



5890

C.O. 5890
REC'D 18 FEB 3

989

Treasury

Draft Estimates - 1913-14

1913

18 Feb

Last previous Paper

1889
12.3

Subject to certain obtain on details. Particulars estimated as submitted in Cd letter 27/Jan are all correct. Cannot assent to franking and £1000 to meet anticipated costs on Uganda Railway to reach Nates. Agree to propose increase of 1000 on account of Uganda Railway costs. Make view as to Shika Railway Loan Charges.

W. G. Fisher

I have written to the Press - he wished to have an opportunity of expressing his views of the Treasury took this line. The payment from Post. funds would I come to from balances, as in the case of the £45,000 last year, and within the half, half principle.

The Treasury allow us, with hesitation, to spend the extra £1000 claimed in respect of a change of railway accounting on condition that we keep on transport expenditure within the half, half principle. We need not have trouble half way, I would leave this alone?

3. Shika Railway Charges - i.e. the previous £1500. We are to charge the Railway in full & pay ourselves back the charges on

Copy to Gov 11.5 Care of
Send Care & Attach
Treat Gov 1st care of Smith
12.3
Tel to Gov Care 19 March
W. G. Fisher to Gov Care 20 March
W. G. Fisher to Gov Care 19/14/13
W. G. Fisher to Gov Care 19/14/13

11193 P.L.

Next subsequent Paper

10111 Lato
(Carter)
(Smith)
(Wright)
(Walker)

The part of the cost not from balances, we assumed in writing to the Treasury that about £250,000 of the £300,000 came from the first instalment of the loan, & that of the total charge of £2,200,000 for nine months £1,350 goes to the relief of "loan charges" & £675 might be added to "Interest" under Revenue. But the Thrift Railway profits (£800 after the £1,350 was taken away) will not stand this extra charge. Therefore instead of what we had proposed

Revenue		Expenditure	
Thrift Railway profits	£ 800	Loan charges	£ 2,115
		Less	1,350
			£ 765

We must have

Revenue	Thrift Railway profits	Expenditure
Interest	£ 675	Loan charges
		2,115
		Less
		1,350
		£ 765
		Balance

There remains expenditure unmet by £75 each & under the £2,200 we have £37,100 to spend on other works. We need not avoid

The Treasury ^{in silence} agreed to ~~the~~ all the other points, which include our not borrowing any of the £250,000 this year

page 9 of no letter

The attached sheet shows the new position. All told the Gov. now has £2,200 to allot. As a dispatch cannot be got at till a few days before the end of the financial year we would telegraph, not by post, with the ~~amount~~ ^{amount}

As matters are shewed off ^{with} a deep exploring the several positions, to catch the main of

A Admissible Expenditure

As taken in Memorandum	£956,253
Add - in respect of Rly Capital works (see Treasury letter)	1,000
Thomas Tully (see letter to Treasury)	465
increased revenue shown for Thika (see minute)	37
	<u>£957,755</u>

B Ordinary Expenditure

As submitted by Governor	£956,253
Less modifications in memo.	773
Plus Thika loss (see minute)	£955,480
" Surplus now disposable	75
	2,200
	<u>£957,755</u>

C Provision for

Ordinary Expenditure	£957,755
Reserve	3,050
Reserve	14,000
	<u>£974,805</u>

Balance from

Revenue	£936,130	(£25, Thika)
Reserves	38,675	
	<u>£974,805</u>	

Balance

Estimated Balance 31.3.13 £155,051

Payments for 1913-14 £38,675

Loans	}	04,751	103,426
6.31.3.13			500

Balance remaining £51,476

the 26th? The can be done in detail
anticipation of the May 1893 affair in the
first instance.

159

Submit diff. tel:

W.S. 18/2

I fear I omitted to refer in the
memo. for Treasury to the Coffee
Plant Inspector referred to on p. 3 of
41206. We can claim that it was
covered by the remarks on Head 23 in
the ~~memo.~~ memo., but it should have
gone in the summary of the tel.

However, the Governor's promised
reply has not come yet & he will
if necessary be able to meet the
charge out of the £2,200.

W.S.

19.2.13

Sir J. Anderson

I think as we must protest
pro forma against the decision to
saddle the Post, for the 2nd time, with the
heavy expenditure. But I fear we
must leave it as that, subject to the Post's
promised return.

