



EAST AFR. PROT.  
4243

C O  
123

overnoon  
Monday 31

Date  
1912  
10th Feby

SUPPLEMENTARY ESTIMATES 1911-12

States items required to cope with increased railway traffic. It seems probable that this sum will not be expended by some £4000. All other items are reallocations or covered by savings. Amount of new savings £18,000. Revised estimate revenue was £700,135 but may now be put at £705,00. In arriving at estd surplus balance on march 31st next this second supplementary estimate was allowed for.

at previous Paper.  
1250  
11-12

*Mr Butler*

~~Mr Butler~~ (I have this through you first as I have discussed the West Question with you)

*Mr Butler*

(I am sorry not to have sent this in before but the matter has wanted a good deal of thought & research)

I fear that even now the situation is not at all clear. What we want to know and what we do not yet know is (1) Will these Estimates cause an excess on the gross authorised total for the year, and, if so, by how much? It is really quite impossible to answer this question on the information before us. One would imagine from the first

sentence

Copy comes (with appx) from  
M. A. C. [unclear] [unclear]

4323  
11-12

sentence of this telegram that the whole of items 13, 14 and 15, totalling altogether £14,437 would involve an excess on the gross authorised total, and that only the other items, totalling altogether £16,499, could be met from savings. But this cannot be so, because the Governor now states that there will be new savings (viz: savings not foreseen when the first Supplementary Estimates were framed) to the amount of £18000 to meet the expenditure now proposed. (2) Does the £18000 of Savings include 're-allocations or not? They appear to be of a 'reallocating expenditure in the East Africa Protectorate. When the Estimates have been fixed, they appear to think that they are free to juggle with them as they like so long as the total of a head is not exceeded. A certain amount of transfer from one subhead to another is of course necessary, but it should be kept within the narrowest possible limits. Re-allocation simply means finding money for a new service out of savings on another service, and to speak of some of the items of a Supplementary Estimate being 'reallocations' and some being met from Savings is only confusing, and the sooner that the term 're-allocation' in this sense is removed from the East Africa Protectorate financial vocabulary the better.

If re-allocations are not included in the £18000 and the additional Railway Expenditure (items 13, 14 and 15) is not exceeded by the £4000, it is just possible that we may be able to rub along without exceeding the gross authorised total for the year. If on the other hand, the re-allocations are included in the £18000 and it is necessary to expend all the Railway Expenditure included in the present Estimate, I fear that we shall be driven to exceed the gross authorised total. If we do, it will only be on account of the unexpectedly ~~great~~ increase of Railway traffic (an increase of course which means a corresponding increase of revenue), and we shall, I think, have a good case to plead to the Treasury. But it is most desirable to avoid

this

*Handwritten notes:*  
The £18,000 of Savings include 're-allocations or not? They appear to be of a 'reallocating expenditure in the East Africa Protectorate. When the Estimates have been fixed, they appear to think that they are free to juggle with them as they like so long as the total of a head is not exceeded. A certain amount of transfer from one subhead to another is of course necessary, but it should be kept within the narrowest possible limits. Re-allocation simply means finding money for a new service out of savings on another service, and to speak of some of the items of a Supplementary Estimate being 'reallocations' and some being met from Savings is only confusing, and the sooner that the term 're-allocation' in this sense is removed from the East Africa Protectorate financial vocabulary the better.

this if at all possible, and I think that we had better telegram at once to the Governor and tell him so. With regard to the last sentence of the Governor's telegram, I notice that in the Statement of Assets and Liabilities on the 31st of March 1912 appearing in the Draft Estimates no express reference is made to the second Supplementary estimate, but I observe that on the Liabilities side of the account appears 'Revised Expenditure for 1911-12 as per Estimates 2751,144, and it is to be presumed that the second Supplementary Estimate carries within this figure. It is quite impossible to say how this figure is arrived at, and the proper course would be to refer to the <sup>Liability</sup> side of the Account the gross authorised total for the year as together with the First and Second Supplementary Estimates (or, if the Second Supplementary Estimate had not been definitely settled when the Draft Estimates for 1912-13 were framed, an appropriate estimate of such Supplementary Expenditure) and on the Assets side any savings on these estimates that were estimated to accrue. We should point this out to the Governor, and ask him to submit a revised statement of Assets and Liabilities accordingly.

