

1921

KENYA

385

60
49009

3 OCT 21

DATE

30TH SEPTEMBER 1921

RUSH TON, R.H.

CIRCULARS

SUBJECT

Spent

LOAN

Enclosed memo. of details to be considered under general agreement with the Treasury.

- Mr. H. Lambert
- Mr. H. Road
- Mr. G. Fiddes
- Mr. Wood
- Mr. Churchill

Previous Paper

Co
48952

MINUTES

Mr. R. B. ...

We must discuss ...

Mr. R. B. ...

Committee ...

... in both ...

... while ...

is going to be ...

... he is passing through

... a ...

... which may

... but is

Spent

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Subsequent Paper

Co 50358

be brought up in
a week's time

WTS

18 x 21

SECRET

May be up to
accord if not much
chance of studying it
this week.

18/11/41

18/11/41

Mr. B. L. ...

... have discussed
... together and with
... Resolution and the
... accompanying letters.
... presents the fruit of
... discussion

The news is, I believe,

... explanatory ...

if further explanation
is desired, please

it could be given over

If the news is true
news are allowed

it should be sent

to the Treasury in a

short covering letter

an expression of the

... news (I

have had an idea of

... of the news

for this purpose)

WTS

18 x 21

Sir H. ...

The good news of this
news is due to my anxiety
to secure or definite an
arrangement with the Treasury
as possible and to have

to the chances of finally
settling later. I am
satisfied that the Treasury
will regard Hays as
being laid down & the
only safe course is to tie
down the Treasury
as far as we can.

C. C. C.
11/14/11.

Dr. J. D. Norton - Smith 14.11.

If Dr. J. Stevenson agrees
to the memo. It should
be sent to Sweet's as proposed.

H. J. T.
11/15/11

Hi J. D. Norton
do you know?

14.11.

Dr. J. Stevenson agrees. J. D.
15/11

W. B. Hamilton

At an

11.11.11

The above of 11/14/11 letter enclosed
within in some time and, later, I was
a little afraid of the Treasury & the
Hays's concerns. They may well say that
the situation has become too serious
to be handled by the ordinary procedure of the

It is better to get on and end it
the end of the Treasury, however
with the hope of securing for an
expedited the Board & then a report
the understanding of an outstanding
letter.

See notes of my letter enclosed

C. C. C. 19.9.11

19 September 1925.

Dear Skovington,

I enclose a copy of the Colonial Office letter of the 21st November 1921 about the operation of the Kenya arrangement for paying off its war liability. As I mentioned to you at Monday's meeting of the War Expenditure Committee, we have not had any reply to the letter.

Yours sincerely,

Lord

P.S. In the hope that you will be able to trace the original letter, I do not enclose fresh copies of Col. Hammond's report (which is scarce) or of K 1921 Extracts. The one General Macgregor's views would be in the direction of a sound renewal fund, but would not necessarily be on the same lines as Hammond's, &, in general, I think that in view of the lapse of time it will be desirable, after you have carefully considered our letter, for us to make the first copy any necessary modifications.

STON, HQ., R.F.S.

226 a

NOTES ON THE TREASURY MEMORANDUM AS REVISED
BY THE LETTER FROM SIR G. BARSTOW TO SIR J.
STEVENSON.

A copy of the Treasury Memorandum as revised by the letter from Sir G. Barstow to Sir J. Stevenson is annexed.

Paragraph 1. The question is under consideration whether special works should be undertaken in Kenya with a view to helping to relieve unemployment in this country, and it is considered essential that the cost of any works which may be undertaken for this purpose should be added to the 28,000,000 in arriving at the amount of the Loan, the debt charges on which shall have priority over war charges.

Paragraph 3. The names of the Colonial Office representatives on the proposed Inter-Departmental Committee have been notified to the Treasury.

Paragraph 4. In considering the question of the datum line, it seems desirable to divide the revenue-producing services, viz. the Railway and the Post and Telegraph Services, from the General Services of the Colony.

(1) Revenue Services. The Treasury formula is equivalent to the divisible amount being the future net revenue, and it might be so expressed. Subject to this, the formula may be accepted, provided that satisfactory arrangements

arrangements can be arrived at as to the meaning of "capital expenditure" which under the Treasury's Revised Memorandum is not to be taken into account in computing the net revenue.