Presumably the tel. herewith can be
sent

at once W.S. 19

19.2.13

W.S. 18/2

TREASURY CHAMBERS.

In the reply to this Letter the following Number should be quoted.

18th February 1913

2284 13



Sir,

I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Read's letter of the 29th ultimo (1909/12/13) and its enclosures on the subject of the draft Estimates of Revenue and Expenditure of the East Africa Protectorate for 1913-14.

In reply I am to request you to inform Mr. Secretary Harcourt that, with reservation on one or two points specified below, My Lords approve the Estimates as submitted subject to the modifications suggested in Mr. Read's letter and the memorandum which accompanied it.

Having regard, however, to the very satisfactory condition of the Protectorate's finances as disclosed by these Estimates and especially to the amount of the surplus balance that will still be left after providing for the difference between Estimated Revenue and Expenditure in the ensuing year, as calculated under the half and half principle, My Lords regret that They would not feel justified in assenting to the proposed provision in the Colonial Services Estimate 1913-14 of a grant in aid of £14,000 to meet the anticipated expenditure on the Magadi Railway.

As regards the details of the Estimate the only comments which Their Lordships desire to make are the following:

1.

Under Secretary of State, Colonial Office.

* No

Estimates 13/14

-15600-2 0

1. They feel some hesitation in assenting to the modification suggested in the sixth paragraph of Mr. Read's letter in respect of the Uganda Railway expenditure. It is no doubt the case that if the new method of showing minor works of capital had been applied to the estimates for the current year the increase in admissible expenditure would have been greater for 1913-14 by £1000, but in that case also the expenditure for 1912-13 would have been less by a corresponding amount than the figure approved, and the total expenditure for 1913-14 would therefore have been the same as under the system actually adopted. Having regard, however, to the great reduction in the Protectorate's deficiency of Revenue for which these Estimates provide, Your Lordships are willing, on the understanding that this deficit will not be increased by the additional expenditure on transport referred to in the 12th paragraph of the letter under reply, to defer to Mr. Harcourt's views on this matter, and they accordingly assent to the increase of £1000 involved in the gross total expenditure for the year.

2. Uganda Railway Loan Charges.

In Their Lordships' opinion these should be fixed at the amount payable on the capital actually advanced from time to time to the line, even though part of such capital is temporarily derived from balances.

I am, etc

Sir,

Your obedient servant,

[Handwritten signature]

Jan 28/90
5890

C.D.
#21166
N. 9/2

996
993

P

sent to 30/Jan
J. 29/2

Feb.

DRAFT.

Feb.

Governor
Raiate

MINUTE.

Mr. Bottomley 19/2

Mr.

Sir G. Fiddes. 19

Sir H. Just.

Sir J. Anderson. *J.A.*

Lord Emmott.

Mr. Harcourt.

Governor

Estimates approved subject to
re-arrangement *slightly*
following reduction of

expenditure *(other than those)*
no *overswarm*
contemplated in your despatches

Had four duty *officers* *junior*
and Secretaries

Had fourteen Sanitary Inspectors
reduced from six to four

Had *re-elected* *omit* *Inspecting*
Engineer and Natural History
Societies
Society

Had ~~23~~ *23* *Psychologist*

reduced by £50 *(Aust. to)*
re-attach *phylloten* *at least*

Det^y Pathologist reduced by

£20

Despatch follows by mail
dear

explaining that admittance
expenditure *(other than)*
endward *overswarm*

remains is £957.755

which *proceed* *fall*
and that £2,200 remains

to be allocated provision
to Coffee Plant Inspector

to be app. sent (mail
Feb.) v. of Governor

if approved must be
amiricula markoffle

not from this area
provision

Project £14,000 (is to be) amphitology
penciler amphitology

fund for Protestants
proprietor

Admission

Mr. B. Atkinson

Off. of the ... to C.A. and Gov. E.A.P.

Concerning the appointment of 6, 3rd class

Constables Gov. E.A.P. There are now

Appointments provided for on the Estimate

for 1913-14 The vacancies are for 5

of different grades, constables, and one Asst. Inspector.

