

EAST AFR. PROT.

C. O.
1889
REC'D
18 JAN 13

1889 ¹²/₁₃



ernor 895
field
Date.
1912

REVISED ESTIMATES 1913-14

Confirms tel. of 23rd December. Sends 12 copies of Estimates with memo. by the Treasurer. Also sends copy of minutes of Special Meeting of the Legve Council.

December
previous Paper.
41236
12

~~For Rev. Sir~~ J. Anderson

~~Tel. of 23rd Dec. memo. for Treasury.~~
Except for subject to the cutting down of expenditure by £25,000 and the addition of the Loan Works Schedules L & M the Estimates are as enclosed with 41236, which desp. is the covering desp. for purposes of reference. That is, the modifications proposed in it do not appear in the printed Estimates. I have included them, and some later ones, in the memo.

The present position for the purposes of the half and half principle is as follows:— (omitting the special services, such as Busoga Railway and Uganda Marine - Busoga section and the Special Magadi expenditure).

Revenue (including the audit adjustment referred to in 41236) £936,055

Estimate for 1912-13	780,684
Less railway expenditure	155,371
Increase	26,666
2L	182,037
Possible increase in expenditure.	91,019

5899
12
Tel to Gov 20 Feb 13
Must 145 cans - copy above sent - 2 Feb 13 5899

subsequent Paper

Proposed increase in expenditure £91,019.

Expenditure 1912-13 as taken for purposes of $\frac{1}{2}$ & $\frac{1}{2}$ principle 865,234

Total permissible expenditure £956,253

Practically, the Governor has gone on the basis of this figure in 41236, but instead of adding the audit adjustment of £177 to Revenue he has merely taken credit for half of it in discussing details of expenditure. It comes to the same thing.

The newspapers, he writes in 41236 would, he thought, involve a further pairing of the P.W. Extraordinary but as a matter of fact, owing to modifications made either by him subsequently or by the C.O., there is a margin of £798 on the other side which we can claim towards the omitted services. One would gladly add to this, especially as the cutting down of Public Works, particularly roads, is not viewed with any favour locally, and I suggest two further claims. Both points are alluded to in the memo.

(1) Tombasa Railway Line For 1912-13 only, the net profits £100 appeared in the Sub-accounts. For 1913-14 gross receipts and work (£1067) and working expenses (£430 apparently as charge) appear separately. The effect is to do us out of £465 which ought to be available for expenditure.

De - actual effect	of last year
Increased revenue £907	under estimate contained
Half available for 453 1/2	£37
Tidley estimate 930	18 1/2 gain to other services.
Cost to the union 400	£450 + £18 1/2 = £465

(2) Special Expenditure Railway (Head 22A).

Last year the estimate for new lines or works of a capital nature, £2,000, appeared in the ordinary Railway

Co. Ltr. of 16/7/12 or 8868

estimates. Now the corresponding item (£5000) has to appear separately in order that we may not reckon capital expenditure as our "new railway expenditure" for the purpose of the modified half & half rule. But if the same arrangement had been in force last year our ordinary railway expenditure would have gone up £2000 more than appears for these estimates & half of this, £1000, would be available as ~~and~~ permissible expenditure.

I think we may fairly claim this £1465 as an addition to our permissible expenditure which would then stand at £957,718. In both cases the circumstances are those of transition from one system to another.

Two matters on which we are likely to have difficulty with the Treasury are closely connected -

(1) The postponement of our borrowing a second portion of the £250,000 loan. We borrowed a first £47,000 in Dec 1911, and a further £64,751 will be spent up to the end of next March. There is no obligation for us to borrow at any particular time, but the Treasury, for obscure reasons, stated in Mr. Behrens' letter attached to Gov/3869/12, would like us to borrow the £64,000 during the present financial year. The Governor however proposes to pay the money from balances for the present and has therefore added nothing to loan charges on this account. It would appear also that the £64,000 has not been included in the estimate of £3000 for "interest" as the other balances and the part of the £375,000 loan remaining unspent should evenly account for £3000.

Head 34

Head of Revenue

the 2nd loan.

H. J. R.

Therefore the effect on our finances if we were to agree to Mr. Behrens' proposal would be

- (1) to increase our revenue by the interest at (say) $2\frac{1}{2}\%$ on £64,757 - say £1600
- (2) to increase our permissible expenditure by half this amount, or £800 and
- (3) to increase our loan charges by $4\frac{1}{2}\%$ on £64,757 or £2900.

I.e. we should have to do other services of £2,100. in order to keep within the half & half limit.

As I have said on 36 $\frac{1}{13}$ I don't think the Treasury can with any conscience require us, by taking money we don't need at present, to spare the Post^o in this way while they are keeping us out of (say) £1000 a year revenue by having in connexion with the 1912-13 Estimates repudiated the Magadi "free gift" to the extent of £45,000. I think we should say firmly that we don't mean to borrow any more during 1912-13 at all events.

(2). Loan Charges on Thika Railway This is one of the £250,000 loan works & will cost about £80,000. It will be open for 9 months of 1913-14 & a sum of £600 is estimated as net revenue after deducting £1350 for loan charges - i.e. $4\frac{1}{2}\%$ for half a year on £60,000. The Treasurer and the Governor are agreed that, as loan charges are estimated for separately, we can take credit for this £1350 but while the Treasurer's memo adds it to the permissible expenditure the Gov^r proposes ^{ultimately} to deduct it from the £2115 provided for loan charges. They come to the same thing, but the Governor's way is preferable because it prevents the possibility of (a) using the £1350

7342
[We have to pay 1% S.F. on the £250,000 loan] 600 $\frac{1}{2}$

Rather more see Appendix L

Uper. H. J.R.

See 491236

will probably be avoided by the £141,000 expenditure. H. J.R.

£1350 to suit expenses on other services, and (b) Expensing the amount of the 1913-14 expenditure on which that for the following year will be based.

But, as the Governor points out, the £2115 is merely in respect of the original £47,000 instalment and if ^{we} are subtracting the £1350 from it we are dealing with two quantities which are not altogether of the same nature. Also, there is no explanation why loan charges are taken for 3 months while the line will be open for 9 months. I think they would have been on former ground if they had said that as the Thika Railway absorbed £40,000 of the first £47,000 the Thika proportion of the £2,115 loan charges actually payable is £1800 for the whole year and £1350 (as before) for the 9 months during which the line will be open.

We might suggest this to the Treasury as an alternative basis for proceeding in the Gov^r papers. [The position of these loan charges with regard to the half & half principle was defined on ^{Treas} 23875/11]

I do not think any other points of principle arise. Treasury objection is more likely to relate to the large increase in the number of appointments to the ^{central} and, in particular, to the great increase in salaries most of which are on an unascertained scale. The separate letters which we have sent to the Treasury, the papers which will accompany the memo., & the memo. itself, should however go to length to justify the new appointments especially as we drew attention on 30403 to the great increase in recurrent expenditure & the Governor insisted that it could not be reduced.

