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REPORT ON THE PROTECTORATE

Previous Papers
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10 May 1913
27/3/11
21 May 1913

Mr. G. Fiddes. The S. Ad. had an advance copy before he saw Sir P. Ginnard's story to go into in the present minute. Sir P. Ginnard, Mr. Butler, & I, are going into the whole question with the Comd. who Col. Jones Thomas comes on leave in June & we shall no doubt show up a comprehensive report as to the case of the Nairobi election concerning Mr. Murphy. See p. 94 (above p. 49 & 59) of a paper No. 846 herewith for the grounds on which Lord Elgin confirmed the result. There seems to be a fair prospect for the election "falling out". The first crop has proved satisfactory, but to make the experiment complete we have to satisfy ourselves that the succeeding crops are likely to be equally good. Prof. Ginnard has written at my suggestion to the Director of Agriculture asking him to continue the

Subsequent Papers
13

... should be already doing so. Mr. ...
... chief ... but a good
deal of talk with me about this scheme when
I was at Khartoum. He is keen to go on with
it, but is rather nervous about labour & thinks
that the best plan will be to start in a
small way (making provision however for expansion)
& see how the labour comes in. He will be
in the country very shortly & the opportunity
should be taken of discussing matters with him
before P. ...

p. 6. We ought certainly to have a first-rate
man to administer the court, which is some
of the best of the country. If + when Zangzhan
is transferred to the C.O., we might perhaps
have one man to administer the whole of the
Sultan's dominions, who could spend his time
partly at Zangzhan & partly at Khartoum.
Mr. P. G. is in favour of this, but the matter
does require careful consideration. As a matter of fact,
Zangzhan is only about 12 hours from Khartoum
as against Mr. ... 24 hours. ~~...~~
I propose to circulate a minute
about Zangzhan shortly.
...
The Director we require in the scheme
for splitting up their holding.

p. 7. The manager of the ... has brought the
... to a successful conclusion & there is
no reason to doubt that the task will now
settle down to peaceful development. They have
already begun to construct a road which
will bring them into closer touch with
the ... outside world.
The question of the adminⁿ of the Northern
... is to be first into with Mr. P. G.
& ...

p. 12. Mr. J. H. Wilson is a partner in Smith,
Dunlop & Co. & is one of the most influential
& popular men in the Port^{...}, as well as a
... legal supporter of the first. I certainly
think that he should be re-appointed.
This might be done on 9/12 ...

In the Recommendation ... 1910 see p. 4 &
Section ... of point with ... 18387/10.
If Mr. ... has no objection, I think that
we might agree to the ...
being styled Attorney General.

p. 17. Raffia farming. I think that we should
say that the S. P. S. will be glad to
receive the first recommendation on the
subject as soon as practicable.

p. 18. The Vet^{...} Laboratory, the Stock Farm at ...
& the Agric^{...} Farm at ...
are excellent.
The Trustees have asked us to hold up, for
the present, the scheme for a wireless at
... as it is not certain that a
station will not be required at ...
concern with the Imperial wireless scheme.

p. 19. Heavy ... in the industrial surveys,
but we are spending a great deal of money
on survey work.
The police barracks have made very good
school buildings. They are ...
rooms are well above the town, with plenty of
open ground around them & the dominions are
well ...

p. 20 Work education. Papers were recently submitted regarding the master for the school at Mombasa.

p. 21 Say that the S. A.S. has noted with great satisfaction the progress which is being made in the technical education of the natives.

p. 22. The Thika tramway is progressing slowly, partly on account of the shortage of labour. The construction is being carried out by the P. W. Dept. but the P. G. tells me that he has info. the Director of P. W. that if better progress is not made during the next 2 months, he will send the whole thing over to the R. & S. Dept. - which I think have been entrusted with the work from the start.

p. 23. The proposed railway extension has been approved. ^{the whole line} ~~the whole line~~ southwards has been completed & ^{the} ~~the~~ rails & sleepers have been handed over from those supplied for the Thika tramway. I travelled on the line & can vouch for its excellence. The cost is £2,800 per mile in very satisfactory Railway development. The S. A.S. has decided to wait a little to see whether we cannot find the money ourselves to build the line to Mombasa.

p. 24 Water transport. The diversion of the river to the Thika - Fort Hall - is possibly improving communications with the northern frontier & is a step towards both for admission to trade with Abyssinia.

Meeting. I hope that we shall soon begin to get some return from our forest. I understand that Capt. Progan has now formed a Syndicate consisting of two of the Walters of the Times, Mr. F. Shelford & me & two others ^(to work his concession) that they are sending out the next up-to-date saw mill & that Capt. Progan is now in the Port selecting a site for it.

p. 25. Commence with the fact that the measures taken to deal with the epidemic of plague reflect the greatest credit on the medical Dept.

p. 29 See Table IV

p. 31 See Table V

p. 37 See marked passages.

p. 38 The para. which I have marked sounds very fine, but I think that the practical application of these principles will require careful watching.

p. 39 Shipping facilities. I doubt whether taking everything into account (food, cables & attendance) the accommodation on the Thika-Castle line is superior to that of the German Line. I understand that the new Carbine is going to build ships more suited to E. African conditions.

This Report is a much easier matter to deal with than the previous report.

Dr 18397/10 + I think that all that

is required is to

ask: + say that the S. ft.

has read with great interest +

noted with pleasure the steady progress

in the efficiency of the adminⁿ + in the

development of the Port^o, that there

are certain matters which he proposes

to discuss primarily with the Com^o +

that further comm^o will be sent, +

one course, with regard to them -

but that, with regard to the rest of

the Report, he desires to make the

following observations + then write, as

proposed in my minute?

Mr Harcourt has been furnished with a provisional list of questions to be discussed with Dr P. G. + it would be well to check it with this Report to make sure that everything is included.

H. J. R.

an interesting and useful report.
as proposed

M. 9.4
E. 10.4

For
10.397/10

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is required is to
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noted with pleasure the steady progress
in the efficiency of the adminⁿ & in the
development of the Port^o, that there
are certain matters which he proposes
to discuss personally with the Pres^o &
that further comm^o will be sent, &
due course, with regard to them -
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the Report, he desires to make the
following observations & then write, as
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with a provisional list of questions to be
discussed with Dr. P. G. & it would
be well to check it with this Report
to make sure that everything is
included.

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11.9.4
10.10.4

As proposed

I have had a talk with Sir V.
G. on many of the things in
this report.

Several noted here are not
in my list of subjects.

Let us have a new list prepared
from this

H. H. 4-12

No.
EAST AFRICA PROTECTORATE.
THE GOVERNOR TO THE SECRETARY OF STATE.

(Received 18 March, 1912.)

(Confidential.)

Government House, British East Africa,

18th February, 1912.

SIR,

With reference to my despatch confidential of the 26th of May, 1910,* I beg to forward a further confidential report upon the affairs of the Protectorate.

I have, &c.

E. P. C. GIROUARD,
Governor.

Enclosure in No.

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REPORT ON BRITISH EAST AFRICA.

1912.

[The marginal notes refer to the various files of correspondence on the particular subjects in the archives of the Protectorate.]

I.—EXTENT AND BOUNDARIES.

Since my last report, the administered area has been very materially increased by a further extension on the Northern Frontier and the inclusion of the Turkhana District to the south of Lake Rudolf. The only district which, at the present day, may be said to be completely unadministered, though even this will in all probability shortly be brought under complete control, is a very small strip of country in the valley of the River Kerio lying between the Kamasia Mountains and the Elgeyo Escarpment. The southern portion of this gigantic rift is occupied by the Elgeyo, who are being administered from the Ravine Station; the northern portion by the Suk, who are being administered with the Turkhana; in the centre remain the Maraquet, the position with regard to whom will be described later.

A Census Return of the European and Indian population of the Protectorate was completed in 1911. As the census was of a voluntary nature, it is probably incomplete. The returns show a European population of 3,175, of whom 995 are to be found in Nairobi and 241 in Mombasa. The Asiatic population is given at 12,000 approximately.

See (1)
Census
Return,
1911.

1. The Coast Provinces.

The question of Coast Land Settlement has occupied much attention. By (2) M.P. 977/08. December, 1909, the Ordinance framed to effect this had been applied to the Malindi and Takaungu Districts, but without much success, as there did not appear to be the machinery necessary for adjusting the many hundreds of claims which were coming forward. Another factor which had been entirely omitted with regard to this matter was the provision of funds for the necessary surveys of lands to be delimited. Funds were placed upon the Estimates for 1910-11, but considerable delay ensued in satisfying the Treasury as to the necessity of the expenditure. In the meantime it became evident that further machinery than that provided under the Ordinance would be necessary to facilitate its working. It appeared altogether desirable to attempt, in so far as possible, to settle matters as to boundaries out of Court by means of an Arbitration Board well-known to the people. This Board, consisting of Mr. Macdougall (who has an intimate knowledge of the Coast and its language) and two Assistant Liwalis, was duly formed. It was not until 10th August, 1910, that definite authority was granted for proceeding with the expenditure provided in the Estimates for 1910-11. Considerable progress has since been made, more particularly in settling the claims of the Mazrui people north of Mombasa in the Takaungu District. The work of the Arbitration Board has been peculiarly valuable and reflects the highest credit upon all concerned. An Arbitration Board has been formed for the Malindi District, and another will be established at a later period for Mombasa Island. The Ordinance of 1908 has, up to date, been applied to the Malindi and Takaungu Districts and the Island of Mombasa.

It is difficult for anyone unacquainted with the conditions on the Coast to realise the pre-existing state of affairs, or the work involved in settling claims, which often entail the possession of a few acres or of a few coconut trees. For 1910-11 the approved Estimate for the work of Coast Land Settlement was £4,812. This was increased to £6,262 for 1911-12, and to £10,804 for 1912-13. The provision of these sums has naturally been a great drain on the resources of the Protectorate and has delayed other important work. The necessity for it, however, is beyond all doubt, and had it been incurred at an earlier period, much quicker and more satisfactory work would have been carried out. Progress has been retarded by sickness amongst the staff, more particularly the surveyors, and by the great difficulty encountered in securing the services of competent men, the salaries offered by Government for surveyors having proved ~~to be too small~~ to attract men to work in these unhealthy districts.

It has been somewhat difficult all through to understand the policy of granting large concessions in land upon the Coast subject to native rights and not providing in any way for the funds wherewith to define such rights. The two largest of these concessions, granted originally by the Foreign Office but finally approved of by the Colonial Department, are situated to the south of Mombasa—the first, of 350,000 acres more or less, to what is now known as the East African Estates; the second, the Diespecker and Macalister concession of 100,000 acres more or less, now transferred to Lord Waleran and known as the Mwela concession. Both of these large areas are situated to the south of Mombasa, and it has been impossible up to date to apply the Ordinance to this district. We are in process of negotiation with the companies to ascertain whether a staff for survey can be provided by the companies themselves as the charge must eventually fall upon them.

In my previous report I made no special reference to the two large concessions mentioned above. I propose now to explain the position with regard to them. (1) The East African Estates Limited, was a concession originally granted to Messrs. Thomas and Goldman, afterwards transferred to the Uplands of East Africa Limited, and now known by the title just mentioned. It consists of a grant on the Coast of 350,000 acres more or less, and of some 3,000 acres in the Highlands near Limoru. The larger grant was made with the intention of developing tropical Coast products. When one considers that the grant of such lands in other Colonies, notably in the Straits Settlements, is limited to 2,000 or 3,000 acres, the unworkable size of the present concession can be readily realised, more particularly if it is noted that from £5 to £7 per acre is necessary for the development of these Coast lands, up to the third year of planting. Owing to the difficulties in establishing titles and the lack of funds to determine them, it has been practically impossible to allot any lands to this company. They have, however, acquired from native owners certain areas, and have even floated off one of these as a subsidiary company, known as the Gazi Rubber Estates.

A 1

(2) M.P. 977/08.
Land Titles Ordinance, 1908, Vols. 1, 2, and 3.
(3) M.P. 977/08.
Land Titles Amendment Ordinance, 1910.
(4) M.P. 435/09.
Coast Settlement Estimates.
(5) M.P. 538/10.
Mazrui Land.

(6) M.P. 25/07.
East African Estates: et seq.
(7) M.P. 286/08.

(6) M.P. 2621/10.

The grant of land near Limoru was made with the object of establishing an up-to-date bacon factory—one of the conditions laid upon the concessionaires in the fulfilment of their contract. I visited this factory in 1910 and was not much impressed either with its management or with its condition. The original manager, through neglect or incompetence, squandered a considerable sum of money on this enterprise. His successor did not produce much better results. Now, finally, under a new manager (who has, however, no knowledge of bacon curing, but this I understand, is to be remedied) an up-to-date set of buildings has been erected.

The main stipulation of the contract was, however, that by 9th October, 1911, £20,000 should have been expended on the Coast property in the development of the soil and its products to the Governor's satisfaction. From reports made in December, 1911, by one of the Land Rangers it would appear that he considers the total sum which might safely be taken as expended in a manner satisfactory to the Governor to be about £10,000. Opportunity was taken of the presence of Mr. Read, of the Colonial Department, who had dealt with this matter for some years, to hold a meeting with the Managing Director (Colonel Owen Thomas), the Land Officer, and the Land Ranger who had made the valuation. The Company, under signature of its Secretary, had put forward accounts showing that £22,000 would be spent by October, 1911. This included a very large sum for the expenses of the Managing Director, and on the acreage planted out would have meant an expenditure of £12 per acre up to the third year. In view of the fact that the East African Estates had issued a pamphlet describing the prospects of their land in glowing terms, and holding forth the hope that the land could be developed in either small or rubber—the products now actually planted—at from £5 to £8 per acre up to the third year, it would appear that the claim of the Company to have expended £12 per acre either would be an excessive one or would denote great extravagance in management. In determining the expenditure which had been incurred the expenditure vouchers were called for under the terms of the contract. These were not forthcoming as it was stated that they were in London. Every other assistance, however, was given to the Land Ranger to effect his valuation. The Managing Director, moreover, stated that the contract placed an obligation upon Government to find 350,000 acres. This contention was challenged by Mr. Read. The contract provides for arbitration in case of difficulties, and it would appear necessary to hold out for this course of action if the Company cannot be induced to settle the very many thorny questions involved by this somewhat loosely drawn up contract in another manner.

1. Mwele Concession.—Nothing has been effected upon this concession, which is to be 100,000 acres more or less. A suggestion was put forward by this Government that an area of 2,000 acres might be found for the concessionaire in order that he should begin operations, but it was held that the survey and selection of this area should fall upon the concessionaire. Nothing further has been heard in the matter.

In my previous report I referred to the existence of the Zanzibar Treaty creating further difficulties in the administration of the coast provinces. The question of a revision or alteration of this Treaty came up for consideration in 1910. One most particular inconvenience arising from its provisions is the impossibility of establishing an efficient municipality in Mombasa. If the Treaty is perished in its present form, or a fresh one entered into containing the same provisions, the disabilities which we have suffered in the past on the coast, and more particularly in municipal administration, must continue, a matter for great regret.

This Treaty may further, under present circumstances, be connected in some way with the extravagant claims made by the German Government, on behalf of the German East Africa Company, and Mr. Denhardt, at Witu.