The latter will be filled by the promotion

of constables

H.D. 1/3

Tues 5890 EAP

22 FEB

98379

81/2

(No. 145.) 25 February 1913

Sir,

I have the honor to acknowledge the receipt of your despatch no. 895 of the 27th of December, and to transmit to you in confirmation of my telegram of the 20th of February, the accompanying copy of correspondence and the Treasury on the subject of the draft Estimate of Revenue and Expenditure of the EAP for the year 1913-14.

2. You will observe that the ^{amount of the} ~~admissible~~ expenditure has been increased by the sums of £1,000 and £600 respectively in respect of the change of the form of the Estimates in connection with

DRAFT

EAP no 145

Sir Balfour

MINUTE

- Mr. Bostwick 2 1/2
- Mr. Reid 2 2
- Sir G. Fiddes.
- Sir H. J. J.
- Sir J. Anderson.
- Lord Emmott.
- Mr. Harcourt.

To Tues = 29 Jan (1899)

News = 18 Feb (1890)

- X No.
- + No 5890
- + No 1889
- 5890

Copy sent 15 Mar 1913

Letter to Treasury
13/11

with Railway income works
of a capital nature and
the London & Valley line.
A further ^{small} increase is
involved in the annual
amount of the ²50,000
extra interest & expenses
with the delivery of that Co
of the Treasury in both
I think Railway but the
increase will be balanced by an
increase in expenditure
as the interest and sinking
fund charges ^{on the loan} on the whole
cost of £60,000, they
will amount for the year
months during which the
line is open, to £2,025,
and as the ^{excess of receipts} receipts
over working expenses, before
the deduction of the £1350
for loan charges, amounted
only to £1,950, it will
be necessary to transfer the
line from Revenue to
Expenditure and below
a net loss of £75. As
regards the method in which
the sum of £2,025 is

debited against the line
should be credited and 185
of the loan, it may be possible
for you to fix definitely the
proportions in which the
cost has been borne for
the first instalment of the
loan and from balance.
If ~~and~~ this is not possible
it will be sufficient to
assume, as in the letter to
the Treasury of the 29th of
January, that the former
portion amounted to £60,000
and a sum of £1,350 will
there be deducted from the
provision of £2,450 under
Head 3 of Expenditure
the balance of £1,100 being
added to the estimate
for Interest under Head 9
of Revenue. The net
increase is shown under
both Revenue and
Expenditure will therefore
be £75 and the increase
in admissible expenditure
on this account is £37.
S. to amount £1,502 has
therefore

therefore to be added to the
admissible expenditure stated
in the memo: sent to the
Hearing to be £956,253,
giving £957,755 in all,
excluding, of course, the sum
of £3050 required for
Remnant expenditure. The
printed Estimates of Expenditure,
with the modifications indicated
in the memo: sent to the Hearing
contemplate an ordinary expenditure, other than remnant,
of £955,000, to which must now
be added the addition of £75 ^{extra} in
respect of the Thrift Railway,
giving £955,550. There is therefore
an available surplus of £2,200
and I shall await your recom-
mendations as to the disposal of this
sum. I ~~trust~~ You will, no doubt,
in making your recommendations,
bear in mind the possible
necessity of creating a post
of Coffee Plant Inspector, as
to which I have not yet received
the despatch promised &
You despatch
has been furnished with your
views, and also the suggestion
that a grant of £350 a year
should be paid from People
fund

(The despatch 4/236
has come)

DRAFT.

(20733/12)
with here

185.
funds to the Imperial
Institute, as to which
I am connected with
you in my despatch No.
121 of the 11th of February*

4. The modifications in
the printed estimates
detailed in the memo:
sent to the Treasury are
in many cases based on
recommendations made
in your despatches. In the
other cases the reasons for
the modifications are given
in the memo, and I need not
refer to them at length. I may
however draw your attention
to the deletion of the duty
allowances, inserted for the
Junior Govt. Secretaries, the
reduction of the fixed rate
of salary of the Sub-
Commissioner at Kharmon, the
reduction of the rate of Sanitary
Inspectors from six to four
and the change in the
instruments proposed for
the King College and the

* No 20733/12

Veterinary Pathologist
was held 23. With
regard to the reference
made this head to the
possibility of a further
expenditure of £700 being
necessary, I may explain
that the Committee has
expressed some doubt whether
the amount provided
under the Act would
be sufficient for the work
extraordinary caused the
state of the blood which
would be necessary in order
to produce serum in the
largest quantities now
required. You will see
doubtless from this point
we should be asking you
reconsideration for an additional
expenditure up to the
limit imposed by the
half and half principle.