The new increases - Administrative, Sanitation, Post Office, Public Works, Agricultural, Customs, ^{and}

are all inevitable results of the development
of the Protectorate and we may say so?

The position - with revenue only £20,000 below
ordinary expenditure - seems very satisfactory, but
it has again to be borne in mind that the
result has only been achieved by cramping the
Public Works programme, and we cannot say
that this process is finished. We have the Governor's
suggestion (para: 5 of 41226) that a further £11,000
- half of which will be recurrent - may be needed
for Northern Frontier District transport, and
there is also the suggestion (40373) that the
People may want to keep the extra Nyasa
Company of the K.A.R., which will mean certainly
an other £4000. We have heard nothing further
as to this ^{but} I should be inclined on both
points to mention the possibility of excess to
the Treasury [& to say that while the S.P.
would not require to be fully convinced of the
necessity of the extra charges he thinks it proper
to say that if they have to be incurred the prospect
of a further reduction of public works by a third
sum of £15,500 could not be faced and it would be
necessary to make special arrangements to be
made in order to keep pace with the requirements of
the Protectorate.]

[I read ^{as before} ~~on~~ ^{by day} ~~the~~ ^{the} ~~proposed~~ ^{the} ~~to~~ ^{to} ~~be~~ ^{be} ~~sent~~ ^{sent}
to the Treasury and then about the £250,000 loan & the
half, half principle.]

Oct. 24. 1913
a good piece of work. To Treas^y ?
H. 2

I would omit
As a matter of fact
in a country of
S.A.P., there are
considerable
at the present time
to find the ^{probable}
from other
H. 2

J.P. [unclear]
about
R. 24/1



THE SECRETARIAT,
EAST AFRICA PROTECTORATE,
NAIROBI.

30th December 1912.

Int. Res.
I do not think this need
be made the paper. It can be
attached to them & we can draw
T's attention in aff. to (1) Clerk's
said about cutting down the P.W.E.
vote (2) provide excess of revenue
L.C.S. 25/11

W. H. M. [Signature]
I agree
L.C.S. 25/11

The Chief Secretary to the Government of
the East Africa Protectorate presents his
Compliments to the Under Secretary of State
for the Colonies and with reference to his
personal note of the 28th instant has the
honour to enclose the Minutes of the Fifth Session
of the Legislative Council which should have
accompanied Mr Bowring's despatch No. 895 of the
27th instant.

minutes in orig. to Secy. for return of Jan 13



THE SECRETARIAT,
EAST AFRICA PROTECTORATE,
NAIROBI.

December 28th, 1912.

The Chief Secretary to the Government of the East Africa Protectorate presents his compliments to the Under Secretary of State and with reference to Mr. Bowring's despatch No. 895 of the 27th instant has the honour to state that the minutes of the Special Meeting of the Legislative Council referred to in the 3rd paragraph will follow by the next mail.

GOVERNMENT HOUSE,
NAIROBI,
BRITISH EAST AFRICA.

EAST AFRICA PROTECTORATE.

No. 895.

December 27th, 1912.

983

C.O.
1889
REC'D
JAN 13

Sir,

With reference to your telegram of the 12th instant, I have the honour to confirm my telegram of the 23rd instant which reads as follows:-

"Your telegram of December 12th, after consulting my Executive Council I suggested the following reduction to the Legislative Council by whom they were approved on December 21st: Military, Volunteer Corps Recurrent Personal Emoluments £394, Other Charges £1,455, Special £2,125. Miscellaneous, Cash Counting Machine £100, Standard Weights and Measures £500. Telegraph construction Meru Extension £2,800. Agricultural, Naivasha Farm purchase of live-stock £1,000. Public Works Department, Duty Allowances £200, Labour Recruitment £500. Public Works Extraordinary Item No.2 £6,000,

Item

The Right Honourable
Lewis Harcourt, P.C., M.P.,
Secretary of State for the Colonies,
Downing Street,
LONDON, S.W.

4
38403
400-15
12
minutes
12
by
insurer
4
38403
12
minutes of
Legislative
Council.

'Item No.11 £3,926, Item No.54 £6,000.
'Total £25,000. I regret it has not been
'found practicable to reduce Recurrent Expend-
'iture otherwise than as included above. Am
'forwarding revised copies of Estimates by
'mail."

2. Twelve copies of the revised Estimates
are forwarded herewith together with an explanatory
memorandum by the Treasurer.

3. A copy of the minutes of the Special
meeting of the Legislative Council held on the
21st instant is also enclosed.

I have the honour to be,

Sir,

Your humble, obedient servant,



In the absence of the Governor.

ENCLOSURE No. 2
In Despatch No. 895 of 27.12.1912

The Treasury,
Nairobi. 23rd December 1912.

S.No.105a/902.

C. O.
1889

The Hon'ble Chief Secretary,

Nairobi

REC'D
REC'D 18 JAN 13

*Ref: S. 3596 of 20th December 1912.
Budget for 1913-14.*

In accordance with verbal instructions I for-

~~Estimates~~ ward herewith revised copies of the draft estimates for 1913-14 in which the following reductions have been made-

Vote 18. Military Expenditure	£ 1,849
Vote 18a. Military, Special Expenditure	2,125
Vote 19. Miscellaneous Services	600
Vote 21a. Post Office & Telegraphs, Special Expenditure	2,800
Vote 23. Agricultural Department	1,000
Vote 29. Public Works Department	700
Vote 31. Public Works Extraordinary	15,926
	£ 25,000

~~premium.~~

2. I also attach three copies of a revised memorandum to accompany the Estimates.

3. The Loan Statements have also been incorporated in the copies of the Estimates sent herewith, as Appendices "L" and "M".

M. M. M. M. M.
Treasurer.

Memorandum (revised) on draft estimates 1913-14 as amended in accordance with instructions to reduce expenditure by £25,000.

C. O.
1889
REC^d
REC^d 18 JAN 13

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
		£ 888,389

Deduct amount sanctioned over and above the amount permissible under the modified half and half principle (Colonial Office Despatch 609 of 20th September 1912)

400
28450
1/2

Total expenditure authorised 1912-13 under modified half and half principle £ 865,234

2. The estimated revenue for 1913-14 (exclusive of Busoga Railway £16,500, and Budget 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 £935,878 to surplus

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

shown in the parallel column;

<u>912-13</u>	increased estimated revenue for 1913-14	
160,405	over that of 1912-13 is (vide para:2)	£ 155,194
<u>65,572</u>	deduct new Railway expenditure	<u>£ 26,666</u>
94,833		<u>£ 128,528</u>
	half of which is available for expenditure other than Railway or	£ 64,264
47,416		
<u>65,572</u>	add new Railway expenditure	<u>£ 26,666</u>
	total amount of increased expenditure permissible for 1913-14.	£ 90,930
112,988		
<u>752,246</u>	Expenditure under half and half principle for 1912-13 (vide paragraph 1)	<u>£ 865,254</u>
865,254	Expenditure for 1913-14 under half and half principle	£ 956,164
	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.O. Despatch of 15th April 1912)	£ 1,350
		<u>£ 54,232</u>
	or a total permissible expenditure for 1913-14	<u><u>£1010,396</u></u>

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 special expenditure for Magadi £14,000 is
to

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 under mentioned figures show:-

Estimated increase 1912-13 revenue over that of 1911-12	£ 160,405
less Railway increased expenditure	£ 65,572
	<hr/>
	£ 94,833

half of which available for expenditure other than Railway £ 47,416

add new expenditure for Railway

£ 65,572
<hr/> £112,988

authorised 1911-12 expenditure less remanet

£752,246

Authoris for 1912-13 (para:1) £865,234

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 1913-14 as set forth in paragraph 4 above.