I am glad to be able to report that the administration of the Tanaland Province has materially improved. Much progress has been witnessed on the European plantations in and around Malindi; and, now that more attention is being devoted to tropical culture, the development of the Tana River Valley should be witnessed at an early period. This valley is very sparsely populated, but contains much land of potential value in tropical cultivation, land which, moreover, is outside the coast dominions of the Sultan of Zanzibar and has few, if any, claims upon it.

See the front page

(9) M.P. 2432/10. German-Zanzibar Treaty.

(10) M.P. 2432/10. German claims to land in Witu.
(11) M.P. 11540A. Vol. 2. Administration of Tanaland.
(12) Report on the Tana River by Messrs. Broom & Broom, 1910. No. 101.
(13) M.P. 994/11.

In June-July, 1910, I was enabled to visit the Jubaland Province, and I furnished a report upon it (despatch No. 79 of 6th August, 1910*). I should now desire to enlarge upon that report.

Primarily I should like to say that the coastal steamer service has not materially improved since my last description of it, except in one respect. An Italian steamship company is now making a monthly call at the port of Kismayu, which is one of the main ports of entry for Italian Somaliland. The Italian Government has also exercised its right of establishing an enclave at that place. The International Commission suggested by the Italian Government in 1909 has fulfilled the duties laid down for it, and a full report has been forwarded. The Commission's work was very thorough and reflects credit upon the members upon both sides. It is a pleasure to record that there were no differences of opinion. The claim of the Italian Government to the spit of land formed at the mouth of the river by its change of channel has been admitted, and they have taken possession of it. The principle has been recognised that the land to the north of the Juba, at its mouth, must remain in Italian hands. There are some indications that the river will again break out at its old mouth, in which case the land in question would again revert to the British Government—being to the south of the river.

On my visit to England last year I called the attention of powerful Manchester cotton merchants and others to the possibilities of development of the Juba Valley for cotton growing on a large scale. The Secretary of State took a personal interest in the matter, and it was hoped that some real progress might be witnessed, but in this we have been disappointed. The scheme as it stood involved, *inter alia*, the planting up by the Government, at the expense of the British Cotton Growing Association, of an area of cotton on the river. Opportunity was taken of sending the Director of Agriculture himself to inspect the country and start the experiments, which have been of a highly satisfactory character. The Director was much impressed with the value of the country not only for cotton culture but for maize, sim-sim, coconuts, and even rubber.

Considerable alarm was felt 24 years ago as to the condition of the coconut plantations on the coast. A marked decrease in the export of copra was noticed, and it was feared that this was due to the depredations of the coconut beetle. Since that date the trade has materially improved in value, and it is clear that any reduction which took place was due rather to the price which copra commanded in the market than to any falling-off in the industry. After two years there has been an appreciable increase in the export of copra, the increase in quantity being 77 per cent. and in value 90 per cent. The high price maintained has encouraged the natives to prepare larger quantities for export.

The relations of Government with the various Somali tribes which come within the coast jurisdiction have been quite happy in the period I am describing. The policy of leaving them largely to their own devices, provided they do not injure their neighbours, has, I think, proved to be highly desirable. They are, however, being encouraged to trade at Kismayu and Lamu, and even in Nairobi, and have been allowed a foothold on the upper waters of the Tana, where a Government station has now been firmly established at Sankure, over 300 miles from the mouth.

I have recently visited the Tana River and furnished a special report upon the possibilities of development and the position of the Somali tribes.

The Arab and Swahili populations have caused no administrative difficulties. Much of this is due to the efforts of the various Arab senior and junior officials of Government employed upon the coast. It is hoped that the settlement of the land titles question will secure to these people, if not an era, at least a measure of fresh prosperity. The grant of a decoration to the Liwali of Mombasa has created great satisfaction.

The other native pagan tribes—the Giriama, Wanyika, and Wapokomo—have remained entirely peaceful.

(14) M.P. 1719/10. Jubaland and the Coast.

(15) M.P. 2465/08. Juba River.
(16) M.P. 2283/08. Jubaland Development.
(17) M.P. 789/11. Cotton Cultivation Report on, by Director of Agriculture.
(18) M.P. 991/11. Report on Cotton.
(19) M.P. 1019/09. Jubaland.
(20) M.P. 2607/10. Jubaland.
(21) M.P. S. 371. Juba River Farms.
(22) M.P. 182/09. Coconut Beetle Ordinance.

(23) Report on Tana River, February, 1912.

* No. 7 No.

C.O. 533
107
PUBLIC RECORD OFFICE, LONDON

(24) Quarterly Reports—Jubaland, Tanaaland, Seyidie— instituted in 1910.

The opinion still remains—in fact becomes stronger year by year—that if we are to witness real progress in these coast lands, which have such high potential value, Government should appoint a senior official to take charge of the entire coast littoral in order to co-ordinate not only administrative working but agricultural development.

2. The Highland Area.

(a) Population.

A steady immigration of (European) farmers and others has been witnessed in the last two years, and the population now attains about 2,800. No further accurate figures are available with regard to the native population.

(b) Settlement Area.

Uasin Gishu.—Since my last report I have found it possible to make a hurried visit to a portion of the Uasin Gishu, when I met a large number of farmers, both British and Dutch. Practically all the farms surveyed by Government have now been taken up. The Dutch element still predominates in the population. Complaints were heard on all sides of the impossibility of carrying on agricultural pursuits owing to depredations of game.

Government is about to survey into farms the land lying between the Nzoi River (which at present forms the northern boundary of the farms) and Mount Elgon. This is totally unoccupied land, reported by the Director of Agriculture to be suited to both pastoral and agricultural pursuits.

(25) Director of Agriculture's Report on Trans-Nzoi. N. 0182.

A good road is being constructed from Londiani Station on the Uganda Railway to the township site of Eldoret, situated in the centre of the settlement about 50 miles from the life.

There has been a constant flow of new settlers on to the Uasin Gishu who have taken up the remaining Government farms available or acquired land by purchase.

Lumbwa Molo—Njoro Nakuru Area.—In all these areas considerable progress has been witnessed in farming operations. The farmers in the Molo and Lumbwa districts have combined to open a co-operative dairy, which has met with considerable success. Wattle growing has been initiated in many directions; and many thousands of acres have again been placed under wheat, but the crops have suffered considerably from the depredations of green fly. The Entomologist of the Agricultural Department has visited Washington in order to get in touch with the agricultural authorities there and secure knowledge necessary for dealing with this pest.

Many of the sheep and stock farms in the district are now fully stocked up, notably the farms of the Honourable Galbraith Cole, R. Seymour, Longnot, Limited, &c. The export of wool is increasing from month to month. The progress of the stock industry is clearly denoted by the results of the last sale at the Government stock farm, both of Government and of private stock, over £7,000 worth of meat stock, and sheep being disposed of in one day. The general progress of agriculture has been clearly witnessed by a visit to the two Agricultural Shows held in 1911 at Nakuru. The exhibits on both occasions included not only stock but also horses, poultry, agricultural products, and implements, furniture, &c. A very marked and creditable improvement in the second show of the year was noticeable. The entries were of a very varied and numerous character, and of a high degree of excellence in many cases.

This area contains some of the largest grants of land made in the Highlands, notably

(1) 320,000 acres to the East-African Syndicate.

(26) M.P. 25/07. 1 vols. East African Estates.

This Company was under obligation to develop five farms by August, 1911, the contract having been given to the Director of Agriculture, which it will be seen that this matter. His report has been recently sent home, from which it will be seen that this development has, in his opinion, been duly carried out. When I was in England last December, I met the Directors of this Company and gave it as my opinion that unless extraordinary measures were taken the development conditions would not be fulfilled. After some pourparlers the Directors suggested that the land should be split up and brought into the market. This matter is still under consideration.

(2) Lord Delamere, 100,000 acres.

As this area is unsuited to stock owing to the somewhat coarse nature of the pasturage, cattle falling off in condition very rapidly if kept upon it for any length of time, its value will entirely depend upon its suitability for agriculture. Lord Delamere, at very great expense, has centred all his efforts upon determining the value of this land for wheat. The main enemies are "rust" and "fly"; the latter, as I have said previously, is being dealt with by the Government Entomologist. With regard to "rust," very little has been done by Government.

A suggestion was made last year that a Cerealist should be appointed, but owing to the failure on the part of the colonists coming forward to supply half the funds the appointment was vetoed. This is most regrettable. Government has in the meanwhile attempted to do its best in the cross-breeding of wheats at the Government Farm, and has in a measure succeeded. There is no doubt that large tracts of land about Njoro cannot be fully developed until crops of a suitable character are found. Lord Delamere and others have continued since 1908 increasing the areas placed under wheat, notwithstanding the above disadvantages.

It has been suggested that, in order to bring large acreages such as the one under consideration into the market, some form of tax should be imposed which will enforce sale. As matters stand to-day this large property has only a potential value; its final worth will only be determined by the success of the experiments in wheat and other cereals. The acreage under cultivation on this farm alone has grown from 200 to close on 3,000 in the last three years. In addition, in the higher land on the slopes of the Mau Escarpment, a large acreage has been placed under wattle. I think, therefore, that it would be premature to institute any penalising taxation.

(27) M.P. 1803/10. Wheat Expert.

(3) Mr. Chamberlain, 32,000 acres.

Mr. Chamberlain has confined himself mainly to breeding from imported stock. The large acreage which he holds is not at present carrying anything like the stock which it is capable of supporting.

(4) Mr. Poyry Cobb, 35,000 acres.

(Negotiations pending.)

This 35,000 acres is to be located in what is known as "The Promised Land"—a large area of open grass land on the summit of the Mau Escarpment. I have had an opportunity of inspecting the whole of this land with Mr. Cobb. It is unsuited to sheep but is probably of value as cattle pasturage, it is well watered by numerous streams, but considerable areas, owing to heavy rains, are water logged. In addition to the proposed grant of Crown lands Mr. Cobb has acquired privately several thousand acres in the Molo district and some five thousand acres on Lake Naivasha. On the former he is raising cattle, on the latter, sheep and ostriches. Mr. Cobb has not had a series of partners in these various enterprises. The partnerships do not appear to have been very successful, and have ended in considerable litigation, and, as a result, it is understood that they will be dissolved and Mr. Cobb become independent of them by purchase. One of these partners was Mr. Drury, who was mentioned by Mr. Cobb, in his application for the 35,000 acres referred to, as a partner. In consequence of the dispute between these two gentlemen I have not been able to see my way to approve of further negotiations with Mr. Cobb. I think it extremely doubtful that the hopes held out by Mr. Cobb in his correspondence with the Colonial Department and this Government of instituting a system of co-operative farms on this large acreage will ever be fulfilled.

(28) M.P. 45/07.

Naivasha Area.—In the Naivasha area considerable development has been seen, more particularly upon the farm of Dr. Doering, 25,000 acres, which is now fully stocked up with sheep.

Limoru and Kyambu.—There has been a great demand in the last two years for farms in the Limoru and Kyambu districts, mainly for the cultivation of coffee and black wattle. Large areas have been planted up in both these products. Some five to seven hundred acres of coffee are now in full bearing on various farms, and a steady increase in the export of coffee is noticeable. Black wattle is also approaching maturity on many farms.

Government has lately appointed a tobacco expert, and it is hoped that these districts in particular will become producers of this plant. It is very desirable,

with plantations of wattle and coffee which take four years to mature, that an annual crop should also be made available. Tobacco, if it succeeds, would appear to be an ideal product in this respect.

(c) Native Area.

(i) The Masai.—On the death of the paramount chief, Lenana, the Masai people again approached Government with a view to being brought together. In the presence of the Executive Council and the Provincial Commissioners, representatives of both northern and southern sections declared their desire that the amalgamation should take place. A treaty was entered into as formally as the previous one of 1904, and the Secretary of State's sanction having been obtained, the move was begun with the rains in May. It took place along three routes, which were in charge of administrative and veterinary officers. There is no doubt that the move took place too rapidly, possibly due to a desire on the part of the people to arrive first on the new grazing grounds. The move was of an entirely voluntary character, and was carried out in a very orderly manner even when checked. When it became evident that a further move in the present season was impossible, those who could not be accommodated returned to the former Northern Reserve. As doubts were expressed as to the suitability both as to the size and character of the proposed extended Southern Reserve, reports by the Director of Agriculture, Mr. J. K. Hill (the former Manager of the Government Stock Farm), and Mr. McGregor Ross (Director of Public Works) were made. There is no doubt that these reports confirmed the general opinion formed that there was ample room for the whole of the Northern Masai in the extended Southern Reserve. As matters stand to-day, no further move can take place until next May, when it is subject to certain stipulations laid down by the Secretary of State. There is no doubt that the general opinion in the country remains as before, viz., that this move, both in the interests of the Masai themselves and of the future of the Colony, is most highly desirable.

(29) M.P. 2094/08.
(30) M.P. 7987/10.
(31) M.P. 6. Chief Kithai.

(ii) The Wakikuyu.—No difficulties have been experienced in the administration of this tribe, but two chiefs, Kibārabara and Kaithai, have been found to be untrustworthy and incapable, and one has been brought before the courts on charges of misappropriating Government monies from his people. These are the chiefs mentioned under the head "Kikuyu" in my description of native organisation and government in my former report. They will probably both be removed, and it is expected that any successors are chosen it will be done with the assistance and authority of the native councils, which are now working fairly satisfactorily throughout the Kikuyu country.

(iii) The Nandi.—I have had an opportunity of visiting the Nandi country and meeting the chiefs. There is nothing special to record with regard to this tribe, the administration of which appears to be entirely satisfactory. They have been until lately essentially a pastoral people. It is curious to note that this tribe, which outnumbers the Masai—the only other purely pastoral people in the Protectorate—can be accommodated on 600,000 acres of land, whereas the Masai are in occupation of over five million acres and now require constant extensions. The Nandi have, however, taken to agriculture, and there is every hope of witnessing continued progress with this people.

(iv) The Lumbwa.—No serious difficulties have arisen with this tribe. Their principal headmen appear, however, to be indifferent to progress and somewhat inefficient.

(32) M.P. Wakamba unrest.

(v) The Wakamba.—The Wakamba have been subject in the past to outbreaks of a species of hysteria, one of which took place in September last, necessitating the despatch of a patrol of King's African Rifles with a view to securing a quietening effect. No unusual incident occurred while the patrol was in the country, and the tribe appears to have settled down more or less, though a recurrence of trouble is probable.

(vi) The Turkana.—Since the date of my last report this tribe has been brought under administration with very little difficulty. Prior to this event we were having considerable trouble owing to their constant raids on the Samburu and Rendile to the east, and the Suk and Karamoja peoples to the West, inhabiting both our own territory and the adjoining unadministered areas in Uganda. Difficulties with the Samburu and Rendile ceased after the institution of administration; but owing to the unadministered condition of the Karamoja in Uganda constant disputes and even fighting took place until, finally, the Uganda Government despatched a patrol and opened up this adjoining district. Quite recently, with the sanction of the

Government of Uganda, one of our patrols has proceeded partly through Uganda territory as far as three degrees north latitude to Tarash, returning to the headquarters of the Turkana country—Ngabotok—via Kagwalas and the Turkwell River valley. They met with no opposition whatever, but heard of the presence of Abyssinian gun-runners to the north. I understand that the Government of Uganda would meet each other, an event which did not take place. Both the East Africa and Uganda District Commissioners stationed in the above-mentioned countries are in close touch with one another, and there is every prospect of securing peaceful administration for some years to come. Some of the Turkana chiefs were brought to see me at Nairobi—the first occasion on which they had left their country. As by far the largest section of the Turkana people reside in Uganda, I have suggested to that Government the desirability of their taking over the East Africa section of the tribe.