5. You will observe that
the L.C. of the Treasury
has been directed to
assist in the provision of the
£40,000 required for
Special Inoculation Expenditure
being made in the Colonial

Service, 1914. I am 167

addressing the
causing a further letter
to be sent to the Treasury
on this subject, for at the
present it must be
assumed that the charge
must be borne by Protection
balances.

6. Early steps will be taken
to deal with those cases
eligible for which candidates
must be found in this
country.

7. In conclusion, I desire to
express my appreciation of the
care and thoroughness with which
the draft estimates have been
prepared by the Treasurer, and
of the
large number of alterations both
in form and detail which
have been introduced, and
which would otherwise have
the necessity of making
large reductions at his own
to keep the expenditure within
the admissible amount must
have added greatly to the
difficulty of his task. ✓

No. 15890 / East Afr. Prot. . .

C. D.
R. 5 MAR
D. 5

168

5 March 1913

Gentlemen,

I am etc to instance

you to engage six

3rd European Constables

Police Dept. for the P. A. P. on the

terms usual for such

appointments.

Conferrals are required in

These appointments
concession with new appointments
also provided for on the

Estimates for the year
1913-14., and will

take effect from the
1st of April 1913.

I am -

File 5801 (Carter)
" 5896 (Smith)
" 5897 (Mitchell)
" 5898 (Shyler)

And

DRAFT.

The P. A.

In the British

MINUTE.

Mr. Downie 4/3

Mr. Bottomley 4/3 for

Sir G. Fiddes.

Sir H. Just.

Sir J. Anderson.

Lord Emmott.

Mr. Harcourt.

2 aft's

20

5 March 1913

Sir

I have the honor to inform you

that the C.A. for the Colonies

has been instructed to

engage six 3rd class

constables on the usual

agreements, to fill the

~~vacancies~~ vacancies created by the

provision on the Estimate

for 1913-14 of five new

posts of constable, and

one of Assistant Inspector

2. If you should think

fit to select a candidate

locally, or any of these

posts you should at once inform the ^{1st} Dept.

DRAFT.

P.A.P. No 161

W. C. Belford Esq. C.M.G.

Ans. 11193

MINUTE.

Mr. Dromie 4/5

Mr. Boston 4/6

Sir G. Fiddes.

Sir H. Just.

Sir J. Anderson.

Lord Emmott.

Mr. Harcourt.

for ans'n

2d/6

the fact by telegraph.

~~I have~~

3. I should be glad
to receive your recommend-
-ations as to the filling
of the vacant post of
Assistant Inspector of
Police, by the promotion
of a constable.

I have

Wm. C. HARCOURT

890

170



For Enson

Treasury/5890/E.A.P.

J

10/11

DRAFT.

Secretary
to the Treasury.

Downing Street,

6 March, 1913.

MINUTE.

Mr. Read. *3 hours*

Mr.

Sir G. Fiddes *(away)*

Sir H. Justice

Sir J. Anderson *4*

Lord Emmott

Mr. Harcourt

Sir,

I am directed by Mr. Secretary Harcourt

to acknowledge the receipt of your letter of the 18th of February (22/2/13) from which he has learnt with regret that Their Lordships do not feel justified in assenting to the proposed provision in the Colonial Services Estimates 1913-14 of a Grant-in-Aid of £14,000 to meet the anticipated expenditure on the Lagadi Railway.

* No 5890

2. As their Lordships are aware, the Government has undertaken, in the first instance, to provide ^{funds} sufficient to meet a traffic on the branch railway of 50,000 tons, but that,

13/14

15578-20

in the event of the traffic reaching 160,000 tons, the Government is under an obligation to provide funds up to a limit of £350,000.

The Magadi Soda Company are taking steps to obtain at as early a date as possible the maximum output from the Lake and it may well be that, within a comparatively short period, the Government will be called upon to provide the balance of the latter amount.