8. The total expenditure for 1913-14 as shown in

the

the draft Estimates amounts to £1,010,396 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 £3,050)	24,686
	<hr/>
	£ 1,010,396
	<hr/> <hr/>

21st December 1912.

SD. H.A. Smellwood.

Treasurer.

Papers to be sent to Treasury

Typed memo:

Estimates

Gov. 38403 and tel^m Thereon
& memo

Gov 41236 and budget statement

Gov. 1889 & Revised Estimates & Treasury memo.

~~also the st~~Gov/8199/12 ^P Kaioti Water Supply - carrying over^P £5108 from £1911-12 to 1912-13.Gov/30604/12 ^P New administrative exp^{ts}.Gov/1884/12 ^P Customs staff.Gov/37743/12 ^P reml: } medical & Sanitation
Annual Report 1911Gov/37741 ^P Union Girls EducationGov. 37713 ^P & tel: } Postal staff.

Gov. 59618

889

Govt Secy
1889 ¹²/₁₃

727



29 January 1913

* Nos 38403.
38403, 40875, 41236.
and 1889

Sir,
I am directed by his Excellency Harcourt to transmit to you, to be laid before the Lords Comm^r of the Treasury, the accompanying copy of correspondence with the Governor of the E.A.P. on the subject of the draft Estimates of Revenue and Expenditure of the Protectorate for the financial year 1913-14 which are now submitted for their Lordships' approval. A memo prepared in this Dept. on the details of the Estimates is also enclosed.

2. It will be seen that the final form of the draft Estimates differs from that which the Governor had before him at the time of his death.

Ans'd 5890

DRAFT.

The Secretary to the Treasury

MINUTE.

- Mr. Bottomley 26/1
- Mr. Read 27
- ✓ Sir G. Fiddes 27
- Sir H. Just.
- ✓ Sir J. Anderson. 27
- Lord Emmott.
- Mr. Harcourt.

for answer

12 Nov (38403)
 793
 12 Dec (-)
 23 Dec (40875)
 6 Dec (41236)
 27 Dec (1889 ¹²/₁₃)
 Estimates, Treasury minutes, minutes of Dep Council

C.O. Memorandum
Enclosures marked A on sheets headed by the memo:

Estimates (13/14) - 14769-25

of the 6th of December* giving
to the reductions to the
extent of £25,000 required
by Mr. Harcourt's telegram
of the 12th of December† in
order to bring the expenditure
within the limits imposed
by the half and half
principle. These reductions
are specified in the Memoirs
^{enclosed in the despatch}
minutes of the 27th of Decr.
and are taken into account
in his revised memo:
accompanying that despatch.

3. Excluding the Busoga
Railway and the Busoga
section of the Uganda Marine,
which are special services
undertaken on behalf of
the Govt of Uganda, the
extracted revenue for
1913-14 is £936,055, as
against £780,684 for the
current financial year,
an increase of £155,371.
For the purposes of the
modified half and half

* No 41236
† No 38403
‡ No 1889

rule the amount, £26,666,
728
of new railway expenditure
must be added to this, giving
£182,037, of which half, or
£91,019, may be said to be
available as additional
expenditure in 1913-14. The
estimated expenditure in
1912-13 was £884,399, but
of this £1,000 was required
for remanet services and
£23,155 was admitted
with T. L.'s sanction as
expenditure which might
be met from balances. For
the present purpose, therefore,
the estimated expenditure
for the current year was
£865,234, and the
admissible expenditure
for 1913-14 is therefore
accordingly taken as
£956,253, or, ^{including £3050}
~~£959,303~~, or, ~~with the~~
for remanet services, amounting
to £959,303.

as this will show that
4. The details of the estimate
are, Mr. Harcourt hopes, sufficiently

explained in the Colonial Office
memorandum and the correspondence
which accompanies it or in
the separate letters which
have already been sent to you.

There is a very large increase in
the personal emoluments of
several of the departments, and
it will be observed that the
Governor's attention was
specially directed to this fact

in the tel^g of the 12th of
Sept.* but that except in
one or two minor details he
has not found himself able
to propose any reduction in
this respect. The increases

have been carefully examined
in this Dept. and, apart
from certain points noticed
in the memorandum, there are
no omissions which can be
recommended. The Protectorate
is advancing rapidly, and the
new appointments or increases
of salary proposed in, for
example, the administrative,
medical and sanitary, postal,

38403

* No 38403

Public works, agricultural
729
Customs, and police depart-
ments are the necessary
result of the development
of the country and the
consequent increase of
work and responsibility.

In the circumstances, the
fact that there is a
deficit of ^{only} a little more
than £20,000 is satisfactory
and would be still more
satisfactory if it were
asked for the fact that
the expenditure proposed
does not cover the urgent
requirements of the Protectorate.
In the case of Public Works,
for instance, great reductions
in the original programme
were made by the Gov. before
the Estimates were first
submitted, and it will
be observed from the
minutes ^{*} of the Legislative
Council that the further

* Enclosure in 1889:
not reprinted

reductions on the Secretary
of State's directions have
not with much criticism,
especially in view of the ^{urgent} needs
for roads in various
parts of the country.

5. There are two ^{matters} ~~cases~~ in
which a change of form of
the Estimates has had the
effect, under the operation
of the half and half
principle, of restricting the
estimate of expenditure in
1913-14. The circumstances
will not recur, and Mr.

Harcourt trusts that His
Lordship will agree with him
that the permissible expenditure
of the Protectorate should not
be affected by the changes in
question.

6. In accordance with the
arrangement detailed ⁱⁿ
the letter from this Dept. of
the 16th of July last, ^{*} the
provision for new minor
works of a capital nature
in connexion with the

* No 8868

150
Uganda Railway has been
transferred from the ordinary
railway estimates to Head
22 A (Railway - Special
Expenditure) in order
that it may not be included
in the new railway expenditure
for the purpose of the modified
half and half principle.