(vii) The Maraquet.—This small tribe, which has been previously mentioned in this report as occupying a portion of the Elgeyo Valley, gave considerable trouble about 1900 when this portion of East Africa was being administered as Uganda. Mr. Hyde Baker, who was then in charge of the district and stationed near Lake Baringo at Ribo, was attacked and lost nearly 40 police with their arms and bulges. The attack was of an entirely treacherous character, but apparently no measures were taken to punish the people. They occupy a very inaccessible valley, lying somewhat out of the course of ordinary travel, and have defied all efforts on the part of Government to bring them under administration. Their comparative unimportance and the peculiarity of their situation probably accounts for the fact that up to this year no further measures were deemed necessary. In the last few years a considerable number of white settlers have been established upon the unoccupied lands of the Uasin Gishu, which lie to the west of the Elgeyo Escarpment, two or three thousand feet above the Elgeyo Valley. In the spring of 1911 a European farmer was murdered upon his land on the Uasin Gishu. It was first suspected that the murderers were Nandi, but it was afterwards ascertained, with little doubt from the chiefs of the Elgeyo people, that the murderers were of their tribe and were being harboured by the Maraquet. The District Commissioner at Ravine, who is in charge of the Elgeyo Valley, approached the Maraquet with the principal chief of the Elgeyo, demanding that the offenders should be handed over. This was refused, and it became necessary to send up a patrol, not only to secure the criminals, but to bring under administration this tribe—the last one in the Protectorate remaining quite uncontrolled.

(31) M.P. 429/11.

3. The Nyanza Province.

Very material progress has been witnessed in the development of the agricultural tribes inhabiting this province. Exports, more particularly of maize and sim, have increased in an extraordinary manner. The whole province has been quite quiet and native administration fairly—and, in cases, very—efficient. No further outbreak of sleeping sickness has been witnessed, although the country has been visited by serious outbreaks of cattle disease.

(35) Quar- Reports, Nyanza Province, 1910-11.

4. The Northern Frontier District.

This district, outlined in my former report, is now in working order with a senior officer in charge. The stations established are: Moyale (headquarters), Marsabit, Kulal, and Serenli (the latter being under the control of the Provincial Commissioner of Jubaland). The Inspector-General of the King's African Rifles has recently visited Jubaland and the Northern Frontier District, in company with the officers-in-charge and the officer commanding troops, and on arrival in Nairobi a more complete scheme for the working of the district was discussed and is being forwarded for your consideration and approval.

M.P.s. (36) 1729/11. (37) 1843/11. (38) 66/01. (39) 1019/09. (40) 1533/08. (41) 124/09. (42) 368/10. (43) 1260/11. (44) 1259/11. (45) 8, 32. (46) 1220/10. (47) 1843/11. (48) 8, 230. (49) 8, 229.

Our relations with the Abyssinian authorities have been fairly satisfactory throughout the two years, the officer in charge of the district having been in constant communication with His Majesty's Minister at Adis Ababa. His Majesty's Minister has now suggested that an Abyssinian Mission should visit British East Africa, a proposal which I have warmly welcomed and recommended.

The Chief Veterinary Officer of this Protectorate has recently visited Southern Abyssinia with the object of studying cattle-disease and prospective cattle trade. The matter which occasioned the greatest anxiety with regard to the Northern

Frontier District has been that of the introduction of arms via Jibuti and Abyssinia. Mr. De Martino, the Governor of Italian Somaliland, on the occasion of his visit to Nairobi in June, 1911, called my attention to the matter, and wrote me a small note upon the subject which was duly forwarded to the Secretary of State. Advantage will be taken of the arrival of the Inspector-General to consider this with other matters concerning the Northern Frontier. Generally speaking, the only tribes in this Protectorate who are armed with rifles are the Somalis in Jubaland and in the north-east. Owing to the unadministered condition of the northern Provinces of Uganda, there is little doubt that many thousands of rifles have found their way into the country. Active administration is about to take place there, which should mitigate this evil. The Abyssinian and Swahili gun-runners have not found any market amongst other tribes. The Turkana, Rendile, and Samburu, who occupy practically the whole of the north and north-western portion of the Protectorate, remain armed with their primitive weapons—the sword, spear, and bow.

II.—ADMINISTRATION AND CIVIL ESTABLISHMENT.

1. Executive and Legal.

(a) Governorate and Secretariat.

The recommendations made in paragraph (iv) of my former report stand as follows to-day.

(1) Abolition of the office of Lieutenant-Governor.

(50) M.P. 1023/11. The Lieutenant Governor, Mr. Jackson, has been transferred to Uganda as Governor and Commander-in-Chief, and the appointment has been abolished.

(2) Appointment of a Colonial Secretary and two Assistant Colonial Secretaries.

Mr. C. C. Bowring has been appointed Chief Secretary to Government.

(3) Abolition of the posts of Secretary for Native Affairs and Secretary to the Administration.

These two appointments will be continued with their present designations for the moment until the Chief Secretary has had an opportunity of studying the whole position and making further recommendations to me.

(4) Appointment of two Assistant Secretaries.

One new appointment has been sanctioned in this year's estimates.

(b) Judicial and Legal.

Recommendation (1): The strengthening of the Bench of the High Court both in personnel and in emoluments.

(51) M.P. 1469/09. The Secretary of State has approved of an improvement in the emoluments of the present holders, and the substitution of the titles of Chief Justice and 1st and 2nd Puisne Judges, as from 1st April next.

(2) The appointment of an Attorney and Solicitor-General with an increase in emoluments.

(52) M.P. 1794/11. The emoluments of the Crown Advocate, Mr. Combe, without change of title, have been increased to £900, with duty pay of £80.

The Assistant Crown Advocate is not recommended to be promoted into a position analogous to that of Solicitor-General, his legal experience not being of a sufficiently high character. It has been proposed that the holder of this appointment should be transferred to another Colony: the matter rests with the Colonial Department.

(3) The jurisdiction of the Magistracy should be more clearly defined.

(53) M.P. 1963/11. This matter is receiving the attention of the Legal Department. The appointment of magistrates in the towns and in the settled areas was largely owing to pressure placed upon Government in the past for the administration of law in these districts by lower courts presided over by officers with a legal training. There are now magistrates at Nakuru dealing with the European settlement areas of the Naivasha Province and the town of Kisumu; a magistrate at

Nairobi dealing with the settled areas in the Ukamba Province; a magistrate at Mombasa dealing with that town; and a magistrate at Lamu.

Side by side with these officers are to be found District or Assistant District Commissioners of the ordinary provincial administration who, in purely native districts, usually carry out the administration of the law as well as the ordinary civil functions of administration.

The magistrates have at present judicial functions only; and, though in the towns of Nairobi and Mombasa this may fully occupy their time, it is doubtful whether in such districts as Nakuru, Lamu, and eventually the Usin Gishu, it will be fully occupied; in fact at these places the duties of magistrates and district commissioners overlap. Both functionaries are necessary; but in the interests of the service and of the individuals themselves it appears desirable to amalgamate the functions.

As matters stand to-day the magistrates are in an anomalous position both as to control and as to their position in the service. They are in all cases quite competent to take on civil duties as well as judicial; and if they are to look to promotion in the service their inclusion in the Administration is necessary; and in imitation of the practice in South Africa I think they should become Resident Magistrates and Civil Commissioners, being graded as District Commissioners and taking their seniority in the service accordingly.

It has frequently been urged by outside influence that this country, in imitation of the South African Colonies, should have a Native Affairs Department controlling Native Commissioners throughout the native reserves, and that all other areas should be under the control of Resident Magistrates and Civil Commissioners. Such a system is, to my mind, unworkable in this Protectorate. The settlement areas here consist of a long straggling line of farms extending from Fort Hall through Nairobi, Naivasha, Nakuru, up to Lumbwa, and finally north-west along the Usin Gishu Plateau to the base of Mount Elgon. The length of this line is 280 miles, and at no point does it exceed 40 miles in width. Bordering this area on all sides are to be found large native reserves. The Wakikuyu, Wakamba, Masai, Elgeyo, Nandi, Kavirondo, Suk, and Karamoja. The European inhabitants have almost daily dealing with the natives in the adjoining reserves.

It appears both politic and businesslike that the officer responsible for the judicial and administrative control of the European districts should, in the interests of those districts and of the natives who inhabit the reserves abutting on them, have a common jurisdiction and control over both, and that the system of provincial commissioners over larger areas should be maintained in an endeavour to control the general interests of all concerned. The appointment of Native Commissioners controlling the native reserves and responsible to a Secretary for Native Affairs in the capital, and of Resident Magistrates and Civil Commissioners in various districts responsible in their civil capacity to the Chief Secretary to Government, would lead to dual control and constant friction. The fact still remains, however, that the influx of European inhabitants is bound to continue, and as the lands at present given out are by no means fully occupied, and will undoubtedly be split up, and as further unoccupied lands—not perhaps so extensive as has been imagined—will be thrown open to settlement, probably five to six million acres in all in the Highlands will be held by Europeans; and with the spread of agricultural development and the introduction of more intensive culture the European population may eventually attain forty to fifty thousand in towns and country. The trend will therefore be largely towards the appointment of fresh magistrates, and we cannot too early take in hand the question of their status and duties. The appointment of a magistrate to the Usin Gishu district, which has a European population of over 500, will be an early requirement. In the Highlands one can foresee the necessity of qualified magistrates dealing with the following areas:

- (1) The town of Nairobi.
- (2) The Kyambu-Limoru-Thika Tramway area.
- (3) Nakuru-Naivasha-Molo-Londiani area.
- (4) The Usin Gishu area.
- (5) West Kenia area.

(4) Justices of the Peace.

The Justices of Peace Ordinance was approved in May, 1910. As yet we have not had sufficient experience of its working to make any further recommendations as to any extension of powers beyond those granted under the Ordinance.

(54) M.P. 1887/08
(55) 1114/10.

(5) *Native Courts and Councils.*

In January, 1911, further native tribunal rules were issued, the ideal aimed at being that in pagan communities native law and custom should be administered by the recognised tribal authorities. Provincial Commissioners were directed to, in so far as possible, concentrate and coalesce small councils in close proximity to each other and to have only one large council for each sub-division or tribe. Various points have arisen with regard to these councils, which require further consideration:—

(1) The substitution of the power of imprisonment in certain cases where native law and custom would impose punishment repugnant to our ideals of morality and justice.

(2) Legislation to deal with recalcitrant councils. On several occasions Provincial and District Commissioners have found it impossible to secure the attendance of these councils when summoned to consider native affairs.

(56) M.P. As the Secretary of State has expressed a desire that native law and custom, where not repugnant, should be maintained and strengthened, as being more suited to the present state of civilisation of the people, the requirements mentioned above must be provided for.

M.Pa. (57) 8/07. (58) 20/27. (59) 408/10. *Court of Appeal.*—H.M. Court of Appeal for Eastern Africa was constituted by Order in Council dated November, 1909. The only matter of importance which has come up with regard to this Court is the question of the custody of the documents of the old Court of Appeal for Zanzibar. The Foreign Office has not opposed our contention that the records of the old Court should be in the hands of the Registrar at Mombasa, and this has been given effect to.

(c) *Executive and Legislative Councils.*

M.Pa. (60) 1497/08. (61) 1987/11. (i) *Executive Council.*—The constitution of the Executive Council remains practically as before. The abolition of the office of Lieutenant-Governor will entail his place being taken by the Chief Secretary to Government.

(ii) *Legislative Council.*—No changes have taken place in the constitution of the Legislative Council, although a petition has been received from certain inhabitants of the country asking for elected members. The unofficial members of Council at present are:

The Honourable Mr. J. H. Wilson, whose term expires on August 7th, 1912.
The Honourable Mr. T. R. Swift, whose term expires on March 15th, 1912.
The Honourable Mr. V. M. Newland, whose term expires on May 7th, 1912.
The Honourable Mr. T. A. Wood, whose term expires on September 1st, 1912.
The Honourable Dr. A. E. Atkinson, whose term expires on September 7th, 1913.

The Secretary of State has recently ruled that, ordinarily speaking, unofficial members of Council would not be re-appointed for a second term of office. It would be a matter of much regret if Council lost the services of Mr. J. H. Wilson from the coast, as he would be extremely difficult to replace. He has always attended all meetings of Council, and given Government the benefit of his unique experience on the coast. In the case of Southern Nigeria certain unofficial members have recently been re-appointed, and I think that in this instance the same course should be followed if Mr. Wilson is willing to continue to serve. The other members whose terms expire in 1912 should be replaced by other gentlemen.

(62) M.P. Mr. Jivanji. The term of office of Mr. Jivanji, the Indian member appointed at the request of Sir James Hayes-Sadler, expired in September, 1911. It was recommended to the Secretary of State that he should not be replaced, and this has been agreed to for the present.

M.Pa. (63) 27/07. (64) 1497/08. In consequence of the abolition of the office of Lieutenant-Governor, I have thought it advisable to recommend that the Senior Provincial Commissioner, Mr. Hobley, should be appointed to the Legislative Council, as it is desirable that we should have one officer of the Provincial Administration to give Council the benefit of his views and experience.

(d) *Recommendations made in 1910.*

Of my recommendations made in 1910, No. 1 has been acted upon in so far as emoluments are concerned.

No. 2 has been acted upon in the case of the senior officer, but the title of Crown Advocate has been retained. I would beg to suggest that Attorney-General should now be adopted.

No. 3.—I have described the progress that has been made.

No. 4 has been largely acted upon.

No. 5.—The time has not yet arrived when the powers can be extended.

No. 6.—The Native Courts or Councils have been encouraged in every possible way and are certainly much stronger than they were in 1910.

No. 7.—There is little to report upon Mohammedan Courts and law. The Mohammedan law is being administered only upon the coast, and mainly by Subordinate Native Courts, the officers presiding over which appear to be well versed in their subject, and little or no difficulty has arisen.

2. *Provincial Administration.*(a) *Policy.*

In my former report I presented somewhat strongly upon the fact that, although communication in the Protectorate in the more populated areas was excellent, and therefore allowed a very free interchange of ideas as between the Government and the heads of the Provinces, there did not exist at headquarters any definite policy, nor could I find in my visits to the Provinces any attempt at a clear record of the past history of the Protectorate, or of any province or district. General reports from the provinces were few and far between, usually consisting of handling reports from the various officers as they relinquished their duties. The hut and poll tax collection varied according to the idiosyncrasies of individuals. It is true that from time to time the Provincial Commissioners met at headquarters, and although these meetings were productive of much good, they were somewhat uncontrolled, and very large questions of general policy were put forward and discussed without having been previously submitted to the Government.

