

EAST AFR. PROT.



No. 5850

5850
Recd
17 FEB 08

Director. No.
Sadler Conf 3

(Subject.)

1908

Jan

Estimates 1908-9.

Last previous Paper.

3628

Observations on Treasurers notes, & on important details in which East differs from draft approved by Mr. Churchill.

(Minutes)

Mr. Read.

This draft is much better than the Govt. expected it to be sent on 6 Feb. I incline not to delay too much the revision of the Estimates. I prepared a minute on them for the Committee before receiving the Govt. draft, & futurately there is not much which requires attention.

I have not however ministered in Heads 23 & 24. The Agricultural

Govt. to Treas. on 29 Feb.
Sadler Treas. 14th Jan
Avis. Conf. 10th Feb.

Next subsequent Paper

Treas
6942

6942 same as before

Scientific Dept. as there have
been especially your case.
You will see that Mr. Hutchins
has not been able to agree
with the ~~dept.~~ Gov. as to the
amount of the Estimate

The Gov's proposition para 13
is of his dept. as to giving
preference to the Estimates
and is to allowing official
members to vote independently
on questions of reduction of
exp. except when the
Gov. considered the matter
of great importance, should

1895/12

I have written to add more regard
to the above - Secretary & Scientific
Dept. We should not limit the
number of the Finance C^{ty} copy of the same (in print)
to 500 + some (in print), copy of the same (in print)
of 5000 more (being printed) - a copy of 1074
1000 others more - a copy of 1074
1895/12

Memorandum

The financial operations of 1905-6 and 1906-7 may be summarized as -

	Local Revenue.	Grant-in-Aid.	Expenditure.	Surplus
1905-6	£ 270,362	£ 214,000	£ 418,349	£ 65,973
1906-7	£ 461,363	£ 164,000	£ 614,021	£ 10,342

The operations of 1907-8 do not admit of being readily put in a tabular form. This is done in Appendix B. to the Estimate but the table is very unintelligible and I think I had better furnish an explanation.

The year began with a surplus of Assets of £227,705 - the Local Revenue is now estimated at £531,365, the Grant-in-Aid was £164,000 and there was a special grant for the Abolition of Slavery of £10,000.

The Ordinary Expenditure is estimated to be £727,184 - £1,000,000 sanctioned, £ 1,000 having been raised, and £12,816 remaining to be devoted for services not sanctioned in the year.

There was additional Railway Expenditure out of balances for the new Cargo Boat Co., to the amount of £13,267 and also special expenditure out of balances on Nairobi Bridge, Removal of Treasury, and Railway Surveys amounting to £21,000. And there was further special expenditure from balances of £2,000 on the purchase of Stock and £1,000 on combating diseases of Stock.

The figures of the Year may be presented with these explanations in tabular form as follows:-

<u>Revenue</u>		<u>Expenditure</u>	
Surplus on 31/3/07	£225,708.	Ordinary Expenditure	736,184.
Local Revenue	31,355	Special Railway Expenditure.	15,427.
Grant-in-Aid	153,000	Other special Expenditure.	21,000
Slavery Grant.	40,000	Slavery Expenditure.	0,000
Total.	£950,063.	Stock.	2,000
		Disposes of Stock.	16,500
		Surplus on 31/3/08	796,951
			£53,112
			£950,063

The forecast for the next year 1909 is as follows:-

<u>Revenue</u>		<u>Expenditure</u>	
Surplus on 31/3/08	£153,112	Ordinary Expenditure	747,223
Local Revenue 1908-9.	533,439	Special Expenditure	32,500
Grant in Aid 1908-9	153,000	Slavery Expenditure	34,000
	£839,551		813,723
		Balance Still available	25,828
			£839,551

The rapid depletion of our balances makes it appear that we shall require an increased grant-in-aid for 1909-10.

But this is not necessarily the case: £42,385 of our ordinary expenditure is revoted from 1908-9 and if we deduct that and estimate the expenditure of 1909-10 at the figure so arrived at it will be £704,843.

The estimated revenue of 1908-9 is £839,439 add a grant-in-aid of £153,000 and we have £992,439 so that an increase of revenue of some £18,000 would make our accounts balance. It is however very desirable to reduce the grant-in-aid, and I have accordingly made suggestions for reducing the current estimates as follows:-

<u>Reductions proposed</u>	£
On Public Works Extraordinary	8,650
On Survey	2,211
On Post Office	1,500
On Telegraph special expenditure	750
On Railway Special expenditure (Manager's house)	2,500
On Land Department (one Inspector less)	750
On Public Works	<u>1,590</u>
	<u>£17,951</u>

On the other hand there are two items of additional expenditure which may have to be faced.

The Estimates do not provide for the retention of the Reserve Battalion of the King's African Rifles after 15/3/08 or for the cost of its raising. Lord Elgin has decided that this matter cannot be decided pending a report by the Inspector General after his present tour of inspection. I therefore consider that provision must be made for the contingency that they may be retained. The cost of such retention is estimated by the Treasurer at £9,011 (paragraph 13 of his printed memorandum).

The other item is the proposed expenditure of £3,000 on an electrical installation at Nairobi on which subject a despatch and minutes are circulated to the Committee.

Deducting these two items from the savings we obtain a sum of £5,940 as the net savings which reduces the total expenditure on the Estimates to £741,288 or, deducting the "resanet" expenditure, to £698,903.

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The Estimates will then be in accordance with the Treasury principle that the increase of expenditure over the previous year must not exceed half the estimated increase of revenue. There is no estimated increase of revenue for 1908-9 but a decrease of some £14,000, and accordingly there should be no increase of expenditure; and there will not be any increase if the savings proposed are made - the ordinary expenditure of 1907-8 having been sanctioned at £700,392. The Treasurer in paragraphs 15 to 24 of his memorandum makes some proposals for amending the half-and-half principle alluded to. The Committee will no doubt consider these proposals, but I should be sorry if they accepted them, as I regard the principle as about the only motive to economy which the Protectorate Government has.

I now proceed to discuss the Estimates of Expenditure in detail: it does not seem necessary to add anything to what is said in paragraphs 25 to 29 of the Treasurer's Memorandum on the subject of Revenue.

Estimates of Expenditure

I. Rent and Interest for the Sultan of Zanzibar

This item remains at £17,000 and requires no comment.

II. Pensions show a trifling increase from £517 to £632.

III. His Excellency the Governor

This head shows an increase of £677 from £4505 to £5232. This is more than accounted for by the duty allowance of £500 granted to the Governor and by the (non-recurring) item of £300 for laying out the grounds of the new Government House at Nairobi.