To read for the present telegram, but a consideration of the present difficulties has led me to think that it is necessary to go somewhat deeper and overhaul the whole system of Supplementary Estimates in the East Africa Protectorate (and the other East African Protectorates). In the first place the Supplementary Estimates as at present sent home should only be those which should properly be included in a Supplementary Estimate at all. If any East African Protectorate Supplementary Estimate is examined, it will be found that it is

taken

taken up largely with excesses on one subhead, or expenditure on a new subhead, which can be met out of savings on another subhead of the same head. Such expenditure should not properly appear in the Supplementary Estimates at all, but only new expenditures, whether an excess on an existing subhead or a new service altogether, which cannot be found out of savings within the proper head. See Colonial Regulation 25.

This does not mean of course that the Governor can sanction transfers between subheads on his own authority. Colonial Regulation 306 and 304 lays down that he must, sooner or later have the authority both of the Secretary of State and of the Legislative Council. For small items of a non-recurring character, the prior approval of the Secretary of State is not required, always provided of course that the total authorised for the year is not exceeded, but it will be sufficient to include them in the Quarterly Return of all unusual payments required by Colonial Regulation 396 (Viii). Large or unusual items, or items involving expenditure of a recurrent nature should, as soon as the likelihood of their becoming necessary is foreseen, be reported to the Secretary of State either in separate despatches, or two or three together if more convenient. The Secretary of State will then submit to the Treasury, and it will, in ordinary cases, be possible for the Governor to receive the Secretary of State's authority before the expenditure is actually incurred. This will be more convenient than the present practice of lumping

*\* In regard to the above, it may be that the Secretary of State should be empowered to sanction a transfer of a sum from one subhead to another, provided that the total authorised for the year is not exceeded. As regards Colonial Regulation 396, it has already been pointed out that the Secretary of State should be empowered to sanction a transfer of a sum from one subhead to another, provided that the total authorised for the year is not exceeded. It is suggested that the Secretary of State should be empowered to sanction a transfer of a sum from one subhead to another, provided that the total authorised for the year is not exceeded.*

lumping items, small and great, together in a Supplementary Estimate with the result that on many items of expenditure which strictly require the prior authority of the Secretary of State, expenditure at any rate begins before the Secretary of State's authority is received. The items thus separately submitted will in due course, when approved, appear in the Quarterly Returns, with the number and date of the Secretary of State's despatch approving them, the authority for them, so that the Quarterly Returns will furnish a complete record of all variations from the expenditure of the year as originally authorised.

It follows as a part of the procedure which I suggest that the Secretary of State's approval of these deviations will be given on the Quarterly Returns rather than on the Supplementary Estimates (falsely so called). The larger and unusual items will already have been sanctioned on the separate despatches submitted, and it will only be necessary to sanction the items which have not already been sanctioned. The Quarterly Returns should show clearly the source (sanction or head) from which it is proposed to draw the provision necessary to meet the variation, and the authority for such items as need the Secretary of State's prior authority. So long as the gross authorised total is not exceeded, it does not matter so far as the Quarterly Returns are concerned, whether an excess is met from savings on another subhead of the same head, or from savings on another head, provided of course that ultimately the excesses or debts are included in a Supplementary Estimate and sanctioned as

made by the Legislative Council. We shall already have obtained the sanction of the Treasury in the case of all large or unusual items, or items of a recurrent character, so that, in ordinary circumstances, it will not be necessary to submit the Quarterly Returns to the Treasury, always provided of course that no excess on the gross authorized total of expenditure is involved.

The Secretary of State's sanction having been obtained for all new Expenditure of a large or recurrent nature as the need for such new Expenditure ~~arises~~, it will not be necessary to frame the Supplementary Estimates till towards the close of the financial year, when it should become fairly clear what excesses on heads will actually arise. There will be no need, strictly, to submit the Supplementary Estimates to the Treasury, unless such Estimates cause an excess on the gross authorized total for the year, Treasury sanction having already been obtained in all necessary cases; but it will probably be convenient to send them to the Treasury though only for information, unless of course some excess on the gross authorized total is involved, when we must obtain Treasury sanction.