Since 1910 considerable progress has been made in laying down policy, in so far as possible, and in improving the records of the Protectorate. In May, 1910, a short series of confidential memoranda were issued for the guidance of Provincial and District Commissioners, with a view to promoting continuity in policy and similarity in administrative action. They were not issued to individual officers but to all provincial and district offices with instructions that they should be initiated as read by all officers joining the province or district. These memoranda covered, *inter alia*,

Administration of the Provinces.

In the settled or urban areas Provincial Commissioners were directed to do everything in their power to forward the various interests, general or individual, of the community, keep in close touch with the urban or rural organisations, and be in a position to advise upon administrative or legislative measures necessary for the progress and contentment of the population generally.

In native areas Provincial Commissioners, it was pointed out, had functions rather more of a political than of a strictly administrative character. The degree to which they might be called upon to act in an administrative capacity would depend upon the influence and ability of the chiefs and elders to carry on the government of their people. Generally speaking, it should be the endeavour of Provincial Commissioners, under such circumstances, to rule through the chiefs and elders, and to educate them in the duties of rulers according to a civilised standard, to convince them that the oppression of the people is not sound policy or to the eventual benefit of the rulers; to bring home to their intelligence as far as may be any evils which destroy individual responsibility, ambition, and development amongst their people, and to inculcate the unspeakable benefit of justice, free from bribery and open to all.

Native policy.

The general policy with regard to natives was laid down in these memoranda as follows:—

(1) *Within Native Reserves.*—Although it is premature for me, after so short a stay in the country, to lay down a fixed policy, or to dogmatise on the lines to be followed with regard to the administration of native reserves, I place on record tentatively some notes giving my views on methods to be employed, which, having been successful in other parts of the world in dealing with peoples of a somewhat

M.Pa. (65) 2280/10. (66) 2516/08. (67) 934/10. (68) 1439/11. (69) 1231/11.

(70) Memoranda for Provincial and District Commissioners.

of the 7th of January last, he agreed that native chiefs should be used in the administration of purely native reserves and states. The real problem arises when the native ceases to live his old tribal life and begins to work for the white man on farms and in townships. For the present it seems clear that the native reserves are both necessary and beneficial to the natives; but I recognise that, as Sir P. Girouard points out, and as the South African Native Affairs Commission admitted, it is a mistaken policy to lock up these large areas of land for communal occupation for ever. The time must come when, in the interests of the natives themselves, a more individual system will have to be introduced, and the force of circumstances which Government cannot control must gradually lead to the substitution of the ordinary law of the Protectorate for native law and custom. But the change must come by slow degrees, and it is impossible to lay down the precise steps by which it will best be conducted. As at present advised, I see no objection, as a first step, to the proposal that a record of rights should be prepared in the various reserves as a preliminary to granting to individual landowners a title to their lands alienable in the first period to members of the tribe only, but the time for such a forward step as the grant of individual title in the reserves has not yet arrived, and I doubt whether it will arrive for some considerable period. When the time comes, all necessary consideration will be given to the proposal.

4. The exception to which I have alluded relates to the policy of placing the reserves in the hands of trustees. My predecessor, in his telegram of the 12th of May dealing with the question of the Masai Reserves, intimated that he could not accept this policy. The reasons which led Lord Crewe to this decision were explained in his confidential despatch of the 31st of May, and I can see no ground for reconsidering that decision now. Of the old South African Colonies, Natal stood alone in the adoption of a separate trust, and, as Sir P. Girouard himself points out, the Native Affairs Commission decided against the principle of such a trust in favour of direct administration by the Government.

5. To turn to points of detail, I observe that Sir P. Girouard suggests the desirability in reserves where there is no paramount chief or paramount council, of summoning grand councils of chiefs under the district and provincial officers to discuss all questions connected with the affairs of the reserve. South African experience has shown the value of such councils, and the suggestion is one which should certainly be acted upon.

6. My attention has been drawn to the passage in which allusion is made to the evils of "squattling," which were so strongly condemned by the South African Native Affairs Commission. The passage to which I allude runs: "We are encouraging natives to remain upon white farms, but they are there only as tenants of the white settlers. A custom has unfortunately arisen of the white settler letting his land to natives, drawing the rents, and in no way assisting in the real development of the country." Sir P. Girouard has called attention to this evil in another connection, and I propose to discuss the subject with him during his forthcoming visit to this country.

7. As regards the question of native marriages, I observe that Sir P. Girouard is of opinion that it is necessary to provide for the civil marriage of natives outside the reserves. I shall be prepared to discuss with him the question of making suitable provision for such marriages so far as provision has not already been made by the Marriage Ordinances of the Protectorate.

8. In conclusion, I observe that Sir P. Girouard makes no reference in the report to the question of the Collective Punishments Ordinance. In his despatch, No. 566, of the 5th of October, 1909, he promised to deal with this Ordinance when he submitted his views on the native question generally. I propose to discuss this question also with him when he arrives in this country.

It will be seen from this despatch that His Majesty's Government approved of the general lines adopted with regard to native government in native reserves.

Several of the suggestions put forward in the report were commented upon in detail. Primarily, the proposal that native reserves should be placed in the hands of trustees to consist, it was suggested, of members of religious bodies and of the judiciary. The Secretary of State could not see his way to approve of the suggestion, and pointed out that Natal alone of the South African Colonies had supported the system.

Approval was given to the proposal, as a first step towards individualisation, to prepare "records of rights" in the various reserves, and, if necessary, to grant individual titles alienable at present to members of the tribe only. This has not

been acted upon as yet, but remains as a valuable potential aid to us in dealing with Christianised natives within the reserves. A habit has grown up amongst mission bodies of surrounding their mission stations with converts—a course of action which is bound to cause trouble with the various tribal sections or clans. The possibility of issuing individual titles to such natives will, I think, obviate in a large measure such difficulties as they arise.

The suggested bringing together of grand councils of natives where no paramount chief or paramount council exists has not been largely acted upon; but on one or two occasions the various sub-chiefs of the tribes, more particularly the Wakikuyu, have come together to meet me, and this policy will be continued in so far as possible.

The question of squatting, of what is more particularly known as Kaffir farming, is still under the consideration of Government. It is noticed that the Union of South Africa have at last introduced legislation to regulate this evil. It is not possible in British East Africa to follow upon exactly the same lines, but that some action is necessary is evident.

(b) Internal Organisation and Staff.

At the date of my last report there were 30 District Commissioners and 45 Assistant District Commissioners in the Protectorate. Provision has been made in the Estimates for 1912-13 for 33 District Commissioners and 51 Assistant District Commissioners. Active administration in the Northern Frontier District and the Turkana has largely increased the work of the administration, and even with the staff provided in 1912-13 there is not sufficient to provide for casualties, some districts being left for considerable periods in charge of one officer, who is very often of junior rank.

Provincial and District Records were instituted in 1910, and very considerable progress has been made in filling them up, thus providing officers when taking over provinces or districts an opportunity of gauging past occurrences and the actual conditions of the area they are about to administer.

Hut Tax Records have been assimilated in all provinces. Quarterly reports from all districts to their Provincial Commissioners, and from all provinces to the Chief Secretary, were instituted in 1910, and very valuable results have accrued.

The staff as a whole have given every assistance in the carrying on of administration—very often under extremely trying circumstances.

3. Departments.

(a) Military and Police

(i) *Military*.—Since the date of my last report, the Headquarters Staff of one battalion has been abolished. The general question as to distribution of troops and their organisation I have deferred until my next visit to England. (74) M.P. 329/11.

(ii) *Police*.—In my last report I mentioned that the Inspector-General of Police was engaged inspecting the whole of the Police of the Protectorate with a view to reorganisation. This officer had already at that date furnished a valuable report, which, however, required modification in view of my recommendation for the closer utilisation of native tribal authorities. The Inspector-General was instructed to base his organisation upon the following main lines of policy: (75) M.P. 1630/09.

(1) The regular police were no longer to be used as garrisons. (76) M.P. 1352/10.

(2) It was desirable to support and maintain the power of chiefs in native reserves, and to make more use of their own organisation in policing their own territories.

(3) The maximum number of regular police required for purely police functions in the native reserves was, after allowing for guards at stations, attendance at Court, and inspection work with administrative officers—to be determined on the basis of all ordinary policing. In a particular chief's area it would be carried out by a body of tribal police or retainers to be remunerated by the chiefs, an allowance being made to them for that purpose.

A highly detailed report upon these lines was furnished by the Inspector-General.

It has been necessary in consequence of extension of territory to somewhat modify the recommendations made by the Inspector-General of Police, as will be

noted from the portion of this report dealing with the Finance of the Protectorate. The general result has tended to economy in the police force. Some details of the reorganisation as carried out are not entirely satisfactory and will require adjustment.

(b) *Agricultural.*

(77) 2041/10
(78) 1808/10
(79) 1812/10
(80) 26/10
(81) 612/10
(82) 1738/10
(83) 2391/08
(84) 133/10
(85) 9595/10
(86) 1719/09

(i) *Veterinary and Stock Work.*—Since the date of my last report a Veterinary Pathological Laboratory has been established near Nairobi. In the early stages of such an institution lack of space and want of complete organisation are handicaps which seriously militate against accurate results, but much praise must be given for what has already been accomplished. A serious outbreak of rinderpest, both in the Kenya Province and throughout Uganda, has manifested itself, and one of the first duties of this laboratory was the production of serum to combat this disease. It is estimated that half a million doses of serum will be required; this is now being turned out at the rate of two thousand per week. Complete statistics as to the results are not yet available, but in nearly all cases they have been as favourable as was anticipated. Experiments are being continued with East Coast Fever, and one important matter which has come to light is the fact of the presence in the Protectorate of a large number of cattle which are immune to this disease. The degree of immunity varying with the districts.

Over 3,000 microscopic examinations were carried out in the last year by the laboratory staff.

No very serious outbreak of East Coast Fever has taken place. The quarantine regulations have been somewhat relaxed, and the expenditure in combating disease owing to quarantine has been considerably reduced.

A small cold storage plant has been erected at Mombasa, and a steady increase in the number of animals sent down for slaughter, and even for export, has occurred.

(ii) *Agriculture.*—In agriculture new products, which will undoubtedly form the basis of our main exports, are now included in the Customs returns—coffee, wattle bark, and sisal hemp being the most important. The largest sisal hemp plantation in the country has now reached the producing stage, and an up-to-date factory has been erected for dealing with the product. This single plantation is now working at the rate of 400 tons per annum, and the fibre produced has been most satisfactorily reported upon by experts at home.

Experimental Farms.—Both the agricultural and stock farms, established by Government have been very successful in their endeavours.

The highly important and successful work carried out in this Department can, however, be gauged better by a perusal of the annual reports.

(c) *Post and Telegraphs.*

(87) Department of Agriculture Reports for 1909-10, and (88) 1910-11.
(89) M.P. 319/08.

After two years' experience of this Department I have no hesitation in describing it as ^{being extremely well organised} having a high degree of good organisation. In 1910 a change was made in the Department by the introduction of a European female telegraph staff. Their health has been good so far, and their work excellent, and with their assistance the standard of work has been raised throughout the whole telegraph service. There have been considerable difficulties in the recruitment of the Post Office staff, and it is hoped that, in so far as the telegraph staff is concerned, the importation of such clerks will solve one of our past difficulties. Throughout the country post offices the same difficulties arise, both as to telegraph and postal work. At seven or eight stations we are now attempting, in imitation of the English practice, to have combined shops with post office and telegraph attached under European direction. This has in a measure been fairly successful up to date.

(90) M.P. 1681/11.

M.Ps.

(91) 1652/08.

(92) 2347/09.

(93) 489/08.

(94) B. 49.

A sum has been placed on the Estimates for 1912-13 to provide for a wireless telegraph station at Mombasa and its connection with the Italian station at Jumbo; it will also communicate with the German Telefunken system in Dar-es-Salaam. The establishment of a wireless station will further enable us to make use of the Italian land system, which extends along the Italian coast and up the Juba River to Bardera and Lugh. It should be our endeavour at some future time to obtain communication between Moyale and Lugh, and thus place us in rapid communication with our northern frontier.

(d) *Surveys.*

(95) M.P. 8. 1019.

In my former report I recommended that trigonometrical survey should cease when it had covered all areas which might be subject to land title, and that the

continuation of topographical survey upon the present scale should depend upon the continuance of the trigonometrical.

When last in England I had an opportunity of discussing the matter with Colonel Close, and it was agreed that, although trigonometrical surveys might be restricted to the areas mentioned, it would be advisable to extend the area of topographical surveys beyond that limit.

The position to-day in the Protectorate is that, leaving Tanaland and Jubaland out of consideration, triangulation for cadastral purposes should be completed by the end of 1913-14. Triangulation, not necessarily as laborious, will, however, be necessary for several years as a basis for good topographical maps.

The present condition of topographical survey is as follows: the Protectorate is divided into some 59 degrees sheets. Good topography over some 39 of these will not be necessary for a great many years. The Director of Surveys is of opinion that the remaining 20 sheets require good maps and that it would take eight years to complete.

The cadastral surveys, other than Coast land settlement, are 1,700,000 acres in areas.

(e) *Education.*

Since the date of my last report a Director of Education has been appointed, and very considerable progress has been made throughout the Protectorate. The lines of Professor Fraser's report have been followed, in so far as thought desirable, as will be gathered from the following description of existing conditions.

(i) *European Education.*

Number of children.—Professor Fraser estimated in 1909 that there would be 172 European children to educate (this included Eurasians). It is safe to say that there are now quite three times this number of European children in the Protectorate. The Government school in Nairobi is educating about 120, and numbers are about to reach school age in this town. At the Mission schools of Kisumu and St. Austin's there is an attendance of from 20 to 50. At the Nakuru Government day school there are 15 children, and, at least, another 20 in the outlying districts. Lastly, there are upwards of 200 on the Usin Gishu.

(96) 1715/08.
(97) 1190/09.
(98) 1460/10.
(99) 2365/09.
(100) 357/08.
(101) 1274/10.
(102) 717/09.
(103) 2050/09.
(104) 554/08.
(105) 1827/09.
(106) 844/11.
(107) 864/11.
(108) 899/11.
(109) 1232/09.
(110) 1496/09.
(111) 584/11.
(112) 900/11.
(113) 393/11.
(114) 1482/11.

Sites for Government Schools.

Nairobi.—Of the sites selected by Professor Fraser none were found suitable. It was found simpler and more economical to convert the existing European police barracks, no longer required for that purpose, into class rooms and a boarding house. Considerable economy was thereby effected, the initial expenditure amounting to Rs. 37,000, as against an estimate by Professor Fraser of Rs. 68,000. There is boarding accommodation for 22 boys and 15 girls, the age limits being 15 for girls and 19 for boys. Owing to the lack of educational facilities in the past, there is a considerable number of boys over the age of 13 who are quite illiterate, and it is not only desirable but necessary to deal with this temporary question. It has been done by establishing a separate boarding house for elder boys in the old mess of the 2nd King's African Rifles. The school, as a whole, can, therefore, accommodate 60 boys, and this number is practically attained.

Nakuru.—Here a local day school has been established in accordance with Professor Fraser's report. Better premises are desirable, and the residents have offered to build a school to be rented by Government. Outlying settlers desire a boarding house, and maintain that the boarding fees at Nairobi are too high, but as these have been recently considered insufficient this demand cannot be considered.