(a) As to the Railway, a copy of the Report just furnished by Colonel Hammond, the Special Commissioner of Railways, is enclosed, and particular attention is invited to the remarks in paragraphs 41, 50 and 192-3. It will be realised that it is essential to maintain the value of this asset and that the amount expended in necessary renewals must be admitted as part of the working expenditure of the Railway. Colonel Hammond's figures should be accepted so far as they go i.e. to 1928, the matter being renewed at the end of that time, and at intervals of 5 years thereafter.

(b) Colonel Hammond's proposals relate only to the Uganda Railway as it now stands, and any new capital works, or capital works now existing but brought at a future date under the Uganda Railway system, must from the start be placed at on a similar footing, and a renewal fund instituted in each case on the lines recommended by Colonel Hammond. The Depreciation Fund for the Uganda Railway Marine should also be included as working expenditure, and, in addition, any charge necessary

necessary for making good the depreciation of securities should similarly be taken into account.

(a) The same procedure should be applied to the Post and Telegraph systems. Some provision for renewals is already made in the Estimates, but in view of the state of affairs revealed by Colonel Hammond's Report on the Railway, it is necessary to ask the Governor whether a similar safeguard is not necessary in the Postal and Telegraph Department.

(d) It is not sought to class as working expenditure renewals required for any existing services other than those indicated above, but it may at any time be found desirable to institute other revenue producing services and in that case the same arrangement should be applied to them.

(a) When the revenue services taken together show a net loss for the year, the amount of that loss should be deducted from General Revenue (viz. revenue derived from sources other than revenue services) in arriving at the divisible amount.

(III) Other Services.

(a) The original Estimates for 1921, of which a copy is enclosed, were prepared on an economical basis and did not represent

represent the normal establishment required. The revised Estimates now being prepared locally will provide for further retrenchment of expenditure to meet the present emergency; and they, and the actual expenditure of the year, will still less represent fairly the normal condition.

(b) On the other hand the Estimates include the 50% local allowance which is being reduced to 25% next April, and is not part of the permanent expenditure of the Colony, but in view of (a) and of the fact that the prosperity which it is hoped will ensue from the Loan programme, and on the prospect of which the whole scheme for a contribution to ~~wor~~ charges is based, must necessitate an expansion of staff, it seems reasonable to determine the datum line on the basis of the original Estimates as they stand.

(c) Capital works included in the Estimates are those the necessity for which recurs each year, e.g. Public Works Extraordinary, and either these must be included in the datum expenditure or an arrangement must be made by which works of this character shall be given priority as a charge on revenue in the future. The provision for Public Works Extraordinary in the current Estimates amounts to £81,000

for

for 9 months, or £108,000 for 12 months. This compares very moderately with the provision of £76,000 in 1913-14 when one bears in mind:

(i) the change of currency; reckoning 15 florins to the £, for the purpose of comparison with 1913-14, the current provision (for a period of 12 months) works out at £72,000.

(ii) the smaller purchasing value of the £, owing to the increase in the cost of labour and materials.

The provision for Public Works Extraordinary this year was cut down to the barest minimum, and it would be impossible to regard any smaller sum as being the normal expenditure of the Colony under this Head.)

On the contrary a much larger sum will undoubtedly be necessary as soon as prosperity returns, but with a view to reaching finality it is recommended that the first of the two alternatives above mentioned should be adopted.

(d) The matter of Revenue from Stamp Duties requires special consideration.

When the system of selling the leases of Crown land by auction was instituted in 1913 it was considered that the revenue so obtained, being derived from the alienations of the capital assets of the

the

the country, should not be merged in general revenue but should be applied to the benefit of newly opened areas by the construction of roads, bridges, etc. It is essential that this principle should be preserved and that receipts and payments on this account should be kept separate from the ordinary finances of the Colony.

It is accordingly recommended that the expenditure shown in the current Estimates should in arriving at the datum line ^{be} deduct from the total expenditure for the year and that future receipts from Stand Premia shc. 2 be deducted from the total revenue before calculating the sum to be applied in liquidation of the liability for war expenses.

(e) If the above recommendations are agreed to, the datum line for "Other Services" will be as follows:-

Total Expenditure other than Railway Expenditure	£	2,392,138
Deduct Post ^s and Telegraphs (Heads XI and XIA).....	£221,598	
Stand Premia (Head XXIXA).....	<u>12,333</u>	<u>234,931</u>
		<u>£2,157,207</u>

Paragraph 5

- No observations on this paragraph appear to be necessary.