As regards the Legislative Council, the fact that transfers between subheads will no longer be insisted upon in Supplementary Estimates need imply no lessening of their control over finances. Under

Colonial regulation 304 the authority of the Council is required for all such transfers, and it will probably be convenient to lay the Quarterly Returns

Returns

*Supp. Estimates  
to be in 1910-11  
to be 99(1) 9/10  
C.A. 2/10/10*

*to be submitted  
to the Treasury  
by the R. Secretary  
attached to the  
(which has not  
to be in 1910-11  
clearly necessary  
that will not  
heads 20/10  
sanctioned by the  
to be in 1910-11  
for information  
the need of the  
presented to the  
the Treasury  
heads 20/10  
to be in 1910-11  
to be in 1910-11*

Returns before the Council and obtain a resolution approving them at the same time that such returns are sent to the Secretary of State, or as soon after as the Council meets. This will afford an opportunity of explaining to the Council any large or recurrent items, and obtaining their consent. In exceptional cases (e.g. a large new public work, even if the money for it can be found from savings in the Public or a Vote) it may be desirable to obtain the consent of the Legislative Council without waiting for the periodical returns.

The question of transfers of Expenditure under one subhead to another subhead, in the case of West Africa, has been thoroughly discussed on 18677/09 S. Leone (C.O. paper is missing, but I put up copy of papers obtained from Mr. Stephens on 33818/09 Southern Nigeria, 40093/09 Gold Coast, 414/1910 Gold Coast, and 35345/10 Gold Coast. The proper principles are clearly laid down in Sir C. F. Lee's minute on 18677/09; excesses on heads only to be included in supplementary Estimates, ordinary transfers between subheads to be included in Supplementary Estimates, ordinary transfers between subheads to be reported in periodical returns; important transfers to be submitted separately; but the issue has been somewhat confused in the later papers, and I am not sure that this procedure is always followed in practice.

The present procedure in the East Africa Protectorate probably arose from the fact that, until the last revision of the Colonial Regulations, the word "sub-head" erroneously appeared in Colonial Regulation

204 of "the" a same mistake arose in C.O. 204 and was put straight in the records of the Protectorate. The word "sub-head" is now only used in C.O. 204

The

*being approved  
B.S.  
for B.S.*

*18677  
B.S.*



The proposals which I have made above are the result of a thorough discussion of the matter with Mr. Stephenson. The suggested procedure, will, I think, be far more convenient both to the Treasury, Surgeons and the Audit Department.

As to immediate action, we should I think telegraph again to the Governor saying that it is not clear what an excess on the gross authorized total is involved in the second Supplementary Estimate and telling him that the Secretary of State regards it of the greatest importance that the gross authorized total should not be exceeded, and that no effort should be spared to prevent this if possible.

And follow up the telegram with a despatch, asking for further information on the various points mentioned in the earlier part of my minute, and laying down rules for future guidance as proposed above.

And send a copy of the Governor's despatch No. 577 of the 21st of December and enclosures to Treasury with a copy of telegraphic correspondence, say that the position is not clear and that the Secretary of State will not be in a position to ask their Lordships to sanction the Second Supplementary Estimate until the position has been cleared up further, and send for Treasury to prepare a draft of our despatch laying down rules for future guidance.

*Handwritten notes in left margin:*  
The gross authorized total should not be exceeded, and that no effort should be spared to prevent this if possible.  
The Secretary of State regards it of the greatest importance that the gross authorized total should not be exceeded, and that no effort should be spared to prevent this if possible.

*Handwritten notes in left margin:*  
The gross authorized total should not be exceeded, and that no effort should be spared to prevent this if possible.  
The Secretary of State regards it of the greatest importance that the gross authorized total should not be exceeded, and that no effort should be spared to prevent this if possible.

*Handwritten notes at top right:*  
minutes on ...  
100  
185

*Handwritten notes:*  
March 2

*Handwritten notes:*  
H. J. R.  
4/12

*Handwritten notes:*  
for ... according to ...

*Handwritten notes:*  
1875  
3/12

*Handwritten signature:*  
E. G. Fisher

*Handwritten notes at bottom:*  
I also see also

C O  
1215

904

Telegram.

The Governor of the East Africa Protectorate to the Secretary of State for the Colonies.

(Received Colonial Office 3.5 p.m. 10th February, 1912.)

4  
1/5

No. 31. Your telegram 2nd February items 13, 14, 15 additional expenditure required to cope with increased traffic on railway but it seems probable that this sum will not be expended by some £4,000. All other items are re-allocations or covered by savings. <sup>2,100</sup> Total savings revenue was £700,100 but may be put at £700,000. In arriving at estimated surplus balance on March 31st next the second supplementary estimate was also be for.