As, however, the corresponding
provision (£2000) for 1912-13
was included in the ordinary
Estimates, the new railway
expenditure for 1913-14,
being the difference between
the two estimates of ordinary
expenditure, is less by
£2000 than if the new
method of showing the item
had been applied to the
Estimate for the current year,
and the permissible expenditure
is in this way diminished
by £1000. There can in Mr.
Harcourt's opinion be no
doubt that the new railway
expenditure should be
determined

determined as if the same form
had been observed in both
years.

7. The second point arises
in connexion with the tramway
Trolley line, the receipts (£1067)

and the working expenses (£930)

of which are for the first
time shown separately in the
Estimate of Revenue (Head 4)

and Expenditure (Head 6). Previously

only the net profits have been
inserted and a sum of £100 was
included in respect of them in

the 1912-13 Estimate. The result

of the change is to reduce by
£465 the expenditure permissible

on other services, for, while the
Estimate as they stand show
an increase of revenue of £967,

of which one-half is available
towards expenditure including
that on the trolley line, the
increase of revenue if the
former arrangement had
been retained would have
been £37, of which one-half

DRAFT.

would have been available
for expenditure other than ⁷³¹
that on the trolley line. That
is to say, the alteration has
increased the permissible
expenditure by £465 and
the actual expenditure by
£930. If the comparison
were with the 1912-13 figures,
as they would have been if
the new arrangement had
then been applied, the result
would be ~~the same~~ provided that,
as appears to be the case,
the working expenses have
not altered.

instances
8. In both these ~~cases~~ ^{instances} Mr.
Harcourt is of opinion that
the fact that this year is
one of transition from one
system to another ought not
to be allowed to restrict the
expenditure of the Protectorate,
and he therefore asks T.L. to
approve of the permissible
expenditure being increased
by £1,465. 5

9. It will be observed that, ~~the same~~

was indicated in the
Borrowing despatch of the
of _____, a copy of which
was sent to you on the _____
2. The Governor does not
propose to apply for a second
instalment of the £250,000
loan during the present
financial year, and that
therefore the charge for
interest and sinking fund
remains, so far as this
loan is concerned, at £2,115.
Mr. Harcourt concurs in
the Governor's view: the
Protectorate's balances (which
according to the Legislative
Council minutes are likely
to exceed the estimate)
are ^{or} ~~will be~~ more than
sufficient to provide for
the sum of £64,751 which,
as will be seen from
Appendix L to the Estimates,
is expected to be spent, in
addition to the first
instalment of £47,000, on
the loan works before the

(Use 2nd instalment
only)

end of 1912-13, and the 732
loan charges on this sum
would be so great a
burden on the Protectorate
at the time when all the money
which can be spent is
required for urgent works
that he regards it as
impossible to expect
the Prot. Govt. to borrow
the further instalment
until it is actually
needed.

10. The question of the
loan charges in respect of
the Thika Railway, to
which the Govt. refers in
para 4 of his despatch
of the 6th of Dec^r * presents
some difficulty. The Railway,
which is one of the works to
be paid for out of the
£250,000 loan, will be
open for 9 months of the
year 1913-14, and in
accordance with the
provision accepted in
the letter from this Dept. 6
of

47236

* No 41236

22875

of the 19th of August, 1915, the working expenses and loan charges ~~on this line~~ have been deducted from the gross receipts and the balance (£600) has been included in the estimate of Revenue (Head 7a). The Governor rightly claims that the charges deducted should not also appear in the estimate for loan charges in Head 34, Expenditure, and he proposes in the final estimate to deduct from the £2115 therein provided the sum of £1350 ~~which~~ taken into account is arriving at the net profits of the line, this sum representing a half year's charges at 4½% on £60,000, the total cost of the line. It is not clear why a period of six months has been chosen rather than the nine months during which the line will be open, and, as the Governor points out, the position is complicated by the fact that the £1350 is based on the whole cost of the line which

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while the £2115 provided under Head 34 is based only on the first instalment of the loan. Mr. Harcourt does not think, however, that these considerations necessitate any alteration in the arrangement proposed by the Governor. It appears from Appendix L to the Estimates that the portion of the first instalment of £47,000 which was devoted to the Tilda Railway was not greatly in excess of £40,000, the charges on which for nine months at 4½% amount to £1350. The same sum as that with which the Governor's remarks are concerned, while, if it were considered necessary to take account of the remaining £20,000 of the cost, which has been advanced from Protectorate balances and would

7
therein

These have commanded
interest locally at 2½%,
the further sum of £ 375
which would have to be
deducted from the profits
of the line would also
have to be added as
Interest to another Head
of Revenue, and would
not affect the total
estimated revenue for the year.

12. Mr. Harcourt thinks it
proper to draw the attention
of the L. C. to the Governor's
remarks on the probable
necessity of asking approval
for the expenditure of a further
large sum in connexion with
transport in the north of
the Protectorate, and at the
same time to inform them
that he has received a
telegram from the Governor,
from which it appears that
he is in favour of the
retention of the Company
of the 1st Bant, K. A. R.,
which was temporarily
borrowed

4/12/26 para 5

See T. 2 / 5044 / 12

borrowed in connexion with
the Murchison patrol. H. 734
Must await full explanation
before he makes any
definite communication to
T. L. on either point.
13. It will not in any
event be necessary for him
Harcourt to ask for assistance
from the Exchequer in ^{respect} ~~and~~
of the ordinary expenditure
of the Protectorate, and the
Grant in aid for which he
must ask T. L. to make
provision is that of £ 14,000
for Special Majadi
expenditure. He trusts that
they will raise no objection
to the provision of this
Grant. He was with great
reluctance that he accepted
their view that of the sum
required for Majadi expenditure
£ 45,000
in 1912-13 might be met
from Protectorate balances, and
he would be loath to agree
to a repetition of the
arrangement. Apart from
the fact that if, as may not

inconceivably be the case,
the Probetorate requires no
future assistance in meeting
its ordinary expenditure, the
sum of £45,000 will be
permanently lost to the
Country of the recurring
loss of interest and the
consequent restriction
of expenditure ^(with) ~~therefore~~
burden which was not
contemplated when the
offer to defray the ~~budget~~
expenditure from Imperial
funds was originally
made.

& I am etc.

(Signed) H. J. READ.
for the Under Secretary of State.

DRAFT.MEMORANDUM ON THE EAST AFRICA PROTECTORATE
DRAFT ESTIMATES FOR 1913-14.

The following comparative table is based upon the Governor's final proposals for the coming financial year:

	1911-12 Sanctioned Estimates.	1912-13 Sanctioned Estimates.	1913-14 Draft Estimates.	Increase or de- crease in 1913-14 as compared with 1912-13.
	£	£	£	£
Estimated gross expenditure	762,246	889,399	959,303	+ 69,904
Product remanet expenditure	10,000	1,010	3,050	+ 2,040
Estimated new expenditure	752,246	888,389	956,253	+ 67,864
Estimated revenue	620,279	780,684	936,055	+155,371
Deficit	131,967	107,705	20,198	- 87,507

The estimate of new expenditure for 1912-13 included a sum of £23,15⁵ allowed to be spent over and above that admissible under the half and half principle. For the purpose of ascertaining the admissible expenditure in 1913-14 the estimated

expenditure

expenditure in 1912-13 must therefore be taken as £865,234. As the estimated increase of revenue amounts to £155,371 and the new railway expenditure to £26,666, the possible increase of expenditure is half of £182,037 or £91,019, giving a possible expenditure of £956,253.