1
TREASURY MEMORANDUM AS REVISED BY THE
LETTER FROM SIR D. BARTON TO SIR J.
REVISION OF THE 19TH AUGUST, 1921.

395

C. Barton's letter of the
AUGUST, 1921.

Original Treasury Memorandum.

The Treasury agree to a loan
of £4,000,000 (of which
£2,000,000 is to be issued
immediately) it being understood
that should Kenya find it
difficult to raise by way
of loan more than £2,000,000,
the Imperial Exchequer's claim for
War Charges would take priority
over other charges on the excess.

1. It is agreed that Kenya
Colony shall proceed forthwith
to issue a loan of £4,000,000
under the Colonial Stock Act,
1900, on the understanding that
the interest and sinking fund
charges will take priority of
the claims of the Imperial
Exchequer upon the Colony in
respect of War Charges.

The Treasury will be
prepared to consider at a later
date on receiving particulars
of the schemes contemplated and
the result so far achieved,
whether similar priority might
not be granted to a further
issue of moderate amount.

2. The loans previously
made by the Exchequer to Kenya
and so far as Railway and Marine
Services are concerned to
Uganda, will be repaid out of
the proceeds of the above
mentioned loan of £4,000,000
on the terms stated in Treasury
letter of the 5th January, 1921.

3. Interdepartmental

between the Treasury, Colonial Office and War Office to determine precisely the liability falling upon the Colony in respect of East African War charges under the arrangements made during the War.

The Treasury agree to the on at the end of ph 4 of the following :-

calculating future of revenue above such ne the revenue from and Post Office and ns shall be taken at e existing revenue from ertakings plus any of the existing nsh before charging any are of a Capital nature".

4. It is agreed that, taking as the datum line the existing expenditure of the Colony plus the loan charges arising out of the loan mentioned under paragraph 1 the Colony will apply towards meeting the War liability so ascertained half any future increase of its revenue above such datum line.

5. It is recognised that the stipulation originally made in connection with the Uganda Railway that the nett revenue from the railway should be paid into the Imperial Exchequer until the advances therefrom for the construction of the railway had been repaid in full and thereafter until otherwise determined has not been abrogated. The Treasury agree however that for the present the Railway revenue should continue to be applied towards the general expenses (including development) of the

between the Treasury, Colonial Office and War Office to determine precisely the liability falling upon the Colony in respect of East African War charges under the arrangements made during the War.

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calculating future
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4. It is agreed that, taking as the datum line the existing expenditure of the Colony plus the loan charges arising out of the loan mentioned under paragraph 1 the Colony will apply towards meeting the War liability so ascertained half any future increase of its revenue above such datum line.

5. It is recognised that the stipulation originally made in connection with the Uganda Railway that the nett revenue from the railway should be paid into the Imperial Exchequer until the advances therefrom for the construction of the railway had been repaid in full and thereafter until otherwise determined has not been abrogated. The Treasury agree however that for the present the Railway revenue should continue to be applied towards the general expenses (including development) of the

the Colony, without prejudice to
any future decision which may be
arrived at as to the application of
such revenue towards repayment of
the cost of the railway or otherwise.

TREASURY MEMORANDUM AS REVISED BY THE
LETTER FROM SIR G. BARSTON TO
SIR J. STEVENSON, OF THE
19TH AUGUST, 1921.

Barston's letter of the
August, 1921.

Original Treasury Memorandum

The Treasury agree to a loan of £24,000,000 (of which £5,000,000 to be issued immediately) it is understood that should Kenya find it necessary to raise by way of loan more than £24,000,000, the Imperial Exchequer's claim for war charges would take priority of loan on the excess.

1. It is agreed that Kenya Colony shall proceed forthwith to issue a loan of £24,000,000 under the Colonial Stock Act, 1900, on the understanding that the interest and sinking fund charges will take priority of the claims of the Imperial Exchequer upon the Colony in respect of War Charges.

The Treasury will be prepared to consider at a later date on receiving particulars of the scheme contemplated and the result so far achieved, whether similar priority might not be granted to a further issue of moderate amount.

2. The loans previously made by the Exchequer to Kenya and so far as Railway and Marine Services are concerned to Uganda, will be repaid out of the proceeds of the above mentioned loan of £24,000,000 on the terms stated in Treasury letter of the 5th January, 1921.

3. Interdepartmental arrangements will be made between the Treasury, Colonial

Treasury agree to the
tion at the end of paragraph
the following sentence:-
In calculating future
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line the revenue from
ways and Post Office and
graphs shall be taken at the
existing revenue from
undertakings plus any
base of the existing net
due before charging any
expenditure of a Capital nature*.