Yours faithfully

11/12 - 20

REPLIES SHOULD BE ORDERED

*via post*



21, Old Broad Street, E.C. 4, London, W.C. 1.  
2028 Gerard  
851 Avenue  
852 Avenue  
1948 London Wall

11, Old Broad Street, E.C. 4, London, W.C. 1.  
449, Strand, W.C. 2.  
4, Leadenhall Street, E.C. 3, London, E.C. 3.  
Market Buildings, 10, Mark Lane, E.C. 3, London, E.C. 3.  
"The Baltic," 55, St. Mark Lane, E.C. 3, London, E.C. 3.

952 Hill  
518 Liverpool  
014 Hamburg  
438 London W

No.

Clerk's Name and Date.

Name of article

C O  
12-73

Station from, and, Orig. Transit

*It seems probable that*

*has no Londoned*

TRAFFIC ON RAILWAY BUT **POPPYOLL** THIS SUM **ENBOXIANS**

*Some £4000*

*the other*

**USYBODY PILESHOE SILVERGRAY ADJUST ITEMS ARE REALLOCATIONS**

*Concise*  
**OR CROBITASTE SAVINGS**

*Sum of*

**SILVERGRAY ALAGORE NEW SAVINGS**

**REVENUE WAS 70875 POUNDS BUT MAY NOW BE PUT AT**

**70500 POUNDS SILVERGRAY IN ANGLIFY ESTIMATED SURPLUS**



REPLIES SHOULD BE ORDERED

*Via Eastern*

102

Do. if the above should be OFFICIAL communications, see Page Book.

No. 1. For respecting the Telegrams sent to within limits of the day.

No. 1. London  
 1633 London W. 1st. St.  
 1618 London  
 881 Avenue  
 890 Avenue  
 1948 London Road

No. 2. London  
 2942 Itup  
 2916 Gerrard  
 1914 Hoborn  
 1612 London W.

No. 3. London  
 The Marine Arms Co. Street, C. W. U. S. A.  
 A. Deane Street, Hough, S. E.  
 41 & 43, Park Street, Street S. W.  
 11, Holborn Viaduct, S. C.  
 1, Lucia House, Finsbury Pavement, F. C.  
 Foreign, Road, 11, Mary, Covent Garden, W. C.



No.	Sender's Name and Address	Time received	Date	No.
	<i>10/12/12</i>			

THE NUMBER OF WORDS IN  
 THIS MESSAGE DIFFERS FROM  
 THE NUMBER SIGNALLED,  
 A CORRECTION WILL FOLLOW.

309 NAIROBI 60/65 STF 6 ACTLS 1.35PM 8VT 10 FEB 12

CHAPELRIE LONDON

*you to 2/12*  
 51 UNRAFFLED ITEMS THIRTEEN FOURTYEN FIFTEEN

*expedited* *referred to*  
 ADDITIONAL DYNAMIS REPUGHANDI CODE WITH INCREASED



964 4848

Cap. [unclear] [unclear]  
200

DRAFT.

James

Narrative

MINUTE

- Mr. H. B. [unclear]
- Mr. Butler
- Mr. G. [unclear]
- Mr. G. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]
- Mr. [unclear]

James

Book 4823

... of 10 [unclear] as [unclear]

It is not clear [unclear]

from information [unclear]

which [unclear] as [unclear]

... [unclear] total [unclear]

... [unclear] 184.72

... [unclear] [unclear]

Supplementary [unclear]

Consider [unclear]

Very important to [unclear]

... [unclear] [unclear]

... [unclear] [unclear]

... [unclear] [unclear]

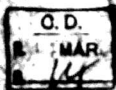
... [unclear] [unclear]

... [unclear] [unclear]

... [unclear] [unclear]

243

For Earl  
4343



11th March 1912

964

Dear Sir

I have the honor to acknowledge the receipt of your letter of the 14th inst.

I am glad to have had  
the opportunity to be heard before  
the Committee of the Institution  
and accompanying copies of  
a despatch from the first  
of the said Committee and  
some explanatory documents  
in connection with the  
proposed special regulations  
to be submitted to the  
Court. The despatch in  
question is enclosed for  
your reference. I have had the  
pleasure to inform the  
Committee of the Institution  
of the contents of the despatch  
and to explain the reasons  
therefor.