Usin Gishu.—It is estimated, as previously stated, that there are upwards of 200 children on the Usin Gishu—the bulk of Dutch parentage. The idea of a central boarding school has been abandoned. It is utterly impossible at present for the Dutch to pay school fees, and it has, therefore, been arranged that the Government and the settlers should share the expense in a practical manner. The only system possible for the moment is that of local farm schools. The settlers have agreed to put up suitable buildings and to provide board and lodging for the teachers. In return the Government will provide and pay the teachers and equip the school. In future years it will not only prove possible but necessary to provide a central boarding school with the same organisation as that of Nairobi. Three local schools are being built by the settlers.

(115) M.P. 916/11.

State-aided European Schools.—No payments are made to any schools which are not completely under Government control.

Management of Nairobi A School.—Professor Fraser recommended that the staff should consist of two men and four women. The Director has recommended that, in view of the advanced age of some of the boys and the requirements of good discipline, a better staff was to be found in three men and two women.

Curriculum.—The Education Board did not accept Professor Fraser's suggestion that a child's school career should commence at eight, and have fixed the age of five. The kindergarten mistress has been well trained, and the Director, after inspecting similar work and methods in England, strongly supports the Board. In other respects the standard maintained is that of a good English elementary school, attaining the first class examination of the College of Preceptors. The Director is in constant touch with Government departments, professional men, and settlers with the object of finding posts for boys and girls on leaving school to enable them to make their way in the world. The pupil teacher system is already in existence. The Post Office and Telegraphs offer training and prospects to girls as telegraphists. The Survey Department offers appointments for boys, and both the Railway and the Public Works Department are offering technical appointments.

European Education, Mombasa.—The child population is so small that the Education Board advised that any children should be sent to Nairobi for education, and this plan has now been carried out.

Cost of Nairobi A School.—It is difficult to understand how Professor Fraser arrived at his estimate of £28 for each boarder and how he distinguishes between the cost of a day scholar and boarder. The present cost for boarders is about £19 per annum, and per day scholar £13.

(ii.) Education of Indians.

This is a heavy and somewhat thankless task. The use of the Indian vernacular has been allowed up to the second standard, and there are now about 100 children in attendance in the Nairobi B School. An experiment is being tried of leaving the school in charge of an Indian committee and Indian teachers. The former is not yet at work and may effect some desirable changes. At present the scheme is not a success, and requires constant supervision, especially as to discipline and cleanliness. When the children reach the second standard and have to be educated, in English it will be desirable to restore the European headmaster originally contemplated. In the lowest class, or kindergarten, the children's attention is directed to the simplest facts; in standards one and two their native language and English proceed side by side; above the second standard the curriculum to be followed will be that of the European school. Four masters are employed, two of whom were recommended by Professor Fraser. The cost is at present low, owing to the fact of the employment of none but Indian teachers.

Mombasa.—Considerable feeling has been roused against the continued enforcement of religious teaching by the Buxton High School, and Government was urged to establish a school under the control of an Indian Committee. The Buxton High School simultaneously withdrew on the matter of religion; and inasmuch as it is more satisfactory to have European supervision in schools, and the support of the Buxton High School would save the Government much expenditure, it seems more desirable that the funds provided should be used as a grant in aid to this school subject to wide tolerance in religious matters.

(iii.) Arab education.

It is in every way desirable that this school should be opened as soon as possible. Professor Fraser asked for a master at £300 to £350. In this connection it should be pointed out that an assistant master in Egypt draws £360, a headmaster £500-900; and I am of opinion that very little will be done for the school unless we can secure the services of a qualified university man, who should be paid at least £400. The post requires qualifications other than those necessary for the management of an English elementary school. The Arabs are a much more refined population than any other native one.

(iv.) Native education.

General principles.—The general principles laid down by Professor Fraser are being acted upon.

Native technical education.—The technical education of natives began in 1909-10 when grants were made to assist missions in the equipment of workshops, and in 1910-11 a general inspection was made of all these shops and further grants were distributed. In 1911-12 a scheme was definitely laid down by which all missions received a grant per head for tools and a bonus for every pupil passed at the end of each year's work. The subjects comprised are: carpentry, masonry, smithing, brickmaking, tailoring, typewriting, printing, agriculture. Arrangements have been made with the Public Works Department, the Agricultural Department, and others for the proper examination of these pupils, and any grants earned will be made in March next. The scheme is working satisfactorily in every way. The missions have taken up the work willingly, and there are now about 120 industrial pupils enrolled. In fact so eager are missionaries becoming about industrial work, and so great is the demand for native tradesmen, that it is worth while considering whether the £500 asked for the primary education of the native should be added to the Industrial Vote on the ground that natives are now realising the value of reading and writing, and somehow find means of learning. The missionaries moreover make these subjects part of an industrial course; but, lastly, because the basis of all successful native training should be that of industry and not of literary work.

Sons of native chiefs.—The dictum of mission bodies that it was imperative for all natives to attend instruction in Christian religions, caused the Government to entertain the idea of establishing so-called secular schools. The missionaries thereupon expressed their willingness to admit the sons of chiefs under a conscience clause, and the education of the sons of chiefs is being proceeded with temporarily upon these lines.

(v.) The Administration System.

The administration of education rests jointly with the Education Board and the Director. The latter is the executive officer and technical adviser to the Board; the Board is advisory to the Government. In all minor details the Director acts on his own initiative and advises or reports such changes to the Board. In matters of general policy he advises the Board previous to a meeting of any proposed course of action, and sets before them the arguments for and against, leaving to the Board the decision as to advice to be tendered to Government. This system has so far worked admirably.

Schools.—All schools are under the control of Local Committees assisted by the Director. They deal mainly with questions of the admission of children and internal organisation. It is beyond the power of any committee to alter fees or make any changes which affect the authority of the Board.

Books.—The Director has laid down a provisional list of all books to be used in each standard of Government schools. He is constantly in touch with the Board of Education in London, and the latest books and ideas are adopted.

Training of teachers.—This will play an important part in the education of the Protectorate in the future. One man's service must be devoted to this work, and his pupils must include Europeans, Indians, and natives. The Director is himself dealing with this matter to-day, but it will be found later that questions of organisation, development, and office routine, will keep him busy, and it is probable that in two years' time inspectors may be required, one to train teachers and one to visit outlying schools and missions.

On the whole it must be said that the educational system of the Protectorate is advancing on sound lines and that the appointment of a Director has been fully justified. To have much longer delayed the organisation of this Department would have led to the presence in this country of a rising generation, both European and Indian, totally illiterate; nor had any serious efforts been made to further the interests of the great native population.

(f) Prisons.

A Prisons Board has been constituted and an Inspector of Prisons throughout the Protectorate appointed. The control of all central and provincial prisons is now under this Board.

Owing to the absence on leave of many of its members the Board has not been of very great assistance as yet. It is possible that the substitution of a Director of Prisons, working under the Crown Advocate, would be a better arrangement.

Careful attention has been given to the matter of flogging for prison offences.

and to the restriction of this form of punishment to serious offences against prison discipline.

(g) *Railway.*

The results of the working of the railway have been of a highly satisfactory character, as will be seen generally from the following figures:—

(117) U.R. Administration Reports, 1903-04, cf. seq. (118) Africa: No. 11/04. Final Report of Uganda Railway Committee.

Year.	Gross Receipts.	Working Expenses.	Net Receipts.		Interest on Capital.
			Profit on Working.	Loss on Working.	
	£	£	£	£	% Nil
1905-6	131,567	191,668	56,679	60,101	1.07
1906-7	294,929	148,250	64,713	—	1.20
1907-8	232,070	167,357	65,867	—	1.22
1908-9	246,146	180,279	120,408	—	—
1911-12	340,672	229,264	134,698	—	—
1912-13	424,300	289,932	—	—	—

* Estimated.

(119) M.P. 23/2/08. The railway, in so far as the road bed is concerned, is in first-class order, but a good deal yet remains to be done in the improvement and replacement of buildings and increase in rolling stock.

The negotiations and final approval for the working of the Lake Magadi soda deposits have placed at the disposal of the railway a sum of £350,000 for new rolling stock and improvements to the main line between Magadi Junction and the sea.

(i) *New construction.*

(120) M.P. S. 363.

(1) *The Magadi Soda Concession and Railway.*—A concession was granted for the construction of a railway to Lake Magadi, and the lease of the lake for the working of soda deposits, in 1909; but it was not until late in 1910 that the concessionaires finally decided to proceed in accordance therewith. I would not propose on this occasion to deal with the working of the soda, which is to produce eventually an export trade of 160,000 tons per annum. The exploitation requires the construction of 93 miles of railway, leaving the main line near Kapiti Plains Station, 232 miles from the sea. The contract for the line has been let to Messrs. Pauling, and by January, 1912 4,000 men were on the work. It is hoped to be able to increase this number to from 6,000 to 8,000. It is expected that 18 months will suffice for the construction of the line, but I have some doubts as to its completion in that period.

(121) M.P. 5/9/10.

(2) *The Thika Tramway.*—Approval was obtained in December, 1910 for the construction of a light railway from Nairobi towards Fort Hall, the first section of which will extend to the Thika River—a distance of 30 miles—at an estimated cost of £60,000. Funds were placed at the disposal of Government for this purpose in March, 1911. This line of railway will eventually be extended to Fort Hall, and will traverse not only a large area of farms now being actively developed, but lead towards the heart of one of our largest native reserves and towards the forests situated on Mount Kenia. 10 or 12 miles of earthworks have now been completed, and most of the material for the line has arrived in the country.

(122) M.P. 2/5/09.

(3) *Basoga Railway.*—On 11th May, 1909, the Treasury assented in principle to the proposal of a loan of £200,000 to the Uganda Government for the construction of a railway from Jinja, on Lake Victoria, to Kakiinda, on the River Nile, thus placing in inter-communication Lakes Victoria and Chioga. After my visit to Uganda in October, 1909 I recommended that this expenditure should be cut down considerably, and finally, on the recommendation of the Consulting Engineers, £3,200 per mile, or £160,000 in all, was agreed to, the line being estimated to be 58 miles in length. On 19th March, 1910 final approval was received for the construction of the line under the direction of the Uganda Railway Administration. Surveys were started in July, 1910, and earthworks in August. Preliminary surveys were finished in October, and the length of the line was estimated to be 58 miles. In consequence of this the estimate of £160,000 was increased to £180,000 and sanctioned. The whole of the earthworks to Kakiinda were completed by October, 1911, and the line opened by the Governor of Uganda on January 1st, 1912. The

cost of the line, instead of working out at £3,300 per mile, will, I understand, be considerably less, probably £2,800, and a very considerable saving upon the estimate will be effected. I understand, however, that the Government of Uganda are pressing for the extension of this line by some 6 or 8 miles to Namasagale, in order to avoid a stretch of dangerous navigation on the Nile. This extension can be readily constructed within the estimate of £180,000. The line as finished is a thoroughly satisfactory one, with light gradients, and its construction reflects every credit upon the Uganda Railway Administration and the staff told off to the actual work.

(4) *Deep Water Pier at Kiliindini.*—Funds were placed at the disposal of Government, at the same time as approval was obtained for the construction of the Thika Tramway, for the provision at Kiliindini of two berths of a deep-water pier, estimated to cost £100,000. The work of detailed survey is now proceeding, but no actual work can take place until approval of Plans, &c., is obtained, which it is intended should be submitted to the Consulting Engineers in London. (123) M.P. 1/350/10.

(5) *Lake Steamers—Increase in Fleet.*—In June, 1911, I called attention to the fact that the ever-increasing tonnage coming forward for the lake steamers would necessitate an early increase in the fleet. The downwards tonnage carried by the boats of the existing fleet increased from 7,457 in 1907 to 15,268 in 1910, and to nearly 20,000 in 1910-11, and further large increases will evidently take place owing to the great development of the cotton industry in Uganda. In principle it has been agreed that an additional cargo boat and a tug with lighters should be added to the fleet. (124) M.P. 1/186/11.

(ii) *Rates on the Uganda Railway.*

From time to time I have called attention to the fact that both the passenger and goods rates on the Uganda Railway were in some instances hampering not only the development of the country but the railway itself. Very considerable reductions in the carriage of low-priced products, such as maize, beans, and wheat, have been approved, and a general lowering of the rates for third class passengers. What the effect of the lower rates, more particularly upon the low-priced products, has already been we have been able to gauge up to date, there having been no loss in revenue and a very large increase in export, and it is hoped that this will not only be maintained but largely increased. There is little doubt that the same results will be witnessed with regard to third class passengers. (125) M.P. 5/75/11. (126) M.P. 1/799/09.

(iii) *Railway Development.*

I have called attention from time to time to the necessity of providing the Uganda Railway with feeders. There are several lines both in Uganda and in British East Africa which would amply pay both interest and sinking fund upon construction. Of these development lines two have been approved since my last report, namely, the Jinja Kakiinda and the Thika Tramway. There are several others which merit consideration. A line from Kisumu to Mamas and Mbale in the North Kavirondo and Bukedi country. This line would pass through the most populous area of British East Africa and Uganda, which to-day is producing very large quantities of grain and cotton. It furthermore furnishes us with one of our main supplies of labour for the Protectorate. In Uganda there is every reason to believe that a line connecting Lakes Victoria and Albert would amply repay its construction. It is to be noticed that the German Government have now sanctioned the extension of their main line from Dar-es-Salaam, via Tabora, to Tanganyika. Tabora is a little over 100 miles from Lake Victoria. Though I have been assured that it is not the intention of the German Government to construct this line from Tabora to Lake Victoria immediately, it cannot be deferred for many years. The effect of its construction will be the diversion from the Uganda Railway of from 20 to 30 per cent. of its present earnings, the actual percentage in the last year derived from German East Africa and lake ports having been about 20 per cent.

Failing the provision of funds to enable Government to proceed with railway projects, it would appear desirable to consider their construction by private enterprise. Several individuals have come forward with proposals, but as we have not up to date had any policy with regard to the construction of private railways I have recently addressed a despatch to the Secretary of State on the subject. Personally I would greatly prefer to see any branch lines constructed and worked by Government, but if funds cannot be made available and reputable people come forward I cannot well see how their offers can be rejected. (127) M.P. 1/936/11.

(19) Motor Transport.

M.P. (128) 509/10. (129) 671/9.

The Government of British East Africa is not carrying on any motor transport work. Since the date of my last report private motor transport vehicles have been placed on two roads—Nairobi to Fort Hall, and Voi to Taveta; the latter have, however, now been withdrawn. The Nairobi-Fort Hall transport service has been a great boon to the country, but I doubt its financial success. With the completion of the tramway to the Thika River, this motor service will be used as an extension from the Thika to Fort Hall and, it is hoped, to Nyeri.

(h) Forestry.

In my last report I made certain recommendations with regard to this Department—

- (1) The abolition of the appointment of Chief Conservator. This has now been carried out.
- (2) That the first duty of the Forestry Department should be that of making its boundaries known without elaborate surveys and of protecting the existing forests.
- This has been noted on largely, more particularly in the native reserves. The whole of the Kenya and Aberdare Forests are now more or less accurately bounded by means of cut roads. A certain number of the forest guards have been replaced by spearmen of the tribes themselves who are paid out of the Forest vote.
- (3) The forest and native reserves to be under the Provincial authorities. All foresters to be a disciplined body of men attached to the police.