3. If, therefore, Mr. Harcourt accepts the view that ^{present sum} ~~the balance~~ is to be provided from surplus balances in the present instance, the East Africa Protectorate may find itself committed to the principle that the whole amount is to be found in this way. To throw a financial liability of this kind on the Protectorate at a critical stage of its development would, in Mr. Harcourt's opinion, be so disastrous that he desires to deal with the matter in fuller detail than in his letters of

of the 11th March 1912 and 29th of January 1913.

4. As Their Lordships are aware, the money provided by Government is being devoted solely to the improvement of the permanent way of the Uganda Railway and the purchase of additional rolling stock. The improvement of the permanent way would have been required in any case to meet the increase in the general traffic other than ~~the~~ soda traffic, while the new rolling stock can be employed to a certain extent for the general purposes of the railway, as the Company's downward traffic will be largely in excess of that from the Coast. The Government will also have the sole use of the rolling stock for the period which may elapse between the date of delivery and the date on which the Company begins to export soda. The capital expenditure which the Government is incurring will therefore be of value not only in connection with

with the soda enterprise but also with the general development of the Protectorate.

When the scheme is in full working order the Protectorate Government will of course derive a considerable profit annually from royalties, dues on the railway, harbour and water dues etc, and in so far as this increase of revenue renders the financial position of the Protectorate more secure and the need for financial assistance from the Imperial Government less pressing, the scheme will be profitable also to the Imperial Government.

5. To carry out their scheme the Company

have issued shares of the nominal value of about *a little more than* £1,300,000 of which about £1,000,000 has been already paid up. Some £500,000 have been actually spent on railway material etc., and a considerable portion of this amount (probably 80%) has found its way into the pockets of manufacturers and shippers in this country

(So the main Director is the country etc.)

who will no doubt derive further benefits as the

unspent balance is disposed of.

DRAFT.

6. But these are by no means the only advantages which this country will derive from the scheme. The Lagadi Company estimate the annual consumption of soda in the United Kingdom at (roughly) 750,000 tons and one effect of the opening up of the new source of supply will be to reduce the price of soda considerably at any rate for some time to come. This reduction is in effect taking place at the present moment, as Mr. Marcourt understands that, mainly with a view to forestalling the competition of the Lagadi Company, the present manufacturers of soda in this country are entering into 3 or 5 years contracts with their customers for the supply of soda ash at a price involving a reduction of no less than 17/6 per ton on the present price. As Soda is not only extensively used for manufacturing purposes in this country but is in general use for household

household purposes, a reduction in its price will confer a benefit on the whole community and, as will be seen from the figures quoted above, the benefit will be a very substantial one.

7. It will be seen then that if the scheme will be of advantage to the East Africa Protectorate, it will be even more advantageous for this country, and on this ground alone Mr. Harcourt might claim that the original arrangement for the payment of the Government contribution from Imperial funds should be adhered to.

8. ~~But there is a still more important ground to which he would call Their Lordships' special attention.~~ The reason given in Sir R. Chalmers' letter of the 18th of February * for not making provision for the sum of £14,000 in the Colonial Services Estimate 1913-14 is the "very satisfactory condition of the Protectorate's finances as disclosed by its Estimates for that year." It is true that by a rigorous application of the half and half principle the revenue and expenditure

expenditure of the Protectorate have been equated, but this position has only been attained by providing in the past for the bare necessities of the moment with the result that, although the development of the Protectorate is bringing with it increased revenue it is necessitating at the same time a corresponding increase of expenditure.

9. From this point of view the financial position is far from satisfactory and, in support of this, Mr. Harcourt would remind Their Lordships of recent events in connection with the Uganda Railway. In this case it had not been found possible, under the half and half principle to place the line in a position to meet the growing needs of the Protectorate, with the result that, pending the improvement of its equipment with the assistance of the recent loan, the line is unable to cope efficiently with the traffic; that the Protectorate, the producers and others, are

are suffering financially; and that there is widespread dissatisfaction, and this too at a time when the country is making rapid progress and it is most undesirable to discourage those who are helping to develop it.

10. But this is not the only instance in which the scanty provision of past years has now to be made good. From lack of funds in the past it has not been found possible to make adequate provision for roads and bridges and, to mention only one drawback, great difficulty is experienced in the conveyance of produce or goods to and from the Railway, a difficulty which must increase in the future as the number of settlers is rapidly growing and land is being taken up in all directions.