The Estimates as printed include

also certain special payments of which

Eusoga Railway	£ 16,500
Eusoga Marine	19,332
	<hr/> £ 35,832

are incurred on behalf of the Government of Uganda, the net profits on the services being handed over to that Government, while Special Magadi Expenditure, £14,000, will be met by a special Grant from the Exchequer. Adding in these services and also the remanet expenditure of £3,050, we obtain the gross figure of £1,009,046, which differs from the total of £1,010,396 given in the Abstract

of

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of Expenditure by the sum of £1,350, being the amount by which the Governor proposes to reduce the loan charges shown in Head 34 in respect of the interest and sinking fund on the cost of the Thika Railway. This matter is referred to elsewhere.

Certain small adjustments in the *many of which are referred to in the Govt's draft of the G/E of Dec.* Estimates are included in the following notes and involve a net reduction of ~~£173~~ ^{£773}.

This sum will therefore be available for other expenditure without exceeding the total permissible under the half and half principle and the Governor will be invited to recommend how it should be allotted before the Estimates are finally settled.

Assets and Liabilities.

It will be seen that the estimated balance of assets over liabilities at the 31st of March next amounts to £155,051, in spite of the fact that a sum of £45,000 out

of

of the total grant of £68,500 for Special Magadi expenditure has been met from Protectorate balances instead of from Imperial funds. This result is due to the large excess of the balance at the 31st of March 1912 over that estimated, even if due allowance is made for the postponed services referred to in appendix B of the Estimates. Of these postponed services it is only necessary to refer to the sum of £5,108 in connection with the Nairobi Water Supply Schemes for which the Secretary of State approved of the signature of a Special Warrant in the circumstances explained in the despatch of which a copy is enclosed.

The balance of £155,051 will be drawn upon to the extent of £23,248 to meet the remanet expenditure (£3,050) and the estimated deficit (£20,198), and it will be observed, further, that as the Governor does not propose at present to ask for a second instalment

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£	£
111,751	155,051
47,000	
24,751	Less 87,999
<u>3,248</u>	<u>67,052</u>
7,999	

Gov. 138-24 Feb. 1912
(8/194)

* No 8199

instalment of the £250,000 loan the expenditure on the loan works during 1912-13 must also be deducted. The statement in Appendix L of the draft Estimates shows that the loan works expenditure up to the 31st of March 1913 will be £111,751, of which £47,000 has been met from the first instalment of the loan. The actual surplus balance, therefore, after providing for loan works up to date and for 1913-14 ordinary services will be £67,052.

In the circumstances it will not be necessary for Mr. Harcourt to ask their Lordships for any Grant-in-Aid from the Imperial Exchequer beyond the special grant of £14,000 for Magadi expenditure.

Details of Revenue.

The estimated increase of £155,371 is due principally to the following items:-
Customs £21,140, Licences ^{re} £26,188, Fees of Court, etc., £7,155, and Railways £83,200.

Head 1. There is a net increase of £23,440 from Imports, but owing to the reduced trade in ivory and rubber a falling off of £2,300 is expected in export duty.

Head 3. The increase in Hut and Poll Tax receipts is expected to be maintained and to amount to £15,703 as compared with £19,180 in the Estimates for 1912-13. The non-native Poll Tax, to which reference was made in connection with those Estimates, is expected to bring in £9,500 during the coming year.

Head 4. The increase of £7,155 under "Fees of Court &c." arises mainly from causes connected with the general development of the Protectorate. Attention may however be drawn to the apparent increase of £967 in connection with the Mombasa Trolley Line. As is pointed out in the Treasurer's statement, this is due to the total receipts and the expenditure being

entered

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entered separately instead of only the net receipts being shown as formerly. It will be noticed that under the half and half principle this change has the effect of reducing by half the expenditure on the trolley line, or £465, the permissible expenditure on other services.

Head 5. As explained in the Governor's despatch of the 6th of December, the reimbursements in respect of Audit expenditure must be increased by £177. The Zanzibar contribution will be increased from £450 to £633 and the Somaliland contribution will be reduced from £257 to £251. This sum of £177 has been added to the estimate of Revenue in obtaining the figure of £936,055 given in the table at the head of this memorandum.

Head 6. The increase of £3,450 under "Post and Telegraphs" indicates the general expansion of the postal business of the Protectorate.

4/12/16

See Audit / 3/1990

Protectorate. Reference is made later to the increase of staff, in addition to that already authorised, for which the Governor asks in order to keep pace with this expansion. It is expected that a still further increase of revenue will arise from the better facilities, especially as regards inland telegrams, which are proposed.

Head 7. The increase of £83,200 in railway revenue, though smaller than last year, represents an increase of 20 per cent over the estimated revenue for the current year. The increase in expenditure is only £26,666 as compared with £75,072 for the current year and the net ^{profits} ~~increase~~ have therefore risen from £44,000 to £56,500.

Head 7a. The estimate of £600 is for the net receipts of the Thika Railway for the nine months during which it is expected to be open. In arriving at this figure a

sum

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sum of £1,350 for loan charges has been deducted. This matter is raised in the letter accompanying the Estimates.

Details of Expenditure.

Head 3. In his despatch of the 6th of December the Governor draws attention to the necessity of adding a sum of £30 to cover the increments drawn by the officer seconded to act as his Private Secretary. He also points out that a saving of £100 will be effected on the provision (£700) inserted for a motor car, the necessity of which is referred to later in his despatch. There will thus be a net saving of £70 on the head.

- £70.0.0

The horse allowance for the Aide-de-Camp was sanctioned in ^{Treasury} ~~your~~ letter No. 2508/12, of the 22nd of February, 1912.

Head 4. The re-organisation of the Secretariat was approved in ^{Treasury} ~~your~~ letter No.

22721/12 13

22721/12 of the 7th of December, but Mr. Harcourt had omitted from the scheme as submitted to him the proposed provision for duty allowances at the rate of £25 per annum for the two Junior Assistant-Secretaries, as he was unable to see any reason, on the ground of expense of living, which would not apply equally to other officers stationed at Nairobi. The allowances must therefore be ~~omitted~~ ^{deleted}.

- £50.0.0

Head 6. There is a large increase of £12,347 in the estimate for Provincial Administration, arising mainly from the need for new administrative stations for conservancy provision in the growing townships, and for adequate administration of the Northern Frontier District. With regard to the last item, the cost of the new Armed Native Constabulary will be balanced by the saving arising from the reduction of the 3rd Battalion, King's African Rifles, by one Company. Other causes

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causes of increase are the detailed provision for the Mombasa trolley line, the increase of salaries to Headmen etc. owing to the increased yield of Hut Tax, and the general rise in native wages arising out of the dearth of labour.