IV. Lieutenant Governor and Secretariat

This department shows an increased expenditure of £1333 - mainly due to the transfer to this head (from Provisional Administration) of the provision for the Secretary for Native Affairs (£700), and to the pension for 3 additional clerks (£268) and £390 additional local Travelling mainly resulting from the transfer. An Office Superintendent at £200 by £20 to £300 is substituted for the 3rd Assistant Secretary at £250 by £20 to £300 effecting a slight saving.

See 614/078

Official Gazette, Printing and Stationery.

The provision rises from £4269 to £4908 - increase £649.

This is due to the appointment of a head Printer at £200 to £300 and an increase of £110 in the provision for type and machinery. It certainly seems desirable that a printing office of this size should have a responsible European with technical knowledge at its head.

See 614/07-

6. Provincial Administration.

This important head shows an increase of £10259 from £27,691 to £37,950. It is of course to this department that we have to look for a large part of our Revenue, viz. that derived from Hut Tax; but it is rather disappointing to find that the increased cost is larger than the estimated increased receipts from Hut Tax - which are £32,810 or only £5,147 more than last year.

The chief increase of staff is 2 District Commissioners and 7 Assistant District Commissioners involving an increased cost of £3300. Some of these additional officers will be detailed for special duties under the Secretary for Native affairs. This branch of the Administration has been established in the course of last year to regulate and control Native Labour. It is still experimental and one can only hope that it will justify its cost. The officers detailed for this duty - 6 in all - are granted a duty allowance of £50 each on account of the more arduous nature of their work compared with that of the ordinary District Officer. The other 6 will be available for ordinary district work. The Treasurer says at present there are 3 stations without an officer and many others where there is only 1, who is tied to the station and cannot travel. No doubt the new officers will soon pay for their appointment in increased hut tax receipts.

An increase of £960 (p 28) is shown under the province of Ukanda, as a provision for the payment of fixed salaries instead of commissions to native tax collectors. This seems a desirable change; and I take it no real increase of expenditure is involved.

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On page 29 there is an increase of £463 for local travelling, and £427 in travelling allowances for the Province of Ukamba alone with the note "Previous provision inadequate". With regard to the travelling allowances the large amount expended was the subject of our confidential despatch of 22nd October (11923) in which it was proposed to cut off travelling allowances from those officers whose duties involved continuous travelling, and to give them some increase in pay: from which it was believed a saving would result. It does not seem possible to embody the change in these allowances but the growth of the allowances and also of the item "local travelling" should be commented on and an enquiry directed.

Roughly the amounts provided under the various heads for Transport are Passages 15,200
Local Travelling 125,500
Allowances £9200
Carriage of Goods £. 28,000
Total £59,000

On the same page there is an increase of some £300 for subsidies to chiefs in lieu of Commission on Hut Tax in the Province of Kenya, the nature of which has already been explained.

On page 30 there is an increase of £250 for Travelling.

In Kisumu (page 31) 3 additional clerks entail an addition of £156 to the total cost while additions under Transport cause a net increase of £271 in the same province.

In Naivasha (page 33) Transport shows a net increase of £200.

The cost of policing the Abyssinian Boundary is up £4150: these proposals are still under consideration but the provision must stand for the present.

There is an apparent saving of £2,265 under the subhead Native Affairs (page 34) the items of which have been distributed under the head Secretariat and the previous subheads of this head.

To sum up the cause of the alterations under this Head are -

<u>Increase</u>	General Staff	£ 3,600
	Transport	1,950
	Subsidies to Native Tax Collectors	1,260
	Abyssinian Boundary	4,150
	Labour recruiters	500
	Miscellaneous	1,064
	<hr/>	
	Total	12,524
Deduct savings	Native Affairs	2,265
	<hr/>	
	Net increase.	10,259

Head 7 Treasury.

This shows an increase of £670 due to certain duty allowances and additional minor officials sanctioned in view of the removal of the Treasury to Nairobi and to increments.

Head 8 Customs. Shows an increase of £620 due mainly to the proposal to appoint a deputy Chief of Customs at £400 by £20 to £500. This appointment should I think be approved; the cost of the department £12021 will not be disproportioned to the revenue obtained £94,000, especially considering that there are a number of ports of entry.

Head 9. Port and Marine shows a slight decrease of £150. The net cost of running the Juba is £4216 but it is necessary to maintain her, until private enterprise gives regular communication with the northern ports.

Head 9.A. Special Expenditure Port and Marine shows a decrease of £1670 owing to the absence of last year's heavy bill for repairing the "Juba".

Head 10. Audit. Shows an increase of £542 due to increased travelling and extra clerks.

Head 11. Legal Departments. Show an increase of £1665 to £12869. The Deputy Registrar of High Court is a new appointment which has already been sanctioned but on a scale of £200 to £300, (Treasury 17046) but the

Governor

Governor wishes to alter this and also the salary of the Deputy Registrar of Documents, on the ground that we have admitted that £200 is too little for a man to live on in Nairobi. The Treasury have more or less assented to this doctrine (Treasury 24164) and I suppose the increases must stand.

There is an item of £200 for a legal library at Nairobi. This I presume will not be recurrent.

The remaining increase is chiefly under the head of transport and payments to jurors and witnesses.

The proposal of the Governor to give the Crown Advocate an increase has already been negatived and is therefore (rightly) not included in the estimates.

12. Police.

This head shows an increase of £3,200 and stands at £56,509.

The increase is accounted for by an addition of 160 to the rank and file required for new stations in Tanaland Jubaland and Setik and by an addition of 7 to the rank of Assistant District Superintendent, partly balanced by a decrease of 5 in the rank of European Inspectors. The latter change is due to the necessity of obtaining a better class of man as officers of the Police: the Inspectors scale of £180 to £250 not being sufficiently attractive.

There is also an addition of £605 for a Pay and Quarter-master/a establishment, which has already been approved by the Committee.

The question of the Police is being specially considered by Mr. Churchill and I therefore make no suggestion for the reduction of this estimate.

On this head I may refer to the question of ~~reducing~~ ^{re-arming} the police. No provision is made in the Estimates but it appears from paragraph 11 of the Treasurer's minute that funds will be available to the extent of £5000 for this purpose either from additional savings or this year's estimates if the Battalion, King's African Rifles are not paid off this year, or from savings on next year's estimates if they are paid off this year.

13. Prisons

This head shows an increase of £2351- to £11391.

Some £400 of this is due to the Reformatory for Native boys which it is proposed to establish as to which see under Public Works Extraordinary where £1000 is provided for the prime cost.