The Secretary of State, in communicating his general approval of this, called attention to the fact that the word "foresters" had been used when "forest guards" was intended. This is the case. It has not now been found necessary to place foresters or even forest guards under the Provincial authorities, as the Department and the former are now working in complete harmony.

- (4) was withdrawn.
- (5) provided for the delimitation and re-forestation by the planting up of wattle, &c., of areas deforested for the fuel supply of the Uganda Railway.
- This is being acted upon.
- (6) and (7) provided for the abandonment of the growing of teak and the restriction of experiments in conifers.
- This is being acted upon.
- (8) It was suggested that the Forestry should be attached to the Agricultural Department.

This proposal was subsequently abandoned. The Forestry Department, which threatened two years ago to land us in an expenditure of £20,000 per annum, has now been restricted to £9,000 by the efforts of the Conservator. I do not see any reason for any early rapid expansion of the expenditure.

(i) Treasury.

I have no remarks to make.

(j) Customs Department.

The new Customs law passed through the Legislative Council in 1910 after considerable opposition on the part of the industrial members. It was, however, based upon the law of Great Britain and the Colonies and has worked well.

(k) Medical Department.

(128) M.P. 8, 58.

A considerable increase has been witnessed in the expenditure of the Medical Department, due largely to expansion of territory. Difficulty has arisen at Mombasa owing to the fact that the nearest quarantine station dealing with infectious diseases on board ships is at Zanzibar. There is little doubt that this disability must be remedied within a short time. We are further hampered by the fact that no hospital for infectious diseases exists, and we are therefore always in danger of having to refuse a vessel pratique with perhaps one or more cases

on board. Sanction has been given for the expenditure of funds necessary for the provision of an isolation hospital, and it is hoped it will be provided at an early date.

The Protectorate was visited this year by another serious outbreak of plague. (133) M.P. 1447/10. (134) M.P. 8, 67. (135) M.P. 380/08.

both at Nairobi and at Kisumu. The first case occurred at Nairobi on 14th May, and the first death on the 15th idem, the township being declared an infected area shortly afterwards. About the same time the disease broke out at Kisumu. On 2nd September there had been 39 cases, with 22 deaths, in Nairobi, and 58 cases, with 44 deaths, in Kisumu—entirely confined to Asiatics and Africans. No further cases having taken place in Nairobi, it was declared free of plague on 20th September. At Kisumu the restrictions were withdrawn early in the same month, the total number of cases having been 80, with 45 deaths. Since then three isolated cases have occurred at Kisumu, the 30th November being the date of the last.

The Medical Department have been able to cope with the whole outbreak without securing any further medical attendance. Only £360 was provided in the Estimates for dealing with epidemics, and a further expenditure of over £1,000 will be necessary. The expenditure compares very favourably with that incurred on the first epidemic, when close upon £20,000 was spent. The measures taken to deal with the epidemic reflect the greatest credit upon the Medical Department.

(l) Asiatic Immigration Department.

This Department has been practically abolished, the work being thrown on to the Transport Officer.

(m) Port of Mombasa.

(136) M.P. 1555/10.

It was recommended in my last report that the Port of Mombasa should be placed under the control of the Railway Department. I have since thought it desirable to change my view in this regard and to place all the ports under the Customs, which has been given effect to. I have doubts as to whether this proposal will be workable.

(n) Bombay Agency.

(137) M.P. 8, 73.

In my former report I recommended that this work should be carried on by a commercial firm. This recommendation was approved, subject to conference with the other Governments concerned and to inquiries as to the cost of employing a commercial firm. It has been ascertained that, even if other Governments do not join this Protectorate, a saving will be effected, but, as all the others are apparently quite willing to join in, further savings will probably accrue. The matter will be referred finally for decision when all replies have been received.

(o) Land Office.

The only recommendation I made with regard to this office in my former report was that on the termination of the term of office of the then Commissioner of Lands the appointment should be abolished and merged into that of Land Officer. This has been given effect to.

(p) Transport Department.

(138) M.P. 869/08.

The expenditure on station hands has been considerably reduced. The question of local firms contracting for this work has been duly considered, but, as the scope of their operations is very limited, it is practically impossible to employ them. All concerned have been directed to closely examine and control transport expenditure.

(q) Public Works Department.

(139) M.P. 801/10.

The Public Works Department vote, to which I referred at considerable length in my last report, was cut down from £19,094 in 1910-11 to £14,791 in 1911-12, and £15,634 is provided for in 1912-13. The figure of expenditure on personal emoluments, and the general expenditure upon works, is now much better than when I last reported.

(140) M.P. 300/07.

Of the loan of £250,000 granted last year, £90,000 is to be devoted to a water supply at Mombasa. The town at present depends entirely upon wells. The new supply will come from the Shimba Hills—a distance of about 25 miles, and from a source about 900 feet above the sea, or 700 feet above the highest point in Mombasa.

A million to one and a half million gallons per diem will be available, which should meet the requirements both of town, railway, and shipping for many years to come. The supply will be a gravity one, and will provide a revenue more than ample to pay both interest and sinking fund upon the portion of the loan devoted to it. The water, for Africa, is an exceptionally pure one.

Owing to lack of funds no very large public works have been carried out on the ordinary estimates in the last two years. The most important were: the extension of the Nairobi water supply, which had completely failed to meet the requirements of the town; a new main has been laid from the reservoir being connected up with this improved supply, which amounts to over 300,000 gallons per diem.

(141) M.P. 4807. The Nairobi surface drainage has been considerably extended, and a sum of £3,000 provided for further work in the next year.

The condition of the public buildings in Nairobi can only be described as disastrous. They consist of a series of iron shanties partitioned in wood. Should a conflagration take place, there would be grave danger of the loss of very many valuable documents and archives. The Railway Department is in exactly the same position, but funds will be provided for new railway offices. A beginning has been made in so far as the general public offices are concerned by provision of a sum of £6,000 to commence offices. This will barely cover the expenditure necessary for foundations.

Considerable extension of roads has taken place in the last two years. It has been the endeavour of Government to place annually upon the Estimates a sum of at least £10,000 for this purpose. The Fort Hall road has been extended through the Wakikuyu native reserves to Nyeri. The main road from Kisumu, through the North Kavirondo native reserve, has been completed almost to the Uganda border. From Londiani a new road is in process of construction for 50 miles towards the centre of the Usin Gishu Plateau.

(r) Game Department.

M.P. (142) S.235. In October, 1910, a new Game Warden was appointed and the staff of the Department strengthened. This new appointment has been fully justified by results, and there is no doubt we have secured the services of an enthusiastic, scientific, and competent officer. He has accomplished a great deal in the preservation of game and secured several important convictions in the Courts.

(143) S.407. The new Game Ordinance of 1909 has worked well and required but little amendment. (144) S.501. (145) S.571. (146) S.233. (147) S.274. (148) S.378.

The principal questions still under consideration are:—

(a) The prevention of depredation by game on European farms.

This has become notorious in several districts, more particularly Ulu and the Usin Gishu. The Ulu District marches with the Southern Game Reserve, and there is no doubt that efficient protection cannot be effected except by the construction of a strong game fence as from Nairobi to Kiu. Proposals were put forward in this regard but have not met with approval as yet. Further reports are being furnished.

(b) Trade and export in ivory.

In order to get rid of stocks of supposed old ivory, the Administration adopted the principle of purchasing at a fixed rate ivory from the natives. This has now been done away with.

(c) Proposals have been put forward by the Game Warden for International Ivory Regulations as between France, Germany, Italy, the Congo, and Great Britain, and these are about to be forwarded.

The successful preservation of game in our unoccupied areas depends upon three conditions:—

Firstly, the prohibition of the export for sale of the valuable products of game animals except under the Game Laws.

Secondly, the gradual introduction of Game Laws among natives.

Thirdly, the proper supervision of the European sportsman who comes to Africa for the purpose of shooting.

As soon as the importance of these conditions is recognised, the preservation of game becomes a clearly defined subject, and its success depends upon the efficient organisation of the Game Department and the capacity of the Game Rangers to combine with administrative officers in tactfully enforcing the Game Regulations.

(s) Reorganisation of the Departments of Government.

Owing to the long delay in the appointment of a Colonial Secretary, this has not as yet been taken in hand, but it will occupy the attention of Government in the near future, as soon as the newly-appointed Chief Secretary has had further experience of his Department.

III. LOCAL GOVERNMENT

(a) Municipal.

Certain recommendations with regard to the municipal government of Nairobi were made in my report and are still under consideration both here and at home. One factor which is delaying the final consideration is the assessment of the rateable value of the town, which is now being carried out by the Land Department. It is proving to be a somewhat lengthy proceeding. A great many important matters are awaiting the final decision with regard to the municipality of Nairobi. (149) M.P. 1094.08.

(1) Removal of the Indian Bazaar

This, if carried out either as a municipal or Government undertaking will necessitate heavy expenditure.

(2) Nairobi electric light and power.

This concession was considered by a special Committee of the Colonial Department, the general opinion appearing to be rather in favour of private undertaking than of municipal. I regret that I must differ from this opinion. Except in Canada, I believe practically all Colonial municipalities have acquired or inaugurated their municipal electric supplies, apparently with benefit to the ratepayers. (150) M.P. S. 65.

The Nairobi Company is now anxious to extend the sphere of its operations and secure even more favourable terms with regard to its monopoly. They have been informed that the matter must wait a final decision with regard to municipal government.

I have already pointed out, in my remarks upon the Treaty of Zanzibar, the impossibility of creating any municipal government in Mombasa, except with the consent of the Treaty powers.

(b) Rural or County Government

The Central Education and Land Boards have continued to carry out good work. The numerous associations of colonists have established an annual Convention, with delegates from all local bodies, for the discussion of matters of general interest. Their proceedings have not always been of a harmonious character—a matter for some congratulation as it denotes the formation of public opinion, not entirely devoted to criticism of Government. The formation of this Convention has moreover assisted Government in a certain measure by relieving it of constant communications from small associations even upon matters of high policy.

In my former report I outlined the necessity of establishing at some early date some form of county government. Until the I.P.s are thoroughly established and working satisfactorily, it would appear undesirable to go any farther with this proposal.

(c) Legislative Council—Unofficial Representation.

A petition was presented to me for transmission to the Secretary of State praying for the application of the elective principle for the unofficial membership of the Legislative Council. This was duly forwarded, but I could not see my way to recommend the proposal at present.

IV. NATIVE ORGANISATION AND GOVERNMENT

At present I have no further remarks to make beyond those made under "Provincial Administration."

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V. THE FINANCIAL POSITION OF THE PROTECTORATE

The following table shows the financial position of the Protectorate as estimated for the year 1912-13, as compared with the three preceding years:—

Table I.

	1909-10.	1910-11.	1911-12.	1912-13.
	£	£	£	£
Opening balance of Assets	122,331	89,466	147,010	164,828
Revenue	503,040	609,586	700,135	780,684
Grant-in-Aid	133,500	130,000	113,090	65,000
Total	758,871	829,052	960,145	1,010,512
Expenditure	669,405	682,042	797,317	864,658
Closing balance of Assets	89,466	147,010	164,828	145,854

In this table the figures for 1909-10 and 1910-11 are the actual results; those for 1911-12 (the current year) are based on revised estimates prepared when the 1912-13 Budget was under consideration; and those for 1912-13 represent the Estimates as submitted, subject to the following modifications which have been reported since the Estimates were sent home:—

- Revenue reduced by £7,500 in the Railway schedule.
- Expenditure reduced by £7,500 in the Railway schedule.
- Expenditure increased by £3,750 in the Public Works Extraordinary schedule for the purpose of providing a new Post Office at Mombasa.
- Inclusion in expenditure of £2,500 for introducing an incremental scale of salaries for the Provincial and District staff.

It will be interesting to compare the Estimates for the period from 1st April, 1909, to 31st March, 1912, with the actual figures for the two earlier years and the revised estimate for 1911-12. The figures are as follows:—

Table II.

	1909-10.		1910-11.		1911-12.		1912-13.	
	Estimated.	Actual.	Estimated.	Actual.	Estimated.	Revised.		
	£	£	£	£	£	£	£	£
Revenue	513,677	503,040	563,530	609,586	620,279	700,135		
Expenditure	718,023	669,405	741,527	682,042	762,246	797,317		
Deficit	204,346	166,365	177,997	72,456	141,967	97,182		
Surplus on Budget		37,981		105,541		44,785		

The manner in which the surplus balances have increased from £122,331 on April 1st, 1909, to £145,854 is shown in the following table:—

Table III.

	Budget Surplus.	Ex-ante for balance from Finance.
	£	£
Balance on April 1st, 1909	122,331	70,846
1909-10	37,981	47,997
1910-11	105,541	26,967
1911-12	44,785	18,974
1912-13		145,354
on March 31st, 1913		
	310,638	310,638

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Referring to Table I., it is very satisfactory to note the steady increase in the revenue, which is expected to advance 55 per cent. in three years ending March 31st, 1913.

The revenue during the three years ended 31st March, 1910, rose from £461,363 in 1906-7 to £503,040 in 1909-10, an increase of £41,677, whereas the increase in the next three years is estimated at no less than £277,644.

The increases from year to year since 1st April, 1906, are as follows:—

Table IV.

	Total Revenue.	Increase over previous year.
	£	£
1906-07	461,363	—
1907-08	474,750	13,386
1908-09	485,658	10,909
1909-10	503,040	17,372
1910-11	609,586	106,546
1911-12	700,135	90,549
1912-13	780,684	80,549

Further, it must be remembered that revenue estimates are always prepared with due regard to caution, and, unless any unforeseen adverse element is introduced, are usually exceeded, so that it is quite probable that the 1912-13 revenue will be larger than can be safely estimated at the present time without any new sources of revenue being tapped.

Table V. gives the details of the revenue for the four years ending 1912-13, and the percentage increase in each year over the preceding year. In this table, as in Table I., the 1909-10 and 1910-11 are actual results; the 1911-12 figures represent revised estimates, and those for 1912-13 the estimates now being considered by the Secretary of State.

Table V.

Item	1909-10.		1910-11.		1911-12.		1912-13.	
	Total.	Increase.	Total.	Increase.	Total.	Increase.	Total.	Increase.
	£	Per cent.	£	Per cent.	£	Per cent.	£	Per cent.
Customs	63,594	23	78,123	23	90,849	16	95,300	5
Hut and Poll Tax	108,563	12	134,446	25	136,296	1	144,785	6
Crown Rents	12,414	20	18,351	48	18,065	-2	21,405	18
Posts and Telegraphs	19,942	7	22,225	14	24,560	8	27,630	12
Railways	235,714	4	243,618	20	349,672	23	415,800	24
Other Sources	64,813	21	72,323	12	80,693	12	74,764	-6
Total	503,040	1	609,586	21	700,135	15	780,684	11

In studying this table it is necessary to bear in mind any special factors which affect the figures. In 1909-10 the decrease of 23 per cent. in Customs Revenue was due to the fact that in that year for the first time a proportion of the Import duties collected at Mombasa was handed over to the Uganda Protectorate. But for this there would have been an increase in the Customs of 4 per cent. In the same year a considerable revenue accrued from the sale of confiscated and forfeited ivory. This accounts for the 21 per cent. increase under "Other Sources of Revenue," which would otherwise have been 10 per cent. only. Had the full amount of Customs duties been credited to the Protectorate, the percentage increase in the total revenue for 1909-10 over 1908-9 would have been 8 per cent.