Colonial Office and War Office to
determine precisely the liability
falling upon the Colony in respect
of East African War charges under
the arrangements made during the War.

4. It is agreed that, taking as
the datum line the existing
expenditure of the Colony plus the
loan charges arising out of the loan
mentioned under paragraph 1, the
Colony will apply towards meeting the
War liability so ascertained half
any future increase of its revenue
above such datum line.

5. It is recognised that the
stipulation originally made in
connection with the Uganda Railway
that the net revenue from the
railway should be paid into the
Imperial Exchequer until the advances
therefor for the construction of the
railway had been repaid in full and
thereafter until otherwise determined
has not been abrogated. The Treasury
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the

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any future decision which may be
arrived at as to the application of
such revenue towards repayment of
the cost of the railway or otherwise

11/27/56
21
Riverside Hotel Hotel

49009

12208

3 OCT 21

Sept 30/21 401

at Ballantyne

I enclose the
manuscript you ordered for and
apologize for the delay, & hope
it may be of some use to you.
I wrote the music early in
week but was unable to get it
typed until this morning.

I am returning immediately
to my permanent address at
Hutchinson, Oklahoma Rd. New York
where any communication will
find me.

If you have any information
you can please refer me to it.

James Hall Hotel

49009

3 OCT 31 1901

5 of 21

Walter...

I enclose the
transmission you please for well
apologies for the delay, & hope
it may be of some use to you.
I wrote the same early in the
week but was unable to get it
off until the morning

I am returning immediately
to my permanent address at
1111 West, Palmdale, Ca. As you
where any communication will
find me

If you have any information
you can refer me in regard to

Home Hall House

MS S 4 21

49009
 3 OCT 21
 401

Mr. Patterson,

I enclose the

Hawaiian you asked for with
 apologies for the delay, & hope
 it may be of some use to you
 I wrote the memo early in the
 week but was unable to get it
 typed until the morning

I am returning immediately
 to my permanent address at
 1111 West, Palmdale, So. Calif.
 where my communications will
 find me

If you have any information
 you can give me in regard to

MEMORANDUM

regarding details to be considered under the general agreement arrived at with the Treasury (as set forth in the Pocott memorandum of May 31st 1921, modified by the Barstow letter of August 19th 1921) in respect of the Kenya Loan of £8,000,000.

The premises upon which the general agreement was arrived at are, as I understand them, (1) that the Imperial Authorities have decided that Kenya must bear a portion (as yet undetermined) of the East Africa War Charges and (2) that the Government of Kenya consider it imperative that, if the Colony is to progress, become truly self-supporting, and be in a position to bear a portion of the War Charges, she should be permitted to raise a considerable loan for development purposes.

A means of ensuring, as far as possible, that Kenya shall liquidate her liability in respect of War Expenses is, therefore, made a condition to sanction for raising a loan.

It is provided that, after allowing for interest and redemption charges on the loan, one half of any increase in general revenue and one half of any increase in net revenue of the Railway and Posts and Telegraph Departments shall be applied in liquidation of the liability for War Charges.

The datum line from which future increases of general revenue are to be calculated is "the existing expenditure of the Colony less the loan charges."

"Existing expenditure" is not defined, but it is understood that the Treasury is prepared to accept the Expenditure Estimates for 1921 as approved by the Secretary of State, subject to scrutiny, and it is feared that such scrutiny will be directed to

the elimination of any items of expenditure which could be classed as of a capital nature.

In the case of the Railway, Postal and Telegraph Services, the datum is the existing net revenue, but, here again, the estimates for 1921 are subject to scrutiny by the Treasury, and in this case it is specifically laid down that any increase in net revenue is to be calculated before charging any expenditure of a capital nature.

The questions of detail which occur to me are as follows:-
Item 1.

As the approved estimates for 1921 are for nine months only it will be necessary, in arriving at the datum line, to take, not the Budget figures, but column 2 of the Colony's estimates, which show what the expenditure would have been had the period been the normal one of twelve months instead of nine months.

The total appearing on page 6 of the Draft Estimates (as passed by the Legislative Council at the Second Reading of the Appropriation Ordinance 1921 on February 2nd, 1921) is 22,392,138. From this figure must be deducted the expenditure of the Posts and Telegraphs Department (Schedules XX. and XXIa.) which is to be treated separately with the Railway Expenditure.