The duty allowances to the three senior Provincial Commissioners at the personal rate of £60 per annum have been approved by the Lords Commissioners. The Governor has recommended the grants of special rates of salary to these three officers, but Mr. Harcourt has not been able to ask their Lordships to agree and the provision made in the Estimates must therefore stand.

The reasons for ^{the} proposed increase of two District Commissioners and four Assistant District Commissioners will be found in the Acting Governor's despatch

No.
14

No. 615 of the 5th of September, of
which a copy is enclosed. Mr. Harcourt's
telegram of the 11th of October, referred
to by the Governor, gave approval not to
the appointments but to their being
inserted for consideration in the draft
Estimates, but having regard to the
reasons given for the increase he recom-
mends it strongly. There is no doubt
that both the volume and the responsi-
bility of the ~~work of the~~ administrative officers
has greatly increased, and that new
stations are required. The local
allowances for Assistant District Com-
missioners in the Northern Frontier District
have been approved in Treasury letter
(9189/12) of the 1st of June.

The Colonial Office letter of
the 16th of May asked for approval for the
grant of a house allowance of £60 to the
Assistant Liwali of Mombasa without

prejudice

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prejudice to the general question of the
salaries of Arab officials raised
in the enclosures to the letter. The
present Governor has not considered it
necessary to support his predecessor's
views as to the institution of incremental
scales of salary, but, in addition to a
few minor increases, he has strongly
recommended that the Assistant Liwali
should be given, instead of the present
fixed rate of £400 a year, the scale of
salary of a District Commissioner, viz.,
£400 rising to £500 a year by £20 annually
with a duty allowance of £40 a year. It
appears from the Estimates that he also
endorses his predecessor's recommendation
that the post should be pensionable. Mr.
Belfield has expressed his concurrence in
what has already been said in favour of
Sheikh Ali bin Salim and adds that the
interests

306/1

367/2

* No 306/1

18951

18

interests of Government would be best served by retaining him as a friend, as there is no doubt that he is a very capable, powerful and clever man. In the circumstances the proposed increase is recommended for approval.

The proposal to put the Superintendent of Conservancy at Kisumu on the Tropical African Services scale instead of the fixed salary of £250 per annum which he has received for some years has been put before Their Lordships with other matters in Colonial Office letter of the 23rd of January. It was suggested that a scale of £250 rising by ^{£15}~~£10~~ annually to ^{£350}~~£300~~ a year, with a first increment on the 1st of April

next, would be sufficient. *No alteration in the estimate provision for 1913-14 is involved.*

The administration of the Northern Frontier district involves two main questions: the provision

of

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of a suitable force to garrison and furnish escorts in the District under the command of the administrative officers, and the formation of a suitable camel transport service. The arrangements approved on the first head were notified in the Colonial Office letter of the 1st of August and provide for an Armed Native Constabulary 120 strong, the 3rd Battalion, King's African Rifles, being reduced in consequence by one company. As regards the second point it will be observed that the arrangements are still under the Governor's consideration and that for the main portion of the expenditure a lump sum only is provided in the draft Estimates. It will also be observed that the Governor fears that it will be necessary very greatly to increase this provision, and his recommendations in this regard will be forwarded in due course. It is in any case of the

utmost

16

utmost importance that the service should be under the charge of a Transport Officer who has a good knowledge of the diseases of camels and it is proposed, as the Lords Commissioners have already been informed, to appoint Captain Neave, at present Live Stock Inspector, to the new post.

The insertion of a ration allowance to the clerical staff in the Northern Frontier District, approved in Treasury letter (20070/12) of the 18th of October, involves an increase of £86.

+ £86. 0. 0.

Head 7. The adjustment of the Deputy Treasurer's salary and the grant of an allowance to the Assistant Treasurer acting as Secretary of the Central Tender Board have already received their Lordships' sanction. The proposal to grant a personal allowance of £20 per annum to the Head Clerk has been submitted in a separate letter.

Head 8. The Governor's recommendations

DRAFT.

recommendations (referred to in his despatch of the 6th of December) on the subject of the creation of the post of Collector of Customs at Mombasa have now been received in the despatch of which a *
 Gov. No. 889 25 Dec. copy is enclosed. Mr. Harcourt fully concurs in the necessity for a strong staff at Mombasa and Kilindini, and trusts that the new appointment will be approved. Owing to Mr. Muir's resignation the necessary provision is £250 and not £360 as stated in the despatch of December 6th. In this connection it may be noted that Mr. Muir's salary during the current year has apparently been paid from the provision made in the Estimates for a new post of Deputy Chief of Customs, to which no appointment has been made. The Governor's attention has recently been drawn to the matter. The arrangements with regard to the Customs Assistants and the European

1884 1/2
 Gov. No. 889 25 Dec. copy is enclosed. Mr. Harcourt fully

+ £250. 0. 0.

* No 1884

~~Baggage~~ Examiners formed the subject of Treasury letter (13833/12) of the 11th of July. The Governor has not expressly given any reasons for the necessity of an additional Assistant, but in view of the continued expansion of the Customs work it is hoped that the third appointment will now be approved.

Allyan has now been received from the Govt asking that an additional European Baggage Examiner may also be appointed to the post now vacant, if possible to comply with the result will be to reduce the expenditure by £20 but to make a provision for a non-peace app't. It is hoped that this will be approved.

Head 9. The duty allowance of £40 proposed for the Port Officer was recommended by the late Governor in connection with the Tropical African Services scheme and in forwarding his recommendations to the Lords Commissioners Mr. Harcourt intended to associate himself with Sir P. Girouard on this point as on others to which no specific allusion was made. The grant of the allowance is urged by the present Governor on the grounds of the Port Officer's efficient discharge of his duties for fifteen years, during eleven of which he has had no addition to his emoluments, and of the heavy

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heavy and increasing responsibility of the post which makes it desirable that there should be some provision for the remuneration of the officer who acts when the Port Officer is on leave.

Head 9 a. The provision of a lighthouse at Kismayu is strongly recommended by the Governor. Owing to commercial enterprise on both sides of the Juba river the importance of the port is increasing rapidly; it is a regular port of call and the tonnage of steamships visiting it has nearly doubled in the last three years. The approach to the harbour is not easy, and the existence of a good light would greatly facilitate the use of the anchorage by steamers and dhows.

The Secretary of State cordially endorses the recommendation of the Governor for the provision of a launch for the use of the administration in the Nyanza Province.

The Province has a coast line of about 400 miles much of which is at present practically inaccessible. The launch will effect a saving in transport charges estimated at about £250 a year and should lead to a material increase in the amount of Hut Tax collected. It is expected to pay for itself in a very few years.