The year 1910-11 is remarkable for general prosperity and expansion of trade. Thus Customs revenue increased 23 per cent., Postal revenue 14 per cent., and Railway revenue 20 per cent. The large increase of 25 per cent. in the Hut and Poll Tax receipts was partly due to the extension of the poll tax and partly to the system of counting the huts and collecting the tax becoming more perfected. There were, further, no disturbing elements such as famine or inter-tribal strife.

The 48 per cent. increase in rents is abnormal, nearly one-half of the increase being attributable to a change in the collection whereby the majority of lessees agreed to pay their rent on January 1st in each year instead of on the anniversary of the lease, the rents in respect of two years thus accruing in one year of account.

In 1911-12 the general prosperity is seen to continue: Customs increase 16 per cent., Postal revenue 8 per cent., and Railway 23 per cent. Native hut and poll tax shows no appreciable increase, but even since the revised estimate was prepared in 1911-12 there are indications that the estimate will be still further exceeded. Such a large proportion of the taxes is collected in the last quarter of the financial year that it is impossible to foretell what will be realised until the very end of March. Rents show a decrease of 2 per cent., but this is explained, as being due to the change of system whereby nearly two years' rents were realised in many cases during the preceding year. The increase in rents in the two years 1910-12 is 45 per cent.

I will now refer to Chapter V of my report on the Protectorate of May 26th, 1910, in which I ventured on a forecast of the budgets for 1911-12 and 1912-13. It will be seen that my anticipations for the increase of revenue have been more than realised.

The Customs export duties have not yet been abolished, and the Customs import duties have increased at a far greater rate than I felt justified in predicting at the time.

I had put forward an annual increase of £2,000 in Customs duties, whereas the increase in 1912-13 over 1909-10 is now estimated at £31,706, or an average of £10,569 per annum. I see no reason why increases at the rate of £8,000 per annum should not continue for some years to come without any alteration in our tariff.

In native taxation I estimated an annual increase of from 12 to 15 per cent. The increase under this head was accelerated more rapidly than I had reason to hope in 1910-11, but at the end of 1911-12 the increase had averaged 14 per cent., and at the end of 1912-13 12 per cent. over 1909-10.

Though the maximum taxation, without increasing the incidence of the tax, is by no means reached, the percentage increases in future years must necessarily be smaller and decreasing. I am, however, of the opinion that within a very short time it will be possible to increase the incidence of the hut and poll tax in certain districts as well as to introduce some form of tax on the livestock of the rich pastoral tribes. I expect that in this manner the Native taxation will increase to £200,000 in 1915-16.

With regard to Crown rents, I suggested an annual increase of £1,000 per annum for the next few years. The increase in three years ending March 31st, 1913, is £9,000, or £3,000 per annum. This rate of progress cannot be counted on indefinitely. I still think that an increase of, say, £1,000 per annum can be reckoned on in view of large unoccupied areas, such as the Trans Nzoia region, which have still to be surveyed and allotted to intending settlers. The coast lands will also soon gradually become available for allotment as the work of the Coast Lands Settlement Department progresses.

Under Posts and Telegraphs I estimated an annual increase of from £1,000 to £2,000. The increase in 1912-13 over 1909-10 is now estimated at £7,688, or at the rate of £2,562 per annum. It would probably be safe to count on further increases at about the same rate.

Under railways the increase in the three years ending March 31st, 1913, is now estimated at £181,086, or over £60,000 per annum. I had not reckoned on any Lakeland traffic in my previous estimate, but, although a certain amount of Lakeland traffic is included in the revised 1911-12 and 1912-13 receipts, on construction material is included in the revised 1911-12 and 1912-13 estimates, the principal cause of the large increased turnover of the railway is due to produce from the Lake and regions beyond, which is being exploited on a far larger scale than could be safely predicted in my former estimate. Not only can a steady increase in this class of traffic be anticipated in future years, but the downward traffic on the soda from the Lake will more than balance the loss of the upward traffic on the material for constructing the line, and the employment of more powerful engines will tend to greater economy in working. I think that an estimated annual increase at the rate of 10 per cent. would not be too sanguine.

The increase in Revenue from other sources may, in the light of the experience of the period under review, be placed at £3,000 to £4,000 per annum.

In my previous report I did not take into account any new sources of revenue when making a forecast of future years' budgets. I am now in a position to indicate two items which will produce a considerable revenue with an almost negligible increase in expenditure. The first of these is the royalty on the Madaga soda. The construction of the line should be finished by the end of 1913, and in 1914-15 the royalties will be very large, increasing probably to £32,000 in 1915-16. The second new source of revenue is the poll tax on non-natives, legislation in regard to which is now before the Council. I am causing estimates to be prepared of the revenue which will accrue under this head, but an immediate increase of £9,000 to £9,000 in our total revenue, rising perhaps to £15,000 in 1915-16, may be expected.

On the above lines the Revenues of 1913-14, 1914-15, and 1915-16 would appear as follows:

Table VI.

Item	1913-14	1914-15	1915-16
Customs	£ 103,300	£ 111,300	£ 113,300
Hut and Poll Tax	160,000	180,000	200,000
Posts and Telegraphs	22,500	23,500	24,500
Railways	30,000	32,500	35,000
Royalty on Soda	158,150	304,328	551,860
Non-Natives Poll Tax	0	12,000	15,000
Other Sources	78,000	81,000	85,000
Total	861,280	959,628	1,065,660

In my former report I described the Revenue prospects of the Protectorate as "promising." The results, both actual and estimated, of the period now under review all go to prove that this statement was not of too optimistic a character, and engender the hope that, if there is no general disturbance of the trade of the country owing to outside influences or low prices, the results of the next three years will be even more, or at least not less, favourable.

Turning now to Expenditure, actual figures are of little value in making comparisons. Such figures are due to fortuitous circumstances which cannot be taken into account when budgets are formed. There are, for example, invariably savings on departmental votes due to vacancies, leave pay deductions, and minor economies. Rehabilitated expenditure from previously sanctioned estimates must also be omitted, and it is further necessary to deal separately with railway expenditure which must be provided in more or less fixed proportions to the railway earnings in order to cope with the traffic which produces the said earnings.

Table VII. analyses the estimates of expenditure for the four years ending 31st March, 1913, on the above lines:

Table VII.

	1909-10	1910-11	1911-12	1912-13
Total Estimate	£ 718,023	£ 726,885	£ 762,246	£ 864,658
Deduct Romanet Expenditure	26,400	17,650	10,000	1,010
Total New Expenditure	691,623	709,229	752,246	863,648
Railway Expenditure	196,130	199,677	216,560	282,132
Expenditure other than Railway	495,503	509,552	535,686	581,516

Analysing in a similar manner the figures given in my previous report, they appear as follows:

Table VIII.

	1909-10.	1910-11.	1911-12.	1912-13.
	£	£	£	£
Total New Expenditure	691,623	709,229	722,229	733,500
Railway Expenditure	196,120	199,677	204,177	209,477
Expenditure other than Railway	495,503	509,552	518,052	524,323

I have already alluded to the necessary dependence of railway expenditure on railway earnings.

Table IX. shows the relation of the one to the other from April, 1909, to March, 1913:—

Table IX.

	1909-10.	1910-11.	1911-12.	1912-13.
	£	£	£	£
Railway Earnings	266,500	275,500	307,000	416,300
Railway Expenditure	196,120	199,677	216,560	282,132
Net Profit	70,380	75,823	90,440	134,668
Percentage of net profit to expenditure	35.0	38.0	41.5	47.0
Percentage of expenditure to earnings	73.5	72.5	70.5	67.6

This Table shows how satisfactorily the finances of the Railway Department are progressing. The percentage of net profits to expenditure is steadily increasing, while the percentage of cost of working to earnings is decreasing.

It will be observed, however, that for 1912-13 it has not been found possible to maintain the half-and-half principle to railway revenue and expenditure, though up to 31st March, 1912, this has been done. In 1912-13 it has been necessary to devote £10,672, which would otherwise have been available for expenditure in other directions, to railway expenditure, in addition to one-half of the increased railway earnings.

Apart from railway expenditure, it will be seen that my forecast for 1911-12 expenditure is exceeded by £17,634 and that for 1912-13 by £57,193.

Before examining these increases, I will refer to the economies which I foreshadowed two years ago and show to what extent they have been carried out.

In my former report I indicated the following principal economies in departmental expense:—

(1) Police	£	12,000
(2) Prisons		2,000
(3) Medical		750
(4) Military		1,500
(5) Public Works Department		9,000
(6) Transport and Immigration		800
(7) Forests		2,000
(8) Surveys		3,000

The Police estimates, which stood at £53,970 in 1909-10, were reduced to £49,043 in 1910-11 and to £43,542 in 1911-12. They show an increase to £46,904 in 1912-13, but even in that year the total asked for is £7,000 less than in 1909-10, in spite of the larger area of territory now under effective administration.

Prisons for 1911-12 stood at £19,441, as against £12,455 in 1910-11. The increase to £11,690 in 1912-13 is not due to any flaw in the retrenchment scheme but to the necessary provision of funds to deal with a large number of prisoners.

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Table VIII.

	1909-10.	1910-11.	1911-12.	1912-13.
Total New Expenditure	£ 691,693	£ 709,229	£ 722,229	£ 733,500
Railway Expenditure	196,190	199,677	204,177	209,477
Expenditure other than Railway	495,503	509,552	518,052	524,323

I have already alluded to the necessary dependence of railway expenditure on railway earnings.

Table IX. shows the relation of the one to the other from April, 1909, to March, 1913:—

Table IX.

	1909-10.	1910-11.	1911-12.	1912-13.
Railway Earnings	£ 266,500	£ 274,300	£ 307,000	£ 416,800
Railway Expenditure	196,120	199,677	216,560	232,132
Net Profit	70,380	74,623	90,440	134,668
Percentage of net profit to expenditure	per cent. 35.4	per cent. 38.6	per cent. 41.0	per cent. 47.0
Percentage of expenditure to earnings	74.5	72.5	71.5	67.6

This Table shows how satisfactorily the finances of the Railway Department are progressing. The percentage of net profits to expenditure is steadily increasing, while the percentage of cost of working to earnings is decreasing.

It will be observed, however, that for 1912-13 it has not been found possible to maintain the half-and-half principle to railway revenue and expenditure, though up to 31st March, 1912, this has been done. In 1912-13 it has been necessary to devote £10,672, which would otherwise have been available for expenditure in other directions, to railway expenditure, in addition to one-half of the increased railway earnings.

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Prisons for 1911-12 stood at £10,441, as against £12,455 in 1910-11. The increase to £11,590 in 1912-13 is not due to any flaw in the retrenchment scheme but to the necessary provision of funds to deal with a large number of prisoners.

The £750 under Medical has not yet been reduced, but negotiations in connection with the Zanzibar Quarantine Station, in respect of which the economy was proposed, are still proceeding.

Military expenditure has been gradually reduced from £60,333 in 1909-10 to £58,830 in 1910-11, £57,647 in 1911-12, and £54,012 in 1912-13, though it must be remembered that the contribution by the Zanzibar Government has also been reduced by £5,000. There are, however, considerable savings on the cost of charging the Nyasaland contingent every three years, since two instead of four companies have to be exchanged.

The Public Works salaries, which in 1910-11 cost £19,094, were reduced in 1911-12 to £14,791. The attendant "Other Charges" for passage, local travelling, &c., were also reduced proportionately.

The post of "Protector of Immigrants," £400 per annum, has been abolished, and considerable economies have been effected under "Station Hands," many of which were maintained for transport services in the various districts.

The Forestry Vote has been reduced from £12,000 to £9,217, but I have not yet seen my way to effect any reduction in the Survey Vote.

I will now show the Estimates of new expenditure for 1911-12 and 1912-13 in similar detail and classification as adopted in my previous report, as compared with those for 1910-11:—

Table X.

A.—Recurrent Expenditure.

	1910-11.		1911-12.		1912-13.	
	Amount.	£	Amount.	Increase over 1910-11.	Amount.	Increase over 1910-11.
(1) Administrative:—						
1. Rent and Interest on Buildings	17,000	17,000	17,000	—	17,000	—
2. Pensions	1,142	2,110	976	2,671	561	1,529
3. His Excellency the Governor	6,322	6,928	76	7,204	206	252
4. Secretariat	6,217	7,015	202	6,200	185	—17
5. Gazette and Stationery	7,039	5,736	1,603	3,807	1,029	3,232
6. Provincial Administration	76,350	79,175	325	90,725	11,550	14,375
7. Treasury	8,557	9,039	182	3,293	161	346
8. Customs	9,701	14,109	1,408	13,355	1,216	5,653
9. Port and Marine	4,979	3,080	112	3,293	293	311
10. Audit	3,004	3,550	576	11,667	529	779
11. Legal	14,051	14,158	387	46,994	3,152	2,049
12. Police	43,013	43,542	5,501	41,500	1,119	—865
13. Prisons	12,455	10,441	—2,014	11,590	4,086	4,881
14. Medical	14,048	14,843	795	14,511	2,156	2,970
15. Hospitals	11,541	12,355	814	7,900	900	900
16. Education	7,000	7,000	—	2,961	—13	107
17. Transport	2,854	2,971	120	5,425	—3,665	3,182
18. Military	48,830	57,647	8,817	3,100	2,945	—
19. Miscellaneous	2,480	2,325	—155	9	—23	—14
20. Bombay Agency	865	874	9	3,198	7,224	—
21. Post Office and Telegraphs	28,243	32,269	4,026	63,572	82,455	—
22. Railway	199,677	216,560	16,883	282,132	—	—
23. Game Department	2,539	2,748	219	—	—	—
24. Immigration	878	447	—431	—	—	—
25. Land Office	6,198	6,395	197	—	—	—
26. Public Works Department	19,094	16,546	—2,548	20,217	1,671	1,123
27. Do. — Recurrent	31,873	22,868	9,005	24,250	1,382	—7,623
Total	592,578	615,135	22,557	711,990	96,855	119,412
(2) Development:—						
28. Agriculture	24,548	24,823	—275	24,214	2,391	—331
29. Forestry	12,630	14,034	—1,405	9,217	1,817	—2,783
30. Survey	21,536	21,763	—227	24,504	2,741	2,968
Total	58,094	54,620	—3,474	57,935	3,315	—149

Table XI.
B.—Special Expenditure.