The remaining increase is accounted for by a large number of small increases for providing more gaolers and warders in the rather numerous prisons of the Protectorate the largest item being an increase of £500 in food, clothing and Transport for warders and prisoners in Kisumu.

The increase may be said to be due to the discouragement of the punishment of natives by flooring more imprisonment is the necessary result.

11. The Medical Department shows a decrease of £30 and does not call for comment.

12. Hospital

15 - Hospitals and Dispensaries cost £1,000 more at £10,000 which is due to the provision of staff for the newly established Lunatic Asylum (£3,400); to additions to the number of Compounders and Hospital Assistants; and to the increased quantity of medical stores required.

15 A. The special expenditure is £400 less.

16. There is a large increase under Education vizt. £2788 to £4368.

This increase is mainly due to provision being made for a combined day and boarding school for European children.

The report of the Committee on this subject was sent to us in 17437; and the expenditure of £2500 on the school was sanctioned last year, and presumably it will be finished by 31st March. Some provision for European education is no doubt desirable but it seems doubtful whether the Government can be called upon both to feed and educate children gratis.

And it seems clear that if the Government provides the funds for education it should have a majority of officials or a Committee appointed to manage it: a principle which appears not to be grasped by the Committee which reported on 17437.

Provision is also made, involving an additional expenditure of 2320 for a Mahomedan School at Bombay. This scheme has been provisionally approved by the Secretary of State.

17. Transport.

This schedule shows a slight decrease but the main items are divided among the other votes and are very large. I think a report should be obtained from the Director of Transport on the cost of local Traveling and the means of diminishing it.

18. Military Expenditure.

As already mentioned these estimates only provide for the retention of the 1st Battalion King's African Rifles up to 15/7/08 and if they are retained there will be an increased expenditure of £9,211 to be provided.

Apart from this important question the details of this head do not appear to call for remark.

19 - 20. Miscellaneous services and Bombay Agency.

These estimates are practically stationary and do not call for comment. The Agency has recently been the subject of enquiry and it did not appear that any saving was practicable pending the death or retirement of the existing officers.

21. Post Office and Telegraphs

The expenditure on these services has risen very greatly in the past two years without an equivalent rise in Revenue.

	1906-7	1907-8	1908-9
Revenue	15734	17,410	18,900
Expenditure	16125	22,655	26,300

A good part of the addition is due to the demand of settlers in outlying places for postal facilities and to their refusing to be served by Indians. I think the Post Office should be self-supporting

self-supporting and that economies could be effected by employing stationmasters and shopkeepers as Postmasters at a small remuneration. I should cut out the provision for additional staff on page 74 saving as nearly as I can calculate £1,500.

Schedule 21.A.

Telegraph and Post Office. Special Expenditure.

There is an increase of £530 though there is no new construction. I should like to ask why so much reconstruction is necessary.

The Governor has since said that the Witu-Kisumu line may be postponed saving £760.

22.A.

Railway Department.

The expenditure is down £21,884 corresponding to a decrease of £38,385 in the receipts. The Manager has furnished a report on these estimates and it does not seem necessary to add much.

As to the question of fuel - the Railway have been in the habit of taking fuel from the forests gratis. They will now pay the Forest Department for it which seems fair.

The question of the Quarantine station is an obscure one which we are endeavouring to clear up with the Foreign Office.

The origin of the charge upon the Railway

was that the station was mainly used by coolies imported from India for the Railway. If this state of things is found to exist no longer the charge may be redistributed: but it must stand for the present.

22.A. Railway Special Expenditure.

The most important item is the £36,585 the balance of the sum required for the Kilindini Pier.

In view of Mr Charchill's statement that the estimate would be exceeded it would be well to have a report on the progress of this work. I should ~~negative~~ the expenditure of £2,500 for a new house for the Manager. If he is not satisfied with his present house and another one cannot be found for him he should be granted an allowance equal to the annual value of his present house and invited to make his own arrangements.

25.

Immigration Department.

This Department shows a decrease of £400 due to the absence of provision for Indian immigration. If indentured Indian immigration is not to be sanctioned (and feeling in the Protectorate appears to be against it except on conditions which His Majesty's Government could not admit) the necessity for this Department is doubtful: and I am inclined to suggest its abolition; any duties towards existing immigrants being discharged by the Native Affairs Officers, and the staff being absorbed in other Departments.

26 and 26 a

Survey Department and Survey Special Expenditure.

These Departments figure at £22,000 and £1,236 as against £17,099 and £754 - an increase of £4,000. The Department has of course been enlarged to meet the constant and urgent demand from the settlers for more rapid survey of their lands. The Survey Committee has however considered the Estimates and has been able to make a reduction of £2,211.

27.

The Land Office shows an increase of £5,500 and stands at 10,397.

This heavy increase is due to the addition of a conveyancer represented by the Governor as being necessary in order to relieve the Crown Advocate (44977), and in view of the work entailed by the new land Ordinance, I should support the proposal.

Provision is made for 3 Inspectors of Farms 1 at £375 and 2 at £350.

We approved one Land Ranger (31259), but 3 seems rather a large order. I should cut off one saving £350 in salary and apparently £400 in passages local travelling and travelling allowance for that apparently is the cost of each inspector's locomotion: it seems an outrageous sum. The expenses of the scheme for rapid settlements approved by Mr Churchill are £1500.

24. Public Works Department. Personal Emolument
This head is £2400 up at £2461.

A minute by the Commissioner of Works and Public Works is printed as an enclosure in 3035. The estimate is printed as an enclosure in 3035. The Public Works to be undertaken in the coming year are less than last year and I don't see why the cost of the staff should increase so much. I should negative the increase of £50 to Mr Tenner. As to the Chief Acct. and Asst. Acct. see Gov's despatch 611/07-8.

The Chief Accountant was engaged less than 3 years ago at £200 - if he is offered re-engagement in June at £250 by £25 to £300 he will be doing all. We thus save £50 and I should save £50 more by refusing to raise the Assistant Accountant's salary. I see no sufficient ground for adding an Assistant Architect and a Quantity Surveyor. The new officer (to be styled Government Architect) must be competent to take out his own quantities.

This involves a saving of £500.

Then there is an increase of £940 in the subordinate District Staff.

This Mr. Watts says is due to his own appointment, and to other reasons which are not given.

Mr. Watts was appointed to economise not to increase the expenditure and I should simply disallow the £940.

The total saving on the head will thus be £1,590.

I should agree to Mr. Watts' proposal to make certain officers permanent and pensionable.