DRAFT

Secretary to the

Secretary

MINUTE

- Mr. B.S.B. 14/3
- Mr. P. B. 13/3
- Mr. B. 13/3
- Mr. B. 13/3
- Mr. G. P. 14/3
- Mr. H. J. 14/3
- Mr. J. Anderson
- Lord Emmott
- Mr. Harcourt

3 despatches were referred to  
and the Committee (11/20/12)  
15/2/12  
The Committee (11/20/12)  
The Committee (11/20/12)  
The Committee (11/20/12)

N. 1120 11/20/12 - 20  
11/20/12 11/20/12

the most personal effect  
of the Board's Supplementary  
Statement is not clear,  
and it has caused him  
not to be in a position to  
and I. to. to. to. to.

his Statement under the  
provision information asked  
for in his letter of the 14th  
of March and <sup>to 1912</sup> ~~of the~~  
14th of March & has been  
shown in the ~~draft~~  
draft of a further  
to be addressed

of which reference to the  
last sentence of the  
former's Report of the

(draft not corrected)

SN 424

10th of Feb, I am to 10  
As soon as the  
Statement of Estimates  
Assets & Liabilities <sup>as</sup> on the  
31st of March 1912 <sup>appended</sup> ~~attached~~  
to the Draft Estimate  
for 1912-13 no express  
reference is made to the  
Second Supplementary Estimate  
but it will be noticed  
that in the Liabilities  
side of the <sup>Statement</sup> ~~Account~~  
the Revised Estimate  
for 1911-12 as per Estimate  
is shown as £757,144  
No explanation is given  
of this figure, but it is  
to be presumed that it  
includes the Revised Estimate

Estimate has submitted.  
 It will be seen that the  
 total Supplementary Estimate  
 is separately shown in the  
 Schedule under an amount  
 of £ 173. That added  
 to the figure for Revenue  
 Expenditure gives a  
 total of £ 797,377. The  
 total Expenditure is provided  
 for by £ 762,746,  
 and the total Supplementary  
 Estimate is £ 346,631, making  
 a total of £ 1,109,377. All the  
 expenditure shown in the  
 Statement of Grants & Liabilities  
 is for £ 25,900 & is shown

DRAFT.

(Draft not  
written)

MINUTE.

- Mr.
- Mr.
- Sir G. Fiddes
- Sir H. Just.
- Sir J. Anderson
- Lord Emmott.
- Mr. Harcourt.

of has already approved  
 the Appropriation Account  
 amount of the Second  
 Supplementary Estimate.  
 It will be seen from  
 the Accounts dep. of the  
 of March that he has  
 called his attention to the fact  
 that the amount of the  
 the amount of the  
 amount of the  
 Statement of Grants &  
 Expenditure has been drawn  
 up, and that he has  
 requested that  
 the revised Statement  
 may be sent home  
 by the proper authority  
 of the difficulty of  
 dealing with the present





Supplementary Estimate  
has suggested the desirability  
of laying down, for the  
guidance of the <sup>the Govt,</sup> ~~the~~  
~~authorities~~, general principles  
as to the procedure to be  
followed in regard to  
other than  
expenditure in ~~the~~  
the various ~~in~~ the  
Estimates, and I am  
of opinion, for the convenience  
of the House of Commons,  
the draft of a despatch  
it is  
which has been prepared  
to be laid before the  
House of Commons with  
the Report of the  
address, similar despatch.

For the House of Commons  
the draft of a despatch  
has been prepared  
for the convenience  
of the House of Commons  
and I am of opinion  
that it is desirable  
to lay it before the  
House of Commons  
with the Report of the  
address, similar despatch.

I have  
2 Feb 1871

1  
available under the  
provisions of the  
and to the Council of the  
subject to the  
in the case of the  
that it is proposed to  
bring his former  
Council's disallowance  
with regard to  
house  
to give authority  
1871 to the  
to be laid before the  
with a view to  
approval of the  
to the House of Commons  
this day

I have  
2 Feb 1871

10

4243

128

Gov. 4243 B.A.P.



Downing Street,

14 March, 1912.

DRAFT.

AFRICA PROTECTORATE

(146)

THE OFFICER ADMINISTERING  
THE GOVERNMENT OF  
THE EAST AFRICA PROTECTORATE.

Sir,

I have the honour to confirm

my telegram of the 6th of March

MINUTE.