	1910-11.			1911-12.			1912-13.		
	Amount.	Amount.	Increase over 1910-11.	Amount.	Increase over 1911-12.	Increase over 1910-11.	Amount.	Increase over 1911-12.	Increase over 1910-11.
	£	£	£	£	£	£	£	£	£
(1) Administrative —									
31. Provincial Administration	500	900	400	200	—700	—900			
32. Port and Marine	3,400	3,950	2,380	3,490	2,540	90			
33. Prisons	—	—	—	1,586	1,886	1,686			
34. Medical	2,678	1,977	—701	1,177	—800	—1,501			
35. Hospitals	300	—	—100	—	—	—100			
36. Military	450	7,115	6,756	—	6,966	309			
37. Telegraphs	—	1,420	1,270	3,970	4,300	3,729			
38. Railway	7,500	20,000	12,500	15,883	4,117	8,282			
39. Public Works Extraordinary	21,373	30,567	2,194	11,079	10,512	19,706			
Total	36,360	63,229	26,869	69,135	5,906	32,775			
(2) Development —									
40. Lake Surveys	500	—	—500	—	—	—500			
41. Agricultural	7,713	5,000	—2,713	2,184	—7,616	—5,529			
42. Forestry	760	—	—760	—	—	—760			
43. Roads	8,482	8,000	—482	9,485	1,485	1,003			
44. Coast Land Settlement	4,812	6,262	1,450	10,801	4,542	5,922			
45. Loan Charges	—	—	—	2,145	2,115	2,115			
Total	22,207	19,262	—2,945	24,588	5,326	2,381			

In summarising the above table on the lines of my previous summaries, I will discriminate between railway and other recurrent administrative expenditure for the reasons already given.

Table XII.

Summary distinguishing between "Recurrent" and "Special" Expenditure.

	1910-11.			1911-12.			1912-13.		
	Amount.	Amount.	Increase over 1910-11.	Amount.	Increase over 1911-12.	Increase over 1910-11.	Amount.	Increase over 1911-12.	Increase over 1910-11.
	£	£	£	£	£	£	£	£	£
A. Recurrent:—									
(1) Railway	199,677	216,560	16,883	282,132	65,572	82,456			
(2) Other Administrative	392,901	398,575	5,674	429,858	31,283	38,957			
(3) Development	86,084	54,680	—3,464	57,935	3,315	—149			
Total Recurrent	680,662	669,755	19,093	769,925	100,170	119,263			
B. Special:—									
(1) Administrative	30,360	63,229	26,869	69,135	5,906	32,775			
(2) Development	22,207	19,262	—2,945	24,588	5,326	2,381			
Total Special	52,567	82,491	23,924	93,723	11,232	35,156			
Total Expenditure	733,229	752,246	43,017	863,648	111,402	154,419			

Table XIII.
Summary distinguishing between "Administrative" and "Development" Expenditure.

	1910-11.		1911-12.			1912-13.		
	Amount.	Amount.	Increase over 1910-11.	Amount.	Increase over 1911-12.	Increase over 1910-11.	Amount.	Increase over 1910-11.
	£	£	£	£	£	£	£	£
1. Administrative —								
(A) Recurrent	199,677	216,560	16,883	282,132	65,572	82,456		
(B) Recurrent other than Railway	392,901	398,575	5,674	429,858	31,283	38,957		
(C) Special	26,360	63,229	26,869	69,135	5,906	32,775		
Total Administrative	628,938	678,364	49,626	781,125	102,761	154,187		
2. Development —								
(A) Recurrent	58,084	54,680	—3,464	57,935	3,315	—149		
(B) Special	22,207	19,262	—2,945	24,588	5,326	2,381		
Total Development	80,291	73,942	—6,409	82,523	8,641	2,232		
Total Expenditure	709,229	752,246	43,017	863,648	111,402	154,419		

As in the case of revenue, it is necessary to note certain special elements which affect the figures in Tables X to XIII. The following are the principal factors:—

Item 5 "Gazette and Stationery" In 1912-13 the estimate for stationery other than that of the Printing Press was transferred to Item 19 "Miscellaneous." If this had not been done, the figure for 1912-13 would have been £6,307 the increase over 1911-12 £571 and the decrease as compared with 1910-11 £732.

Item 8 "Customs" — Commencing with 1911-12, the contribution paid by Uganda has been shown as revenue instead of as a deduction from expenditure, as was formerly the case. Had the former practice been perpetuated, the 1911-12 figure would have been £10,599, and the increase over 1910-11 £808. The 1912-13 figure would have been £11,845, the increase over 1911-12 £1,246, and over 1910-11 £2,144.

Item 10 "Audit" — Similarly, contributions from other Governments, which in 1910-11 and previous years were shown as deductions from expenditure, are now shown as revenue. Under the old system, the 1911-12 estimate would have been £2,883, a decrease of £1,248 on 1910-11; and that for 1912-13 £3,079, or £196 more than 1911-12, and £75 more than 1910-11.

Item 12 "Police" — From 1911-12 the railway subsidy for "watch and ward," which had in past estimates been shown as revenue, has been deducted from expenditure. Under the former system the comparative figures would have been —

In 1911-12 £44,779, or £4,264 less than 1910-11.

In 1912-13 £48,178, which is £3,399 more than in 1911-12, and £865 less than in 1910-11.

Item 18 "Military" — Here also the Zanzibar contribution was dealt with differently from 1911-12. Under the old system the 1911-12 figure would have been £47,647, or £1,186 less than in 1910-11, and the 1912-13 figure £49,012, or £182 more than in 1910-11.

Item 19 "Miscellaneous" — *Vide* note on Item 5. But for the change of system 1912-13 would have figured at £2,925, or £600 more than in 1911-12, and £445 less than in 1910-11.

Item 21 "Posts and Telegraphs" — The Uganda contribution, formerly shown as deduction, is now shown as revenue; otherwise the figure would have been in 1911-12 £29,996, an increase of £1,753 over 1910-11, and in 1912-13 £33,937, which is £3,041 more than 1911-12, and £4,794 more than 1910-11.

Items 26 and 27 "Public Works Department" and "Public Works Recurrent" have been re-arranged since 1911-12 by the transfer from the latter to the former of certain "Other Charges" sub-heads. The two should be considered together, when it will be seen that a decrease of £9,553 was effected in 1911-12, while the 1912-13 figure is £3,053 more than 1911-12 but still £6,500 less than 1910-11.

In the foregoing forecasts I have allowed increases of £20,000 and £25,000 respectively in Recurrent Administrative Expenditure apart from the Railway. I consider this an adequate estimate in view of the fact that the increase in revenue from the non-native poll tax and the Lake Magadi royalties will not necessitate any appreciable addition to the staff.

I have based the railway expenditure at 65 per cent. on the estimated railway earnings for both years, having shown in Table IX. that the percentage has decreased from 74.5 in 1909-10 to 37.6 in 1910-11.

I can see no reason for increasing the recurrent expenditure on development administration for the reason that, as new experiments may become necessary, past experience will enable us to dispense with experiments in other branches of agriculture.

In 1914-15 I have omitted any expenditure on coast land settlement, because it appears to me that the increased revenue, both direct and indirect, which will accrue from lands which will by that time have received a clean title, can be set off against any possible further expenditure on coast land settlement.

The margin allowed for "Minor Public Works and Other Unforeseen Expenditure" appears to me to be ample, it being assumed that any further major public works are to be met from further loans, the charges on which will be readily paid from increasing revenues in future years, it being always remembered that the revenue from reproductive loan works will, within a comparatively short time, bear the issue of the loan and be more than sufficient to defray the loan charges.

I shall welcome the day when the financial position of the Protectorate will justify the embarking on more problematical development works than can be suggested at present. If, without hardship to the community, a certain sum can be earmarked annually for purely experimental purposes, it would, I consider, be of very great benefit to the community. There can be no doubt that up to the present, a considerable amount of wealth has been dispensed by individuals without any appreciable benefit to themselves or to the community as a whole, although other individuals may have made capital from the mistakes—due to inexperience—of others.

In exploiting the resources of a new country, such as East Africa, where the natives can without hardship be called upon to contribute such a large sum annually in direct taxation, there is, I submit, an opportunity, which exists perhaps in no other Possession of the British Empire, for the Government to come to the assistance of the Colonist, and, while protecting the interests and increasing the prosperity of the native population to the greatest extent, to be in the position of being able to devote annually a considerable sum to the experimental development of the resources of the Protectorate for the benefit of all who have a stake in the country.

VI. TRADE AND COMMERCE

This subject has been fully dealt with in my Annual Report on the Protectorate, and I have no confidential recommendations or reports to make on the subject.

VII. POLICY

1. Administration

It will be seen from the previous sections of this report that every effort is being made to improve the administration of the country, and the details submitted are an evidence of the progress witnessed.

2. Native policy

I have referred to this under the head of Provincial Administration.

3. White settlement

(a) Government.

The country having witnessed a certain measure of prosperity in the last few years, much of the factions opposition witnessed in the past has weakened or disappeared. There would appear to be much more co-operation between departments of Government and the European population, though from time to time serious differences have still arisen, and even lawless acts been witnessed. A steady immigration of European settlers of a desirable class has occurred, and local and even

public opinion is being strengthened, not entirely, as I have remarked heretofore, upon the ideal of continuous attacks upon administrative effort. The unofficial element of the Legislative Council have on many occasions given every assistance to Government, and the settlers' combined association is more inclined to discuss matters from a broad-minded point of view. I have sought upon public occasions to enlighten the people as to the aims and intentions of Government, bearing in mind, of course, your instructions on all questions under consideration.

(b) The land question.

The Land Laws have not as yet been settled. Your decision on general policy has, however, been duly announced, and we are now awaiting a final draft of the law before submitting it to Council. There can be no doubt of the unpopularity of the proposals, and of opposition to the Bill, when presented, by the unofficial members of the Legislative Council. Instructions have been given to the Executive Council that the measure must be considered a Government one, and may not form a subject of discussion by any of the official, ex officio, or appointed members of Council.

(c) Labour

The large increase in farming and plantation operations, combined with the construction of important public works and the Magadi Railway, will undoubtedly accentuate the labour question, but up to the present moment no very serious deficiency has arisen.

(d) The development of export trade and railway rates

Owing to the support received in the demand for a reduction of railway rates on exportable produce, very considerable development has been witnessed, and will undoubtedly continue, and the balance of tonnage on the Uganda Railway is rapidly becoming in favour of the down traffic. The lowering of the passenger rates will, I trust, induce the native populations to make more use of railway facilities than has hitherto been witnessed.

(e) Shipping Facilities

Although a British steamship company has established a regular service, no reduction in sea freights has been witnessed. I cannot consider that the agreement entered into for 10 years with the Union Castle Line is not of very material advantage to the country: the passenger accommodation is inferior to that of the German line, and the Government rates higher than those formerly paid, and the freight rates conceded are no better. It is a matter for regret that the Government of the country could not have been consulted before the agreement was entered into. There was every indication of the financial success of a British line, and this I think has proved to be the case with the Union Castle Company. The service, however, will never be a popular one until the steamers carrying it on are replaced by vessels more suited to the East African trade.

CONCLUSION

On the whole the results of the last two years have been satisfactory. The administrative machine is, I think, in better working order, the policy with regard to the native communities has been strengthened, the confidence of the European population is much more steady, and material progress and prosperity have increased in all sections of the population.

E. P. C. GIROUARD,

Governor

Government House,
Nairobi, 19th February, 1912.

APPENDIX
CURRENCY NOTES.

The last return of Currency Notes shows that in January, 1912, the total value of notes in circulation was Rs. 33,87,000, as compared with Rs. 28,29,000 on the 31st March, 1911, an increase of Rs. 5,58,000. This steady increase is a healthy sign of trade development, and, as the banks extend their operations in opening further branches, the circulation will still further expand.

Against the circulation of Rs. 33,87,000 the Currency Commissioners held (in January, 1912), the following cash:—

Gold	Rs. 1,55,000
Silver	Rs. 22,497

and also investments costing £123,233 10s. 3d.

It will be observed that the proportion of cash is slightly below (by Rs. 1,55,000) the half of the notes in circulation, but is well within the limit of one quarter allowed by the proviso to sub-section (3) of Section 17 of the Currency Ordinance Council of 1905.

That the present issue is a success can hardly be doubted, and that it is due to the absolute convertibility of the notes is also incapable of discussion. There have been, however, one or two points that have come to the front lately that may necessitate some changes in the future. One is as to the removal of the Head Office of the Currency Commissioners from Mombasa to Nairobi, and in fact an Order in Council has been issued providing for such a transfer, but it has not yet been put into force. The consensus of opinion among the banks is in favour of retaining the head office in Mombasa, with an office of issue at Nairobi. I am not at present convinced that any change is at the moment necessary.

Another question that during the last twelve months at first seemed to have in it the elements of anxiety was the increase of gold in the cash held by the Commissioners. The Standard Bank of South Africa imported gold and exchanged it for notes. Gold, though legal tender, has not the ready circulation at present as silver has, and had the Standard Bank continued the practice to any great extent the Currency Commissioners might have found themselves in the position of being unable to redeem notes in silver. To relieve the situation, I directed as a temporary measure that the banks should only get 80 per cent. silver of the total amount they had lodged for notes, and that when gold was tendered for notes a corresponding amount should be lodged with the Crown Agents in London. At present (February, 1912) the tendency is to withdraw the gold for notes, and, strangely enough, this has been done to the extent of 241,000 within the last six weeks by the National Bank of India, the bank who objected strongly to the importation at all of gold. I can only surmise that they found drawing the gold out, probably for shipment to India or Zanzibar, a profitable investment.

To remedy the state of things in which the Currency Commissioners may find themselves of having too much gold, it is under consideration to (1) limit the amount of the coin portion of the Note Guarantee Fund that may be kept in gold, and that when that limit is reached the Currency Commissioners should refuse to accept gold in payment for notes; or (2) that the Currency Commissioners should only receive and issue notes in exchange for rupees, but at the same time should be empowered to issue notes against gold deposited with the Crown Agents at a discount sufficient to cover the cost of importing equivalent rupees from India. Counter proposals to the following effect have been made:—

- (a) To encourage the circulation of the sovereign (or of notes covered by gold) and to impose a limit of legal tender on the rupee, say 30;
- (b) That a special rupee should be coined for the Protectorate; this to circulate concurrently with the Indian rupee, and so allowing the Protectorate to reap the profit on the issue.

Nothing, however, up to the present has been definitely settled, so I do not propose to make any further observations except to say that the present conditions of the Protectorate would seem to point perhaps to the fact that gold is not in such general demand as a medium of currency as would justify us in any way forcing its circulation, much as I should like to see gold more used. At the same time I would deprecate the imposing of any restriction that would tend to discourage the extension of the sovereign as a circulating coin.

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As at the circulation of Rs. 33,87,000 the Currency Commissioners held, (in January, 1912), the following cash:—

Gold	Rs. 7,53,000
Silver	Rs. 7,28,497

and also investments costing £128,233 10s. 3d.

It will be observed that the proportion of cash is slightly below (by Rs. 1,53,003) the half of the notes in circulation, but is well within the limit of one quarter allowed by the proviso to sub-section (3) of Section 17 of the Currency Order in Council of 1905.

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1 MAY

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DRAFT

S. A. P. Conf.

O. A. G.

3 May

MINUTE.

- Mr. Parkinson on ap. 26
- Mr. Reid 29
- Sir G. Fiddes.
- Sir H. Just.
- Sir J. Anderson.
- Lord Emmott.
- Mr. Huskisson.

Mr. Parkinson has made the receipt of his Report made to the conf. dip. of the 14th of Feb. enclosing a confidential report on the affairs of the East.

for London.

I have read ^{the report} with great interest ^{have} ~~noted~~ with pleasure the steady progress in the efficiency of the administration in the development of the ^{part} of each I have an impression particularly of the

the list of ^{subjects} required for 1873.