11. Without quoting further instances,

Mr.

DRAFT.

Mr. Harcourt can assure Their Lordships that the Protectorate is in urgent need of every penny of its surplus balances, ^{but} and what he also desires to point out is that, merely with reference to this country and purely from a business point of view, it is good policy to give the Protectorate such facilities as are possible for its economic development. Both the import and the export trade of the Protectorate are rapidly increasing the latter having more than doubled during the quinquennial period for 1907-8 while the latter has increased by 70% ^{from 1911-12} this ~~country~~ ^{The United Kingdom} has by far the largest share of the import trade and, when it is considered that the Protectorate has only been in existence for a few years that the development just referred to has taken place within the short period of 5 years and that there are large districts which have been practically untouched, there is every reason to anticipate that this

trade

The fact is that the demand for roads & bridges is so great that I think that there was no prospect of being able to put up with the construction of a R.R.

during the same period.

trade and the United Kingdom's share of
it will attain considerable dimensions pro-
vided that the progress of the country is not
arrested by the want of such elementary
necessities as proper means of communication.

12. The sum of £14,000 in question is not
a large one in itself, but in a new and rapidly
developing country like the East Africa Protectorate,
where even small expenditures on public works
bring a rich return, it would be of great
value to the Administration. As Mr. Harcourt
has indicated above, there appear to him to
be ^{good} ample grounds for treating the sum in question
as a Grant-in-Aid, but if after careful reconsidera-
tion of the question, Their Lordships still desire
to adhere to their decision, he will not pursue
the matter further. ~~In view however of what~~
has been stated in this letter he trusts that
Their Lordships will agree with him in thinking
that there can be no question of any further
depletion of the surplus balances for a purpose
of this kind.

I am, etc.,

Tues 5890/10 S.A.P. 175
Sent 11 55 am
J 7/3

DRAFT Tel

Governor
Parrot

to Col 7/5
to Secy of

Recd
we have been unable to
be at departure of
will wait & we had
to get a further copy
1/2/10

S. J. R.
7/5

Transit
Strepitum
Telegraph wires new posts
Emigration
included in
approved on estimate for next year
feasibility
filled here a commission with
C. C. C. C. C.
salary and ~~other~~ ^{state} ~~services~~
including ~~other~~ ^{services}

E. D.
SMAR
20

5850/13 E.A.P.

20 March 1913

Gentlemen,
With ref to the
letter from the Dept of
Home Affairs for the (10) the 24th of June 1911,

DRAFT

Home Affairs for the (10) the 24th of June 1911,

I am directed by the Secy.
Harcourt to inform that
three
(further appointments)

MINUTE

- Mr. Northcote 19/13
- Mr. Read 19
- Sir G. Fiddes.
- Sir H. Just.
- Sir J. Anderson
- Lord Emmott.
- Mr. Harcourt.

have been created in the
E. A.P. for Computers in
the Cadastre Branch
of the Survey Dept and in
the Survey Staff engaged in
connection with Coast Land
Settlement. The qualifications
desired and the work done
of my applicant are as stated
in the letter referred to above.

10/21/13

We are

2. Mr Harcourt will be
glad if you will recommend
him as a suitable candidate
for his consideration as a

Belonging
Kamran
\$29.
I have been for
the place
the place

with them abt, but it is
to be considered that no
definite offer can be made
until it has been ascertained
from the Govt of the Protectorate
that there are no other
candidates who are available
for promotion.

Estimated Jan
5870/10 EATP Jan

sent 3.15 pm
19/3

Tuach
Computing Survey Department
Have you any memos to make for
analysis
Fill up report of computer
spelling several
Survey Dept or should I
forward fragments
fill up all from home

DRAFT

Tel
Jensen
Nairobi

MINUTE

- Mr. Notonby 19/3/10
- Mr. Read 19
- Sir G. Fiddes
- Sir H. Just
- Sir J. Anderson
- Lord Emmott
- Mr. Harcourt
- Jensen

Mr. Read
I am in contact with
Col. Clark as to the vacancies
but he should not see them
as he has been best time a
daughter on one frontier
There also 4/2 GCA and
then to look out for me