Item 2.

It will be impossible for the Colony to carry on if all items which might be classed as of a capital nature, but which are such as are normally included in Special Expenditure Schedules or in P.W.D. Recurrent and Extraordinary Schedules, are to be deducted from the existing expenditure in arriving at the datum.

The Loan is to be applied to specific purposes within three years after which no Loan Funds will be available for Expenditure

the elimination of any items of expenditure which could be classed as of a capital nature.

In the case of the Railway, Postal and Telegraph Services, the datum is the existing net revenue, but, here again, the estimates for 1921 are subject to scrutiny by the Treasury, and in this case it is specifically laid down that any increase in net revenue is to be calculated before charging any expenditure of a capital nature.

The questions of detail which occur to me are as follows:-
Item 1.

As the approved estimates for 1921 are for nine months only it will be necessary, in arriving at the datum line, to take, not the budget figures, but column 2 of the Colony's estimates, which show what the expenditure would have been had the period been the normal of twelve months instead of nine months.

The total appearing on page 6 of the Draft Estimates (as passed by the Legislative Council at the Second Reading of the Appropriation Ordinance 1921 on February 2nd, 1921) is £2,392,138. From this figure must be deducted the expenditure of the Posts and Telegraphs Department (Schedules XX, and XXa.) which is to be treated separately with the Railway Expenditure.

Item 2.

It will be impossible for the Colony to carry on if all items which might be classed as of a capital nature, but which are such as are normally included in Special Expenditure Schedules or in the R.B. Recurrent and Extraordinary Schedules, are to be deducted from the existing expenditure in arriving at the datum.

The Loan is to be applied to specific purposes within three months after which no Loan Funds will be available for Expenditure

of a capital nature such as normally arise from year to year, and are provided for under Special and Extraordinary Schedules.

To meet such expenditure, and also increases in ordinary recurrent expenditure, there would be one half only of any increase in revenue above the datum line, and such a policy of increase is unlikely for some years to approach the existing Special and Extraordinary Expenditure.

Special and Extraordinary Schedules of the current Estimate show the class of works required to be provided for annually. Only such items as were considered absolutely essential were included - scores of items which are desirable and will become essential in the near future had to be eliminated.

Some margin for Special and Extraordinary Expenditure, whether of a capital nature or not, must be allowed, and I suggest that the figures for twelve months given in the current year's Estimate for recurrent, special and extraordinary expenditure should be taken as the datum line; this would be:-

Total	£2,392,138
Deduct Posts and Telegraphs Schedules (XI. and XII.)	<u>221,598</u>
	£2,170,540
Add interest and redemption charges on the Colony's portion of the Loan	<u>7</u>
Datum line for the General Revenue portion	<u>7</u>

Item 3.

It seems necessary, however, to contemplate, and provide for, other circumstances which will undoubtedly arise in the future.

Productive appointments and works will become necessary, and it would be unfortunate for the Colony, Colonial Office and Treasury

if the fact that the Colony would retain one half only of the additional revenue that would be produced by such appointments or works should act as a deterrent to the making or execution thereof and consequently retard the development of the Colony's resources.

I suggest that, in addition to the proposed margin for works normally provided for under Special and Extraordinary Schedules, it might be agreed that in cases in which the Treasury is satisfied that an appointment or work will be productive of increased revenue, the cost of such appointment or work shall be deducted from any increase in the general revenue of the Colony, before calculating the amount to be applied in liquidation of the liability for War expenditure.

Item 4.

The matter of "revenue" from Stand Premia is a little difficult to deal with. The receipts are not revenue, strictly speaking, but the proceeds of sales of capital assets. The Secretary of State has laid down that such receipts are to be applied to development works, and such works may not necessarily be of a directly productive nature.

The Treasury may argue that such receipts should be applied to Special and Extraordinary Expenditure, and that, in consequence, a margin for such expenditure is necessary in arriving at the sum 1000. The reply to such an argument would be, I think, that there may be no such receipts in any one year or for a sequence of years, and that in any case it was long ago decided and properly so - that all such receipts must be applied in liquidating capital assets to replace those from which the receipts are derived, and not to expenditure normally provided for under Special and Extraordinary Schedules.

On these grounds the expenditure shown in the current Estimates

should, in arriving at the datum line, be deducted from the figure of £2,170,540 given above, and future receipts from Stand Premises should be deducted from the total revenue before calculating the sum to be applied in liquidation of the liability for War Expenses.