Mr. H.F.S. 12/3

Mr. B. 13/3

Mr. C. 13

Mr. D. 14

Mr. E. 14

Mr. H. Just.

Mr. J. Anderson.

Lord Emmott.

Mr. Harcourt.

which read as follows

Your telegram of 10th February, No. 31, it is not clear from information furnished whether excess on the authorised total expenditure for the financial year 1911-12 is involved in Second Supplementary Estimate. I consider it very important that authorised total should not be exceeded and no effort should be spared to prevent this if possible unless unavoidably caused by increase of

*S draft to Comm.*  
*In the table of commences I have taken the part of my minute dealing with financial procedure, at least, as far as it goes to the draft can be at once, but the draft as to financial procedure shall not be passing commences*

*Copy These 14/3/12*

x N° 4243

railway

11/2 - 11/14 - 20

railway, etc., if excess cannot be  
applied to the exact estimated  
amount.

The situation as reported in Mr  
*Mr Girouard's telegram*  
Mr Girouard's telegram of the 10th  
of January is not clear to me. It would  
seem from the first sentence of that  
telegram that the whole of items 13, 14,  
and 15 of the Second Supplementary Esti-  
mate amounting altogether to £14,607,  
would involve an excess on the gross  
authorized total, and that only the  
other items together totalling £10,494,  
could be met from savings. But this  
appears to be a wrong conclusion, for  
it is stated in Mr's telegram that there  
will be new savings to the amount of  
£18,000 available to meet the expenditure  
now proposed. Further I do not under-  
stand whether the £10,494 referred to in-  
cludes only the items mentioned

407243

or not, and on this point I should  
be glad to be informed. In this  
connection, I desire to point out  
that there appears to be some mis-  
understanding with regard to the  
manner of dealing with expenditure  
in excess of the amounts specific-  
ally provided for or for which no pro-  
vision exists in the Estimates. It  
should be understood as is laid down  
in Colonial Regulation 256, that,  
when the Estimates have been finally  
sanctioned, the expenditure of the  
year is definitely limited and  
arranged, and that reallocation or  
re-arrangement of the sub-heads  
contained in the authorized Estimates  
is inadmissible. Should any further  
expenditure be necessary whether on  
account of services already provided

for



for or on services not contemplated,  
When the original estimate for the year was made,  
such additional expenditure involves

either an excess on the authorized  
provision or the insertion of a new <sup>Particular</sup> ~~item~~

for ~~the purpose of~~ <sup>the purpose of</sup> ~~the~~ <sup>the</sup> ~~insertion~~ <sup>insertion</sup> ~~of a new~~ <sup>of a new</sup> ~~item~~ <sup>item</sup>  
~~which is not~~ <sup>which is not</sup> ~~contemplated~~ <sup>contemplated</sup> ~~by the~~ <sup>by the</sup> ~~original~~ <sup>original</sup> ~~estimate~~ <sup>estimate</sup>  
~~and which~~ <sup>and which</sup> ~~is~~ <sup>is</sup> ~~not~~ <sup>not</sup> ~~provided~~ <sup>provided</sup> ~~for~~ <sup>for</sup> ~~by~~ <sup>by</sup> ~~the~~ <sup>the</sup> ~~original~~ <sup>original</sup> ~~estimate~~ <sup>estimate</sup>  
~~and which~~ <sup>and which</sup> ~~is~~ <sup>is</sup> ~~not~~ <sup>not</sup> ~~provided~~ <sup>provided</sup> ~~for~~ <sup>for</sup> ~~by~~ <sup>by</sup> ~~the~~ <sup>the</sup> ~~original~~ <sup>original</sup> ~~estimate~~ <sup>estimate</sup>

is not authorized by supplementary  
estimates. The general question of the  
procedure to be followed in regard to  
expenditure in excess of that authorized  
in the estimates forms the subject of a  
circular despatch of 1912 which I  
have had the honor to address to you  
on the 1st of August last.