29. Public Works Department.

This year shows an increase of £1,404 due to the increased length of roads required to be kept in repair.

30. Public Works Extraordinary figure at 247,985 only as against £104,824 last year: it having been necessary to economise on this side in order to balance the decreased revenue and increased expenditure on other departments.

Mr. Churchill advises that the following items shall be struck out:

	£.
13. Commencement of Court House &c. Nairobi	1,500
50. Offices Nakuru	700
55. Additions to Government House Mombasa . . .	1,000
62. Additions to Land Office	300
63. Additional room C.V.O.'s House.	150
81. Menorail.	5,000
	£8,650.

If this is done the only item to which it seems necessary to call attention is the £1,000 for a Reformatory. This will take the form of a farm near Nairobi, and is recommended by Mr. Churchill.

Mr. Ellis. W. 9 E.

Mr. Read.

The Estimates of the East Africa Protectorate were considered at the 5th meeting of the Finance Committee on the 21st of February, and the following recommendations were made.

Heads of Expenditure.

Head 6. Provincial Administration

Doubt was expressed as to whether the increase amounting to £4,150 for policing the International Boundary should be allowed, in view of the proposal now before the Secretary of State that any further expenditure for this purpose should be borne by Foreign Office funds.

It was agreed that no provision need be made at present for the scheme for altering the scales of salary and allowances of administrative officers.

Head 12. Police.

It was agreed that an endeavour should be made to cancel the arrangements which had been made for filling three existing vacancies for European Police Constables, and that for the present fresh vacancies of this class should not be filled.

Head 13. Prisons.

The items amounting to £417 for a Reformatory at Nairobi should stand in the Estimates, but, as no decision has been reached as to the necessity for this service, no expenditure should be incurred at present.

Head 16. Education.

The Committee presumed that the vote for a new European School at Nairobi was not intended to cover the whole cost of the school, but merely to cover the deficit due to the reception of really necessitous

children

Mr. Churchill presiding

The S. of P. has now decided that we should ask the F.P. to allow the vote to be changed to the Diplomatic & Consular Vote. I think may be mentioned in the minutes.

children. They were of opinion that enquiry as to this should be made of the Governor, and that the matter should be carefully watched.

Head 18. Military Expenditure.

The Chairman suggested that it was unnecessary to maintain a battalion organization at headquarters for the 200 men of the Foreign Service Battalion of the King's African Rifles. Where large bodies of troops were to be employed in combined operations, there the whole hierarchy of large tactical units must be kept up, but such operations were not expected to arise in East Africa, and it appeared that all that was required was a good company organization. He considered that the post of Commandant of the Foreign Service Battalion might be abolished, and that the Foreign Service Battalion might be administered by the same staff as the 3rd Battalion. Pending the settlement of the question of the retention or otherwise of the Foreign Service Battalion the Committee thought that the earliest opportunity should be taken of enquiring into the matter and if the alteration were found feasible, making out the consequent economies.

Head 21. Post Office and Telegraphs.

The Committee considered that Indians should be employed whenever possible, in the interests of public economy.

Head 25. Immigration Department.

The Committee concurred with Mr. Ellis that this Department should be abolished, and its work placed under the supervision of the Secretary for Native Affairs.

Head 30. Public Works Extraordinary.

The provision of £1,000 for the Reformatory is subject to the same remarks as are made under Head 13.

The Committee did not consider the questions raised in the petition of the Nairobi Electric Light and Power Company.

In regard to all the matters respecting which no specific recommendation is made, the Committee concurred with the views expressed in Mr. Ellis' memorandum and in the minutes bearing thereon.

E.R.D. 21st Feb 1908

*See minutes
in the
27th/10/08
in separate
smaller envelope
to E.R.*

*Should we submit the
the Fees? with the amendments suggested
in the foregoing minutes?*

*H. J. R.
24/2*

*So proceed.
W.H. Feb 24.*

*Jfk
25.2
alone*



Governor's Office,
Nairobi,
January 7th 1908.

EAST AFRICA PROTECTORATE.

CONFIDENTIAL (3)

(Incl. 3)

Supplement to the print

C. O.
5850

REC'D
Jan 17 1908

My Lord,

The Treasurer's notes on the Estimates for 1908-09 were submitted to Your Lordship with this office despatch Confidential (90) of the 30th number last, whilst I was on a short tour through the ~~the~~ Districts of the Kavirondo Province.

2. The Estimates were gone through and approved by ~~Right Honourable~~ Winston Churchill before they were discussed in Council, and Mr. Bowring's notes are so full that I think it will not be necessary for me to enter into details; I shall confine my remarks to certain points raised in the Treasurer's notes and to the more important details in which the Estimates, as submitted, differ from the draft reviewed by Mr. Winston Churchill.

3. It is unfortunate that we again find it impossible to prepare a general Budget on the lines of the half and half principle. The reasons for this are explained by Mr. Bowring, and were anticipated in my financial despatch No. 225 of the 7th of May 1906, when I dealt at length with the difficulties we should have in applying at present this principle in a new and rising

H.M. PRINCIPAL SECRETARY OF STATE
FOR THE COLONIES,
DOWNING STREET,
LONDON, S. W.

029
3035
Mr. Hutchins
No. 2
Mr. Bowring
Jan. 11th
Minutes of the
Leg. Council

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rising Protectorate where conditions are as yet abnormal.

4. In paragraphs 18 - 24 the Treasurer has made suggestions for overcoming the difficulty to which I would invite Your Lordship's favourable consideration. Briefly they are to divide the expenditure into three classes, the first of which would comprise the ordinary Administrative expenses of the Protectorate, the second expenditure required for developing the resources of the Protectorate and assisting commercial and industrial enterprise, and under the third would be included extraordinary expenditure such as that required for Public Works, Extraordinary, Telegraph constructions, Police equipment and Military special expenditure; and to apply the half and half principle to Class I.

5. If the Lords of the Treasury would accept this principle we should then have a fixed system upon which to base the ordinary expenditure of the Protectorate; later on it should be possible to combine Classes I and II under operation of this principle, and there would then only be left Class III for which expenditure would have to be allotted, either by grant or loan, according to special requirements and the financial position of the time being.

6. With regard to the Reserve Battalion, I am addressing Your Lordship in a separate despatch. If the 1st Battalion, King's African Rifles, is relieved by the 2nd Battalion, as a Reserve Battalion, the sum of £9,011 will have to be added to the expenditure vote of the estimates as noted in paragraph 13 of the Treasurer's letter.