This point may appear of small importance at the moment, but it is impossible to foresee what sales of land the future development of the country may permit, or what the receipts therefrom amount to.

Item 5.

In scrutinizing the current estimates, the Treasury will doubtless observe the words "War Bonus included" at the head of column 2. It will be necessary to explain that War Bonus was some time ago incorporated in revised salaries, and that these words were inserted to make it clear to Legislative Councillors that the estimates show the total emoluments to be paid to the staff out of the Revenues of the Colony.

Item 6.

In regard to the estimates generally, it will no doubt be explained to the Treasury that, in preparing the current estimates the demands of Heads of Departments were drastically curtailed, and that if, with the modifications suggested above, the estimates are taken as the basis for arriving at the datum line anything but generous terms for the Colony will result.

Item 7.

As regards the Posts and Telegraphs and Railway Departments, it seems to me clear, from the wording of the additional sentence in paragraph 2 of the Barstow letter, that only increases in net revenue before charging any expenditure of a capital nature will be available for division between the Colony and the Treasury.

The snag, of course, lies in the words "before charging any

Expenditure of a capital nature." and I think the argument used above in connection with general revenue should be applied in the case of Posts and Telegraphs and Railways Departments.

Some margin must be allowed for work normally provided for under Special and Extraordinary Schedules, and the amount in the current estimates (£13,800 for Posts and Telegraphs - twelve months, and £28,700 for the Railway - nine months) are any but excessive.

Furthermore, as in the case of General Revenue, it should be agreed that, where it can be shown to the satisfaction of the Treasury that appointments or works will be productive of increased revenue, the Expenditure should be deducted from revenue before calculating the amount to be applied in liquidation of the War Expenses. This to be in addition to the suggested margin for works normally provided for under Special and Extraordinary Schedules.

If approval of the foregoing suggestions were obtained the position would be as follows:-

Posts and Telegraphs Departments.

Estimated Expenditure, twelve months		£221,598
Estimated Revenue, nine months	£120,674	
Add one-third	40,225	160,899
Deficit for twelve months approximately		£60,699

It will probably be many years before any net revenue is obtained by this Department, and also, therefore, before any contribution falls to be paid out of its revenue.

Railway Department. The Estimates of this Department give no figures for twelve months, but the figures for nine months,

taking the three Railways together, show a balance of Revenue and expenditure, and it is probable that figures for twelve months would show a like result.

As the Railways have to provide for heavy Loan Charges, and are not expected to make profits, but, if possible, to reduce rates, it is unlikely that any net Revenue will be obtained of which to contribute towards liquidation of the liability for War expenses.

But if financial progress were so rapid that net profits could hardly be avoided, under the present method of accounting, they could legitimately be absorbed by debiting the Railways with expenses incurred by the Colony on its behalf in respect of specific services rendered for medical, legal, analytical and other services, or for general services, such as Military, Police, Judicial, &c.

The Treasury, having agreed to treat the Railway as a commercial undertaking, could not demur to the inclusion in its accounts for the purpose of calculating net profits any expenditure incurred by the Colony on its behalf, and such inclusion would give the Colony a little further freedom in the matter of available funds.

General.

If settlement of details can be effected on the lines suggested I think that, having regard to the premises upon which the general agreement was arrived at, the Colony will eventually have little cause for complaint. The measure of restriction upon expenditure by the Colony which the agreement will then impose will not be entirely without benefit for it will entail upon Heads of Departments an effort to provide, by means of economy and increased

efficiency, the means for extending their^o operations, rather
by additional demands upon the Local Treasury.

J. H. [Signature]

Deputy Treasurer,
Kenya Colony.

30/9/21.

H. J. READ
D. 11/11/21

DOWNING STREET,

26 November 1921.

410

[Handwritten signature]

DRAFT.

TARY
ASURY

Sir,

With reference to Sir G. Barstow's letter of the 19th August to Sir Stevenson and Sir J. Stevenson's reply of the 26th August, on the subject of the Kenya Loan, I have the pleasure to transmit to the C. of the Treasury, the enclosed on the draft Memorandum of Agreement, sent by the Treasury unofficially to the C.O. on the 31st August, as revised by the letter from Sir G. Barstow of the 10th August.

MINUTE.

Barstow 17.11.21

[Handwritten initials]

2. Mr. Churchill hopes that T.L. will concur in his views as expressed in those notes.

I am &c.,

(SIGNED) H. J. READ

ready the