Head 10. As the Governor observes in his despatch of the 6th of December, an increase of £21 is necessary in order to bring the estimate of Audit expenditure into agreement with that prepared by the Director of Colonial Audit.

+ £21. 0. 0.

3/19/40

Head 11. The Governor has recommended strongly the appointment of an additional Magistrate for the Uasin Gishu District. At present that District is included in the area dealt with by the Magistrate at Nakuru who in addition to hearing

cases

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cases arising in the Nkwasha Province has also to sit at Kisumu and Lumbwa. The Uasin Gishu Plateau where there is already a white population of 448, is four or five days distant from Nakuru and the uncertainty which exists as to the hearing of cases, the number of which for the whole magistracy has increased by five times withⁱⁿ a year, makes it necessary to appoint another Magistrate.

The proposal to attach a duty allowance of £40 per annum to the Office of Administrator-General has already been referred to the Lords Commissioners in the letter of the 23rd of January.

Head 12. Recommendations as to incremental salaries for Superintendents and Assistant Superintendents of Police have already ^{been approved in Treasury letter of Jan 24th} been submitted. If they are approved, an additional sum of about £50 will be required to provide for the

special

38/4/65

20/2/45
24/6/42

special increments proposed to be

+ £50

granted to Mr. E.S. Higgins. The same letter gave approval to the grant

The Governor's views as to additional European ^{of £25 was made, instead of £20, but the} _{Commissioner of Police and a further increase} ^{of £5 is therefore required}

staff in the subordinate ranks have also

been referred to the Lords Commissioners.

35/10/05

Apart from the special circumstances

connected with the opening of the Magadi

branch railway, the general growth of

the European population renders it

inevitable that the European Police

should also increase in numbers. In

the same letter approval was asked for the

proposed grant of a personal allowance to

the Chief Clerk, Police Department.

Head 13. The increases in Prison

expenditure, so far as they have not

already received Treasury approval, are

due to the growth of the prison popula-

tion and do not call for comment.

Head 14

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Heads 14, 14a, and 15.

Provision is inserted in the Estimates for the formation of a Sanitation Department. The necessity for these new appointments is explained in the despatch * of which a copy is enclosed, together with a copy of the last Annual Medical Report of the Protectorate. Mr. Harcourt has been much disturbed by the conditions existing in the Protectorate in the matter of sanitation and the public health and he has from time to time caused the subject to be referred to the Advisory Medical and Sanitary Committee for tropical Africa who have confirmed his view that immediate action is required. In some at any rate of the larger towns and stations the health conditions are clearly below the proper standard and epidemics are repeatedly occurring. In

ONE copy 2/11/05
about 37743

* No 37743

20

In Nairobi the death rate among Europeans increased in 1911-12 from 8.3 per 1000 to 21 per 1000 owing mainly to infant mortality, and as the towns grow the sanitary conditions must, unless special measures are taken, become steadily worse.

In the circumstances Mr. Harcourt strongly recommends that the proposals should be approved, except that, as the scheme must necessarily be tentative in the first instance he would propose in the first instance to appoint four inspectors instead of six. There would thus be a reduction of £400.

The reasons for appointing a Deputy Principal Medical Officer are set out in the Governor's despatch and the appointment is recommended, as also is that of an additional Medical Officer for 'Ubaland.' The arrangements

for

He regrets that by an error T.L. have not been up to date. The advance of the General for the acting Govt. is based on the present rate of £400. Inspector for Mombasa is head of same force and is felt. An excellent one is available and is £400. This is the form for which the Govt. has sought.

DRAFT.

for the closer administration of the north east and northern frontiers make extra medical assistance ^{in that region} essential. The new minor appointments (an Assistant Surgeon under Head 14 and an additional Nurse, an Assistant Surgeon, and a Dispenser under Head 15) are also recommended for approval on the grounds put forward by the Governor. Approval has already been obtained for the special appointment of a nurse to assist the Medical Officer of Health, Mombasa (Head 14) and for a Matron, Lunatic Asylum (Head 15.)

The increase in the provision for Sub Assistant Surgeons (head 15) is ^{due to} explained ~~part to increments and to new appointments in the Treasurer's statement of differences.~~ ^{required for new stations. The remainder of} ~~apart from the new appointments required for~~ new stations the increase is due to the fact that the Protectorate is dependent on the Government of India for these officials and ^{which have been laid down by that} must accept the terms ~~laid down by that~~ Government as necessary for their engagement.

These terms have recently been raised.

As regards the "other charges" under Head 15, the ration allowances for medical subordinates have received Their Lordships' approval, and the gas plant and microscope for laboratory purposes will, it is hoped, be sanctioned as it is obviously desirable that the laboratory, where bacteriological examinations have constantly to be made, should be properly equipped.

Head 16. The arrangements for the salaries of the Head masters of the Mombasa "C" School and the Ukamba Industrial School have been approved in Treasury letters 9417/12 of the 15th of May and 19477/12 of the 11th of October. With regard to educational arrangements in the Uasin Gishu, which have also formed the subject of correspondence, a copy of a despatch is enclosed explaining the manner in which the provision for the current

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current year has been allocated and the detailed provision for next year.

^{Head}
Vote 16. As has already been observed, the 3rd Battalion of the King's African Rifles has been reduced by one company and a saving of £4,888 has been effected in the cost of the Battalion. The provision for a Volunteer Corps has been ~~greatly reduced~~ ^{diminished} since the Estimates were first received owing to the necessity for observing the half and half principle, the items excised (including special expenditure) amounting to nearly £4,000. The expenditure for the Serenli Military Transport, which appears in the Estimates for the first time, was referred to in the Colonial Office letter of the 23rd of May on the subject of the patrol in the Marehan country in the extreme North-East of the Protectorate. It is, however, certain that a proper transport system

on the eastern boundary is permanently required for the effective administration not only of the Northern Frontier District but also of Jubaland itself and provision has been inserted accordingly, the amount (£716) being that mentioned in the letter in question as being the recurrent cost of the Transport Corps.

9 Head 19. The provision of £200 for Office expenses etc. of the Inspecting Engineer of material for the Lagadi Railway has apparently been inserted through a misapprehension. The appointment of a Government Inspecting Engineer was discontinued after careful consideration with the late Governor and the late General Manager of the Uganda Railway ^{partly} on the ground of expense, which was much greater than was originally contemplated, and also because it had ceased to be necessary as the Company, having

entrusted

DRAFT.

749

entrusted the construction of the line to contractors, had an equal ^{with the Govt} interest in seeing through their own Inspecting Engineer, that the material used was of good quality. Accordingly the Inspecting Engineers were paid a lump sum in respect of their personal services and their office expenses up to the date of discontinuance, and the reference in the correspondence to these office expenses, which will not be payable in future, has been misinterpreted. There will therefore be a reduction of £200.

- £200. 0. 0.

Further reductions can be made in respect of the proposed grants to the London School of Tropical Medicine and the Natural History Museum Society, both of which have been disallowed by the Secretary of State.