With regard to the last sentence  
of the circular despatch of the 1st of  
August I notice that in the Statement  
of Assets and Liabilities, in the list of  
1912 appearing in the Draft Estimate  
no express reference is made to the second  
Supplementary Estimate through the First  
Supplementary

**DRAFT**

Supplementary estimate is separately  
shown, but I observe that on the  
liabilities side of the <sup>Balance Sheet</sup> ~~Account~~

'Revised Expenditure for 1911-12 as  
per Estimates' is shown as 2751,144,  
and I presume that the second Sup-  
plementary Estimate is <sup>included in</sup> ~~attached~~

when this figure. No explanation  
is afforded how the figure for the  
revised expenditure is arrived at,  
and in the absence of such explana-

tion the Statement of Assets and  
Liabilities has not been value. The  
proper course would have been to  
have shown on the <sup>Liabilities</sup> ~~Liability~~ side of

the <sup>Balance Sheet</sup> ~~Account~~ the gross authorized  
total for the year as originally  
estimated together with the First

and second Supplementary Estimates  
for, if the <sup>second</sup> ~~second~~ Supplementary  
Estimate had not been definitely

lay or on services not contemplated.

When the amount is not sufficient to cover such additional expenditure involves

either an excess on the authorized

provision or the insertion of a new item

the insertion of new items which will

be met

either out of savings on other items or

to be provided for by supplementary

expenditure to be authorized by supplementary

estimate. The general question of the

procedure to be followed in regard to

expenditure in excess of that authorized

in the Estimate forms the subject of a

separate despatch of estimates should

be shortly be addressed to you

3. With regard to the last sentence

of Sir P. Curzon's telegram of the 10th of

February, I notice that in the Statement

of Assets and Liabilities at the close of

March 1917 appears in the first column

no express reference is made to the second

Supplementary Estimate though the first

Supplementary

DRAFT.

Supplementary estimate as separately

shown, but I observe that, in the

statement of the <sup>statement</sup> ~~estimate~~

of the ~~estimate~~ <sup>statement</sup>

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settled when the draft for 1912-13 were framed, an approximate estimate of such Supplementary expenditure) and on the Assets side, any savings on these Estimates that were estimated to accrue. I have to request that you will submit a revised Statement of Assets and Liabilities accordingly.

As regards the details of the second Supplementary Estimate, I have no particular comments to make except with regard to item No. 19 (Two Store houses at Nairobi). The proposal with regard to this item which amounts, as I understand it, to starting a new service in 1911-12 out of the unexpended balance of expenditure on another service in 1910-11 is a serious violation of proper financial procedure, and I have to express my regret that so improper a proposal should have been put forward. The two ~~services~~ are a ~~necessity~~

necessity, they ~~should~~ be built, and the money for them should be found, if possible, from savings this year, and not from some unexpended ~~balance~~ <sup>balance of</sup> last year, which was ~~used~~ <sup>used</sup> for other purposes in the general balance. It hardly appears possible that the ~~if~~ <sup>if</sup> ~~it~~ <sup>it</sup> ~~is~~ <sup>is</sup> ~~not~~ <sup>not</sup> ~~possible~~ <sup>possible</sup> that the ~~two~~ <sup>two</sup> ~~houses~~ <sup>houses</sup> ~~are~~ <sup>are</sup> ~~not~~ <sup>not</sup> ~~urgent~~ <sup>urgent</sup> that it was impossible to ~~start~~ <sup>start</sup> ~~any~~ <sup>any</sup> ~~other~~ <sup>other</sup> ~~service~~ <sup>service</sup> ~~in~~ <sup>in</sup> ~~1911-12~~ <sup>1911-12</sup> ~~out~~ <sup>out</sup> ~~of~~ <sup>of</sup> ~~the~~ <sup>the</sup> ~~unexpended~~ <sup>unexpended</sup> ~~balance~~ <sup>balance</sup> ~~of~~ <sup>of</sup> ~~expenditure~~ <sup>expenditure</sup> ~~on~~ <sup>on</sup> ~~another~~ <sup>another</sup> ~~service~~ <sup>service</sup> ~~in~~ <sup>in</sup> ~~1910-11~~ <sup>1910-11</sup> ~~is~~ <sup>is</sup> ~~a~~ <sup>a</sup> ~~serious~~ <sup>serious</sup> ~~violation~~ <sup>violation</sup> ~~of~~ <sup>of</sup> ~~proper~~ <sup>proper</sup> ~~financial~~ <sup>financial</sup> ~~procedure~~ <sup>procedure</sup>, and I have to express my regret that so improper a proposal should have been put forward. The two ~~services~~ <sup>services</sup> ~~are~~ <sup>are</sup> ~~a~~ <sup>a</sup> ~~necessity~~ <sup>necessity</sup>.