7. In this case some restriction may be possible on the Police Estimate, but this cannot be accurately determined till a full enquiry has been made into the position and organization of the force.

8. Since the Estimates were reviewed by the Right Honourable Winston Churchill the following alterations were made by the Legislative Council:-

(a) Mbale-Mumias Telegraph Line. Half cost to British East Africa £750. Eliminated as not required in the interests of this Protectorate.

(b) Almalyk £50. Eliminated

(c) Forestry Vote of £16,000. Reduced to £12,000.

In this connection I attach copy of a letter from the Chief Conservator of Forests protesting against this reduction, and of a note by the Treasurer. Mr. Hutchins originally framed an estimate of £20,000. On being informed that so large an expenditure could not be considered, his estimate was recast to its present form both the Treasurer and myself going through the figures with him. We were, however, still doubtful whether so much as £16,000 should be spent so early in the formation of the Department, and in the discussion at the Legislative Council a further reduction of £4,000 was made. I quite sympathise with Mr. Hutchins in his desire to make his Department as effective as possible; but it is a question of ways and means. I think the Forestry should be treated as any other Department like, for instance, the Survey which is gradually being brought up to the required strength, and I agree with the Treasurer that the export value of our timber is at present

(4)

present prospective rather than practical, and I think that it should be possible for the next year to work the Department on the basis of a £12,000 estimate.

(d) £3,000 for the electric lighting of Nairobi.

Eliminated. I have addressed Your Lordship on this subject in my despatch No.561 of the 28th December last.

(e) Water Supply at Nakuru £1,000 to commence scheme.

Eliminated. No definite scheme has yet been put forward and it was thought that this might stand over for another year.

(f) Parliamentary Vote, Special Expenditure. Reduction of £2,000 at the instance of the Treasurer, as the special vote of £16,500, lately sanctioned to deal with cattle disease, will cover portion of the expenditure previously proposed for 1908-09.

Reduction of £2,000 at the instance of the Treasurer, as the special vote of £16,500, lately sanctioned to deal with cattle disease, will cover portion of the expenditure previously proposed for 1908-09.

(g) Public Works Extraordinary. New Roads and Bridges Vote of £9,844 increased to £15,000. Instead of allocating to Special Works it was thought better to lump the whole vote together and then to consider what roads and bridges are most urgently called for by the assistance of Provincial Advisory Boards upon which the unofficial element in each Province will be duly represented. Steps have already been taken to form these boards.

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9. On the other hand since the Estimates were passed by the Council it has been found that the following items:-

Witu-Mkurumbi Telegraph Line, £750. Is not a matter of any urgency. This item can, therefore, be eliminated or re-allocated.

029
2932
07-8
mk

10. Attached to the letter of the Treasurer is an explanatory minute, dated the 28th December 1907, dealing with the staff of this Department. I agree with the recommendations he has made as to the increase of salaries, new appointments and substitutions in a few cases of permanent for temporary posts.

11. In offering Mr. Ross a permanent appointment in the Public Works Department, the Commissioner of Public Works would wish that the designation of his appointment should be of Superintending Engineer instead of Director of Public Works, in which I agree. His present title is anomalous, and the title suggested, which elsewhere is a high one, would be in no way derogatory to him.

12. In the Estimates as originally submitted to the Right Honourable Winston Churchill provision was made for a preliminary survey for a water supply for Mombasa, and to commence a scheme for supplying Kisumu with water. Both items were struck out at the instance of the Under Secretary of State, the former because it was held that a scheme involving so large an expenditure must be independent of the Estimates and be met either by private enterprise or the allotment of special funds, and the latter because the scheme would involve our committing ourselves to a large expenditure which he considered had better be deferred.

13. Your Lordship will have observed that several alterations were made in the Estimates during the discussion in the Legislative Council. This is the first occasion upon which a Budget has been discussed by the Council of this Protectorate and we had no experience.

(6)

experience to guide us as to the proper procedure that should be adopted; whether the Budget as a whole, with each item therein, should be passed by an official majority in the form in which it was presented to the Council, or whether the official members should be free to vote independently, on points raised by the unofficial members, which I did not consider to be of sufficient importance to warrant being carried direct by an official majority. The latter is the course I pursued. But we said we had no experience in this matter to guide us and I should be obliged if I could be informed what the usual procedure is in such matters.

14. I would also wish to know whether any objections need be held to the Budget being published in, and discussed by, the Public Press before being submitted to the Council. Personally I am of opinion that the greater publicity we give in a case of this kind the better, and such a course would enable us to gauge the public opinion before the items are discussed in the Council.

15. Owing to the visit of the Right Honourable Under Secretary of State and the necessity of despatching the Estimates to Your Lordship by the fixed date, the copies of the Budget could only be placed in the hands of the unofficial members a few days before the Estimates came on for discussion. This was unfortunate as some of the unofficial members, all of whom were new to this work took occasion in committee to criticize the Government in many of its administrative

and

(7)

and financial measures, in a spirit which would probably have been more conciliatory had they been better acquainted with the subjects under discussion.

16. I attach the Minutes of the meeting showing where the unofficial members raised objections; where no vote is recorded they merely expressed their desire to have their protests recorded.

I have the honour to be,
with the highest respect,

My Lord,

Your Majesty's most obedient,
humble servant,

Henry Buller

INCLOSURE 201

No. 34

In Despatch *Conf.* 3 of Jan. 7, 1908.

68

Forest Office,
Nairobi.

December 16, 1907.
28

Reduction in Forest Estimates recommended
by the Legislative Council.

C. G.
5850
Recd
FEB 17 1908

Sir:

With reference to His Excellency the Governor's
verbal instructions and the Honorable the Treasurer's
letter of the 11th instant, I have the honor to point
out that it is a mistake to infer my intention of
reducing the estimates for 1908, with one exception,
to the amount of £16,000. The one exception
is the Forest Department, which has been reduced from
£20,000 to £16,000. I
have accordingly revised my estimates in line with
my accountant's independent correct estimate. It is
of our scientific interest that as far as possible
further reductions should be made out of the Government
expenditure with the scheme sanctioned generally by
the Secretary of State. I am, therefore, glad these
facts should be before the Colonial Office. It will be
recalled, that, after completing my inspection of the
forests of the Protectorate, now nearly a year ago, I
estimated the cost of my scheme at £16,000. (This
Office No 14, dated March 2, 1907, addressed to H. E.
the Acting Commissioner, Nairobi)

Subsequently, in consultation with officers at
the Forest Office in England, I have endeavored
of the contents of the report and I prepared the year
estimated expenditure with a view to the issue

The Secretary to the Legislative Council

previous to his going on leave. These estimates were very carefully and fully considered. They totalled \$30,188, and were accepted. I was subsequently instructed, however, that they would have to be reduced: and, as the result of an afternoon's work with the Treasurer and a very careful consideration of all the circumstances of forest work in this country, it was found possible to reduce the budget at \$10,000. The letter of 10.17.19 of 19th October set. The budget was scrupulously examined that my scheme does not admit of further reduction. It must be accepted or rejected as it stands.

