,035,396</u>

9. The effect of the foregoing proposals on the

the Protectorate balances is shown in the following table, in connection with which I would add that, if anything, the estimate of available funds on 31st of March 1913 errs on the side of caution:-

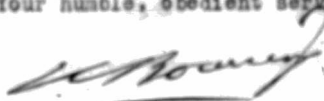
Estimated balance of assets on 31st March 1913	...	£155,051
Required in aid of 1913-14 budget as above	...	<u>49,686</u>
Balance available		<u><u>£105,365</u></u>

10. I attach a preliminary Memorandum on the draft estimates for 1913-14 prepared by the Treasurer,

I have the honour to be,

Sir,

Your humble, obedient servant,



In the absence of the
GOVERNOR.

INCLOSURE

In Despatch No. 772 of 12th 1913

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MEMORANDUM ON DRAFT ESTIMATES

1913-14

The sanctioned expenditure for the current year 1912-13 according to the estimates is £957,899

Deduct remanet	£1,010	
Special Expenditure Magadi	68,500	69,510
		<u>£888,389</u>

Deduct amount sanctioned over and above the amount permissible under the modified "half and half" principle (Colonial Office despatch No. 609 of 20th September 1912)

23,155

Total expenditure authorised 1912-13 under modified "half and half" principle

£865,234

4/29/150

2. The estimated revenue for 1913-14 (exclusive of Busoga Railway £16,500, and Busoga section of the Uganda Marine £19,332, both of which will be worked by the Uganda Railway, the deficit being paid by the Uganda Protectorate) is ^{surplus} £936,878 to the estimated revenue for 1912-13 is 780,684 or an estimated increase of £155,194

3. Under the modified half and half principle the expenditure permissible for 1913-14 will amount to £956,164, exclusive (1) of Magadi expenditure £14,000, (2) Busoga Railway £16,500, (3) Busoga Section Uganda Marine £19,332, (4) Remanet £3,050 and (5) proportion of Loan charges debited to Thika Railway Account £1,350.

4. The above figures £956,164 are arrived at as follows; the corresponding figures for 1912-13 being shown in parallel column:

<u>1912-13</u>	increased estimated revenue for 1913-14 over that of 1912-13 is (vide para.2)	<u>£156,194</u>
£160,405		
<u>65,572</u>	deduct new Railway expenditure	<u>26,666</u>
94,833		128,528
47,416	half of which is available for expenditure other than Railway or	64,264
<u>65,572</u>	add new Railway expenditure	<u>26,666</u>
£112,988	total amount of increased expenditure permissible for 1913-14	£ 90,930
<u>762,246</u>	Expenditure under half and half principle for 1912-13 (vide para.1)	<u>865,234</u>
<u>£865,234</u>	Expenditure for 1913-14 under half and half principle	<u>£956,164</u>

To this however must be added:

Busoga Railway	£16,500	
Busoga Section. Uganda Marine	19,332	
Magadi Special Expenditure	14,000	
Remanet	3,050	

Proportion of Loan Charges charged to Thika Railway (C.G. despatch No. 201 of April 15th 1912).

1,350 54,232

or a total permissible expenditure for 1913-14 £1,010,396

5. Under the arrangement sanctioned by the Secretary of State the net revenue of the Busoga Railway and the Busoga Section of the Uganda Marine is to be paid over to the Government of Uganda, any deficit however being paid to us by that Government; the expenditure being set off by an equal amount of the earnings of the line and marine section, and any balance of earnings being handed over to Uganda without any disturbance of East Africa Protectorate finances.

The

(3)

The special expenditure for Magadi £14,000⁰⁰ is to be met by a corresponding grant from the Imperial Treasury.

6. The modification in the application of the half and half principle as regards Railway revenue and expenditure was initiated for this current financial year, and under that modification the amount permissible for increased expenditure on services other than Railway was increased by £32,786 as the undermentioned figures show:-

Estimated increase 1912-13 revenue over that of 1911-12	£160,405
less Railway increased expenditure	<u>65,572</u>
	94,833
half of which available for expenditure other than Railway	£47,416
add new expenditure for Rly.	<u>65,572</u>
	£112,988
authorized 1911-12 expenditure less remanet	<u>752,246</u>
Authorized for 1912-13 (para.1)	<u>£865,234</u>

7. The same principle has been applied for the year 1913-14, and under it our permissible expenditure is increased by £13,333 over and above what it would have been under the half and half principle as unmodified: for under the latter only half the estimated increase of Revenue or (£155,194 ÷ 2) £77,597 would have been available for new expenditure including Railway Working and Maintenance, now however under the changed conditions we get £77,597 plus £13,333 or a total of £90,930 permissible new expenditure for

for 1913-14 as set forth in paragraph 4 above.

8. The total expenditure for 1913-14 as shown in the draft estimates amounts to £1,035,396 and to meet this we have

(1) Estimated Revenue 1913-14	£935,878
(2) Busoga Railway Receipts	16,500
(3) Busoga Section Uganda Marine Receipts	19,332
(4) Magadi Special Grant	14,000
(5) Proposed out of Balances (including remanet £8,050)	<u>49,686</u>
	<u>£1,035,396</u>

9. As detailed in paragraph 4 the total permissible expenditure for 1913-14 is £1,010,396 the proposed is £1,035,396, and the difference £25,000 is asked for out of balances, which on 31st March 1913 are estimated to stand at £155,051.

Nairobi,
6th November 1912.

Sd/- H.A. Smallwood
TREASURER.