- £375. 0. 0.

21 Post and Telegraphs. A considerable increase in the staff of male and female Postal Clerks and Telegraphists was approved

in 23

in Treasury letter (13816/12) of the 11th of July, but it is necessary to ask for approval to further increases of one and three respectively and, in addition, for three more second class postmasters.

* Correspondence on the subject is enclosed.

It will be seen that the Estimates do not provide, as was originally proposed, for a reduction in the number of Postal Clerks and Telegraphists in compensation for the increase in the number of second class Postmasters, and also that it is not possible to give effect to the understanding men-

tioned in the Treasury letter that the increase in the number of Postal Clerks and Telegraphists would be accompanied by a reduction in the native staff. The situation is of a special character

in view both of the great development of postal business recently and of the still further development which is to be expected in the future as a result of the proposed reduction of rates on inland telegrams, and

it

*Gov. 780 7 Nov.
37713
2. do tel. 20 6 Dec.
forwarded 13 Dec.
39618*

DRAFT.

it is necessary therefore to ask for approval of all the increases proposed in the estimates, including the additional Electric Mechanician and two 2nd Class Inspectors referred to in the Governor's despatch of the 6th of December.

Head 21 A. The vote for special Post and Telegraph expenditure as originally submitted has been reduced by a sum of £2,800 in order to comply with the half and half principle.

Head 22. The increase of £26,666 in railway expenditure does not call for detailed comment. As has been pointed out the net increase in railway profits is expected to be much larger than for the year 1912-13. The increased expenditure is mainly accounted for by the creation of the Steamer Depreciation Fund, the necessity for extra staff for the steamer service in view of the larger number of boats, and a rise in the charges for

* Nos. 37713
37713
39618

DRAFT.

provided for fuel and maintenance and renewal of rolling stock.

Head 22.A Provision for new Minor

Works of a capital nature has been transferred from the ordinary railway expenditure in order to comply with the Treasury requirement that these capital charges ^{will} ~~shall~~ not be taken into account in determining the ^{new railway} ~~permissible~~ expenditure of the Protectorate ^{for the purposes of the modified} ~~under~~ the half and half principle. Reference to the effect of this change as regards the first year of its incidence is made in the covering letter to this memorandum. As in previous years, the allocation of this item is not determined, but the principal ^{al} expenditure will be in connection with the provision of electric lighting for first class railway carriages, the need of which is much felt.

Head 23.

3662
4500
36697
12

- £50

Head 23. The Governor's recommendations for an increase in the staff of the Agricultural Department were enclosed in the Colonial Office letter of the 5th of December. The provision of £500 for a mycologist was approved, and, ~~in~~ in view of the difficulty in obtaining a suitable man who would accept a temporary post, ^{semi-} ~~senior~~ official sanction has been obtained to the post being made pensionable at £450 a year. A reduction of £50 is therefore possible. The question of the proposed increase of salary for the Veterinary Pathologist has received special consideration, ^{as it appeared} ~~more particu-~~ ~~larly with a view to distinguishing the~~ ~~emoluments from those of the Chief Veterinary Officer.~~ ^{however,} A substantial increase ^{is} necessary if the services of the Pathologist, who is a most valuable officer, are to be retained, but it is considered that it will be sufficient to offer a salary of £550 on a scale

of £500-£25-£600, with duty allowance of £50 and pension rights. No alteration is involved in the provision in the draft Estimates for 1913-14, but there will be an ultimate saving of £50 per annum. Approval has already been given to the Assistant to the Pathologist being made pensionable at a fixed salary of £400 a year. It is not clear on what ground £420 has been — £20 provided in the draft Estimates.

Subject to these observations the whole of the Governor's proposals as regards staff are recommended for approval. As regards other charges, the large increase in connection with the work of the Pathological Division may be noted. That work is of the greatest importance in connection with the diseases (in particular rinderpest) to which stock is subject in the Protectorate, and there can be no doubt that very great economy is effected by the preparation of serum in the local laboratory.

The cost of imported stock to be Rs. 2,500. compared with 500. a day the case of locally prepared. It is understood it may be necessary to get for a further...

about £700 for the provision of additional laboratory plant in order to cope with the demand for serum. ~~This~~ A separate letter will be sent with regard to this additional provision which for the present is not included in the modifications proposed in the Estimates. It may however be pointed out that the area which is supplied by the Laboratory may at any time be greatly increased, as Nyasaland is threatened with the introduction of rinderpest from German E.A. while the efforts which are being made to prevent the disease from crossing the Nile into N. Uganda may not be permanently successful. These outside services are of course, ~~under~~ intended for payment, which may be set off against the extra cost involved.

~~38/26.~~

Head 24. The applt. of an Indian Const.
Forester has already been submitted.

DRAFT.

38/25

Head 27. The proposed increase of two computers in the Survey Department has been submitted in a separate letter. The additional European Clerk was sanctioned in Treasury letter (10229/12) of the 18th of May. As regards "Other Charges", the increase of work owing to the staff being now at full strength and the rise in the price of labour are responsible for the increases which are required.

Head 28. A duty allowance of £40 is proposed for the Conveyancer, Land Office, in order to bring the conditions of the appointment into line with those of Magistrates. The qualifications required are the same, the responsibility is equal, and the work is, if anything, more arduous in present circumstances. The allowance would have been recommended in connection with the 1912-13 Estimates if the attention of the Secretary of

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38/05
board have already received Treasury approval. The proposal for an additional Computer, as in the case of those required for the Survey Department, has been submitted separately.

Head 34. Reference is made to the provision for loan charges in the letter which accompanies this memorandum.

A summary is attached showing the changes proposed in the Estimates of Expenditure as printed:-

Head 3.

	£	£
Head 3. Increments for Private Secretary + Saving on Motor Car	30	100
Head 4. Duty allowances for Junior Assistant Secretaries		50
Head 6. Superintendent of Conservancy, Kisumu, Ration allowance, Clerical Staff, Northern Frontier District	+ 86	
Head 8. Collector of Customs (provisional) + <i>Substitution of Baggage Examiner for First Grade Clerk</i>	300 ²⁵⁰	- 20
Head 10. Audit Staff adjustment	+ 21	
Head 12. <i>Increments for Messengers, Clerks and Mr Higgins</i>	+ 55	
Head 16. <i>Reduction of five Sanitary Inspectors</i>		- 400
Head 19. Inspecting Engineer, Magadi, Grant to London School of Tropical Medicine		200 75
Grant to Natural History Museum Society		- 300
Head 23. Mycologist Assistant to Veterinary Pathologist		50 20.
	+ 517	- 800
	+ 427	- 1215
	<u>+ 442</u>	

£773
~~£728~~

Net reduction ~~£228~~^{£773}, which, as explained in the (covering letter) the Governor will be invited to allot to any of the services which have been cut out in order to comply with the half and half principle.

x charge part of the memo!

31 JAN 1913