As pointed out in my letter of the 10th instant, some reduction may be possible in the next few years, three years with the completion of the forest demarcations but that reduction is not to be known.

The resolution of the Legislative Council recommends a further reduction of \$4,000 in the Forest Estimates. I beg it may be considered that it is better to refer such matters to the Council's advice on such technical matters in this country, the advice, whatever may be the result, is, at least, not likely to be ill-fitted. It is too late from an administrative point of view, and it is too early from the Council's point of view: I can only report on the merits of the proposals (vide memo. 888, of October, 1917) and that the Council have not obtained an opportunity of doing so by forest scheme, and it has been adopted generally (though not in detail) by the Colonial Office and the staff required to carry it out authorized.

Briefly my forest scheme embraces: (1) The restoration of the forests destroyed in the early days of the war and the resumption of fuel cutting. (2) The arrest of

of further destruction of forests by natives, particularly the destruction, wrought by the Kumi cultivation of the Kufuku and by the Masai with their grazing fires.

- (3) The cessation of further forest concessions and grants to speculators.
- (d) A more economical working of the railway fuel cutting and working of the forest generally so as to utilize the timber without destroying the forest.

These measures, as it actually the case in the arrest of a national evil, such as forest destruction will involve some temporary inconvenience to certain members of the community. These temporary inconveniences have begun to be felt while this delay in revising my forest report has proceeded. One reason for these inconveniences becoming daily more acute, it is possible that the adverse decisions of the Legislative Council may have been influenced by an experience of this kind of evidence, aided, no doubt, by a knowledge of the inefficient working of the Forest Department in the past. It may be noted that similar adverse votes have occurred in the course of Parliamentary proceedings at the end of the last quarter of century, at the moment, whether this has happened to be British or Dutch - with reference to the working of the Forest Department, has not departed from its policy of forest conservation. They said, that, (allowing interest at 3%) a total sum of £1,000,000 (one million) has been expended by the Cape Administration in forestry since I first went to the Cape from India in 1885. This is a heavy expenditure for a country with a total revenue of £8,000,000 or £9,000,000 and where the soil fertility and natural resources of the country are inferior to Africa. It has, however, been cheerfully borne for climatic reasons and the desire to

to keep in the country the £400,000 or £500,000 which now goes yearly out of the country for imported timber. This million at the Cape may be compared with the German forest expenditure of £8,000,000 (eight millions) yearly the French of £500,000, and the Japanese of £250,000. The Indian Forest Department has a gross yearly revenue of £1,500,000 and an expenditure of £800,000. A vote tantamount to the destruction of a Government Department entrusted with the preservation of a large portion of the future wealth and fertility of the country would hardly be possible under responsible Government. Nor under a material form of Government would such a proposal be seriously considered. In India the conditions and usefulness of the Forest Department are well understood. The Forest Department under the Government of India is continually enlarging its scope, its usefulness, and the funds at its disposal: while the Forest policy of native states is closely watched and the forests well guarded. Native States are not allowed to squander their forest resources or to waste them by shirking their forest expenditure. In Mysore, the State where I served in India, and which has since developed in charge of a European Commissioner as a safeguard while in nearly every other department of the State, an entirely native personnel was allowed.

Mr. Watts, The Commissioner of Works in his note to you dated 16th instant speaks with a more recent knowledge of Forestry in India. He says that unless Forestry be seriously undertaken in the Protectorate the results will be disastrous to the country and state. I agree, the cost of public works. He adds "On many occasions local Governments, e.g. Madras, Bombay, etc., have tried to have

to keep in the country the \$400,000 or \$500,000 which now goes yearly out of the country for imported timber. This million at the Cape may be compared with the German forest expenditure of \$8,000,000 (eight millions) yearly the French of \$500,000, and the Japanese of \$250,000. The Indian Forest Department has a gross yearly revenue of \$1,500,000 and an expenditure of \$800,000. A vote tantamount to the destruction of a Government Department entrusted with the preservation of so large a portion of the future wealth and fertility of the country would hardly be possible under responsible Government. Nor under a paternal form of Government would such a proposal be seriously considered. In India the functions and usefulness of the Forest Department are well understood. The Forest Department under the Government of India is continually enlarging its scope, its usefulness, and the funds at its disposal: while the Forest policy of native states is closely watched and the forests safeguarded. Native States are not allowed to squander their forest resources or to waste them by shirking their forest expenditure. In Mysore, the State where I served in India, and which has since developed into a model native state, the Forest Department remained in charge of a European Conservator as a safeguard while in nearly every other department of the State, an entirely native personnel was allowed.

Mr. Watts, the Commissioner of Works in his note to you dated 16th instant speaks with a more recent knowledge of Forestry in India. He says that unless Forestry be seriously undertaken in the Protectorate the results will be disastrous to the country and that in the case the cost of public works. He adds "On many occasions local Governments, e.g. Madras, Bombay, etc. have tried to have

State have the area of Imperial Forests (class 1.A - that is forests kept from fire and from cutting except under orders from Forest Officers) decreased. The Government of India, however, have invariably vetoed the proposals, and have been upheld in their decisions by the Secretary of State for India. The reason for this is that the Government of India look on the Imperial Forests as a whole, and once determined on, they practically allow no diminution, though they often allow extensions".

Work accomplished.

I may point out that during the four months of its existence as a re-organized Department the Forest Department of British East Africa has accomplished the following work, effecting a saving already in the country's resources exceeding by a considerable sum, its total cost at my highest figure of £20,000.

Use of Cedar and Nohucu timbers for firewood.

There are two timbers of regular value in the Protectorate:

- (1) Pencil Cedar. Juniperus procera.
- (2) Sandal. Nohucu. Vernonia sp.

Extraordinary as it may appear to an outsider these have been the woods commonly used for fire wood. They are durable, easily worked, and full of essential oil. It was just these valuable qualities that led to their use as fuel. Their durability produced a stock of old seasoned timber distributed through the forests: their easy working led to their being cut for firewood by the natives, instead of hardwood (the legitimate firewood) their essential oil produced a firewood that would always burn freely and led to their being preferred by the Whites for firewood. But, as was remarked

referred with regard to the burning of Sneezewood in the old days at the Cape, "their burning was like the burning of bank notes". At the lowest computation (half the consumption at 3^d per c. ft.) the Railway have been burning £20,000 worth of Cedar yearly; and Mohugu has been the favourite firewood at Nairobi, Nyari, and other places where Europeans have settled. It is unnecessary to continue a painful story. I trust that the burning of Mohugu and Cedar for firewood will soon be as much matters of the past as the burning of Sneezewood in South Africa. Mohugu seems to furnish as good a fencing post as Sneezewood. It will now be largely used for the fencing in connection with the campaign against East Coast Tick Fever. A quantity of Mohugu seed has been this year sown in the forest nurseries and the restocking of the forests with this valuable timber will be promoted by skilful thinning. No more Mohugu is being sold for firewood in forests worked conservatively (Government Notice dated 26th September). Further, under the arrangements just concluded with the Uganda Railway the burning of pound Cedar timber will now cease, while the Railway will obtain its fuel (hardwoods) at a reduction of 8% on previous rates: calculating the cost of the fuel at per ton weight. The arrangement with the Uganda Railway is thus summarized in my report dated 28th December 1907.

Summary.

The net effect of these arrangements is that the forest worth saving is worked conservatively: the low grade forest is replaced by more valuable forest: and the Railway gets its fuel supply 8 or 10% cheaper.

Forest reproduction.

I hold myself responsible that while the forest is utilized to its fullest extent, no timber is cut, till the reproduction of the forest is provided for. The Railway and the public must have timber and woodfuel, hence the necessity of a certain standard of efficiency and of expenditure in the Forest Department.

(P.) 74

Use of native instead of imported woods at Nairobi.

I hold with the Commissioner of Works that the imported timber and wasteful corrugated iron can be largely replaced by local material, particularly the more durable woods of these forests. The Commissioner of Works has promised that, in future Government contracts alternative tenders shall be invited for native and for imported timbers.

Forest Nurseries.

Five forest nurseries in accessible localities - three at or near the railway - have been laid down. These have a water supply which was wanting in the older nurseries.

Forest Demarcation.

The Demarcators from the South authorized by the Secretary of State in June last are now at work along the valuable Aberdare forests which have suffered so grievously from destruction by the Wariluyu. Starting from Tarsi, ^{the} Demarcators have now reached the Ghania River.

Preparing the Forest for Working.

There are large areas of valuable forest, (particularly the forest at Kenia) which if they were given out for working today could not be exploited without restrictions which would harass the timber workers and lower the value of the workable ^{timber}. By executing certain work, such as felling in certain places and cleaning in others, the natural reproduction of the valuable species can be pushed ahead of the timber working thus enabling the timber workers ^{to} ~~to~~ ^{labor} ~~to~~ ^{to} nearly clean-fall the valuable mature timbers. This is particularly necessary in the case of Camphor on the southern side of Kenia and in the Aberdare forests and with Cedar on western Kenia (see Mr.

Mr. Morton Preven's memorandum dated June 23, 1907, forwarded to me with Colonial Office despatch No. 532, of 19th September, 1907. This preliminary thinning and cleaning of the more valuable species is now in hand, and I hope will show considerable progress within the next few months.

Other Measures.

The other measures sketched in my report on the forests of the Protectorate are now more or less fully in hand. It would unduly prolong this report to attempt to recapitulate them.

A stock of seed of many of the most valuable trees indigenous and foreign had been secured; these seeds are now being sown in the new forest nurseries so as to secure young trees for planting out with the big rains in April next.

In conclusion I trust that the ill-timed vote of the Legislative Council will not be allowed to wreck the work on which the Forest Department has now embarked. It may be confidently asserted that the Forest Department has already saved the country considerably more than its total cost, while the evils of forest destruction on these Equatorial highlands where all the permanent rivers rise is incalculable.

I have the honour to be,

Sir,

Your most obedient servant,

E. H. Smith

Chief Conservator of Forests.

COPY.

INCLOSURE No 2

In Despatch No. 3 of Jan. 7, 1908

C. C.
5850
REC^d
REC. 17 FEB 08

NOTE

In the first place the question of these Estimates must be considered with the half and half principle in mind.

If this principle is to be applied to the Forestry Department I cannot see how we can possibly arrange the finances. But, even if the Forestry Department may be treated separately from the other Departments it is, in my opinion, still a question whether an expenditure of £16,000 is justifiable. I cannot overcome the feeling that the export value of our timber is theoretical rather than practical, and I do not think we should increase the departmental expenditure to the large figures proposed by Mr. Hutchins for the present.

After perusing Mr. Hutchins' letter I do not see why his programme cannot be modified so as to come within the scope of the £12,000 estimate. We must cut our coat according to our cloth. Mr. Hutchins' arguments apply equally to other departments. We are daily losing prospective revenue through the inability to incur immediately the expenditure required to open up new areas or extend the operations of the existing departments.

Sd/- G.C. BOWRING
Treasurer.

Nairobi,

Jan. 11th 1908.

In Despatch No. 3 of Jan. 7 1908.

ESTIMATES.

Into Committee. The Treasurer moved that the Council go into Committee to consider the Bill.

The Crown Advocate seconded.

The motion was agreed to.

Licences Excise & Internal Revenue.

The Treasurer moved the following alterations on page 5 of the Estimates:-

Line 5	substitute	3430	for	2795	in last Column
" 10	"	1300	"	1053	" "
" 11	"	500	"	2000	" "
" 13	"	2250	"	1632	" "

This was seconded by the Lieutenant Governor.

The motion was agreed to.

Mombasa Trolley & Line.

Lord Delamere proposed that the Mombasa Trolley Line should be leased to a private firm if possible.

Mr. Baillie concurred.

Government Printing & Gazette.

Lord Delamere proposed that the Government Printing including the Gazette should be put out to contract.

Mr. Baillie concurred.

His Excellency consented to appoint a Board to enquire into the possibility of this suggestion.

Police Vote.

Lord Delamere moved to reduce the Police Vote by £20,000.

Mr. Baillie seconded. There were for the motion Lord Delamere, Mr. Wilson, Mr. Baillie, all the other members present voted against the motion. The motion was lost.

The Council adjourned.

Estimates.

The Council reassembled 9.45 a.m. 10th December 1907.
 Questions 30, 31, 32, 33 were asked and the answers given by the Honourable Members concerned.

Prisons.

Lord Delamere moved to reduce the Prison Vote by £1000 on the grounds that fining is preferable to imprisonment.

Mr. Baillie seconded.

1st Battalion
K.A. Rifles.

The unofficial members wish to record that in their opinion the cost of the 1st Battalion, King's African Rifles, should not be charged to this Protectorate, as the Battalion is not needed.

Telegraph
Construction
Mumias-Moale.

Lord Delamere proposed to delete £875 in last column item 8 page 77.

Mr. Baillie seconded.

The motion was agreed to.

Telegraph Construct-
-ion, Tel. Kismayu-
-Cobwen.

Lord Delamere proposed to delete £450 in last column item 3 page 77.

Mr. Baillie seconded.

The motion was agreed to.

Lighting Installation
3rd K.A. Rifles.

Lord Delamere moved to delete £100 Item 3 page 70.

Mr. Baillie seconded.

Forestry.

Lord Delamere moved to reduce the Forestry Vote to £12000 and Foresters' Cottages in proportion.

Mr. Wilson seconded, and there were for the motion The Lieutenant Governor, the Treasurer, the Crown Advocate, Mr. Holis, Lord Delamere, Mr. Wilson, Mr. Baillie - Against the motion The Land Commissioner, the Manager, Railway, Colonel Will.

The motion was carried.

Estimates.

The Council adjourned 12.45 p.m.

The Council resumed 2 p.m.

Survey.

Lord Delamere proposed that no increased Expenditure should be voted for the Survey Department in view of the fact that with rapid allotment coming on there is no necessity to increase the Survey Department.

Mr. Baillie seconded and there were for the motion Lord Delamere, Mr. Wilson, Mr. Baillie, all the other members against the motion.

The motion was lost.

Land Office.

Lord Delamere proposed that no increased expenditure should be voted for the Land Office and that funds for the scheme of rapid allotment should be provided elsewhere.

Mr. Baillie seconded.

Electric Light Installation Nairobi.

Mr. Wilson proposed to delete item(19) page 95. Colonel Will seconded and all the members were for the motion except Lord Delamere and Mr. Baillie. The motion was carried.

Malindi Pier.

Lord Delamere proposed to delete item(4) page 95. Mr. Baillie seconded.

The Council adjourned 4 p.m. 10th December
The Council assembled 9 a.m. 11th December
The General Manager Railway was absent.

Quarters for Indian & Coanese Clerks Nairobi.

Mr. Baillie moved to delete item(9) page 95.

Lord Delamere seconded and there were for the motion Lord Delamere, Mr. Wilson, Mr. Baillie. - all the other members were against the motion - and the motion was lost.

Estimates.

Court House and
Chambers for Judge
Nairobi.

Lord Delamere moved to delete item(14)
page 95.

Mr. Wilson seconded and there were for
the motion Lord Delamere, Mr. Wilson, Mr. Baillie,
all the other members were against the motion
and the motion was lost.

11. 12.

The Treasurer moved to delete £21,600 item(13)
page 95 and substitute £1500.

Land Commissioner seconded.

The motion was agreed to.

WATER SUPPLY
MOMBASA.

Lord Delamere moved to delete item(52)
page 97.

Mr. Wilson seconded and there were for the
motion The President, the Lieutenant Governor,
The Treasurer, Lord Delamere, Mr. Wilson. Against
the motion The Land Commissioner, the Crown
Attorney, Colonel Will, Mr. Hollis, Mr. Baillie.

The President then gave a casting vote in
favour of the deletion and the motion was
carried.

SHULAN WATER
SUPPLY.

Lord Delamere moved to delete item(55)
page 97.

The President stated that further enquiry
would be made.

WATER TANKS
MOMBASA.

Lord Delamere moved to delete item(56)
page 97.

Mr. Baillie seconded and all the
members voted for the deletion except the Land
Commissioner and the Treasurer.

The motion was carried.

Additional Storage
Rooms, P.W. Yard
Mombasa.

Lord Delamere moved to delete item(57) p. 97.
Mr. Wilson seconded.

Estimates.

Extension P.W.D.
Yard, Nairobi.

Mr. Baillie moved to delete item (65) p. 98.

Additions to
Land Office.

Lord Delamere moved to delete item (65) p. 98.

Mr. Baillie seconded.

Fence P.W.D.
Yard, Nakuru.

Lord Delamere moved to delete item (70) page 99.

The deletion of items (57) page 97

(63) page 98

(79) page 99

was proposed on the grounds that if more Government buildings was given out to contract it would not be necessary to enlarge Public Works buildings or provide more storage accommodation.

Roads & Bridges.

The Treasurer proposed to delete 85-101 and to have a new item (85) for Road Vote £15000.

Lord Delamere seconded.

The motion was agreed to.

P.W. Recurrent
Mombasa & Bridges.

Lord Delamere moved to include also the amount allocated to Nairobi-Fort Hall road in remainder of Road Vote.

Mr. Baillie seconded.

P.W. Recurrent
Miscellaneous

Lord Delamere wishes it recorded that the present system of bush clearing in Mombasa

Island is inefficient.

Mr. Baillie moved to delete the last 8 items on page 29 and substitute a new heading "Subsidies to Headmen and Native Agents" £960.

Mr. Baillie seconded.

The Treasurer moved to delete the last 8 items on page 29 and substitute a new heading "Subsidies to Headmen and Native Agents" £960.

The Land Commissioner seconded.

The motion was agreed to.

Estimates.

Police.

Lord Delamere protests against the item of 2929 on page 51a for "Training of officers at Dublin" on grounds that there is no necessity to train officers.

Mr. Baillie seconded.

The Council adjourned.

The Council resumed 9 a.m. 13th December 1907.

The General Manager Uganda Railway and Lord Delamere were absent.

Agrical. Dept.
Sp. Expenditure.

The Treasurer moved that 45000 on page 87a become 42000.

The Land Commissioner seconded.

The motion was agreed to.

Appropriation Bill.

The Treasurer moved that 4821755 in para: 1 of the Appropriation Bill become 4814728.

The Land Commissioner seconded.

This was agreed to.

Schedule Alterations in.

The Treasurer moved the following alterations in the Schedule of the Appropriation Bill:-

(4) Lt. Governor's Dept. & Secretariat	46222	instead of	46402
(6) Prov. Administration	67940	"	68900
(11) Leg. Departments	12869	"	13252
(12) Police	55509	"	57037
(18a) Miltry. Sp. Expenditure	9096	"	8363
(21) Post Office & Telegraphs	26358	"	26318
(21a) do. do. Sp. Expenditure	1030	"	2355
(23a) Agriculture Sp. Expenditure	3000	"	5000
(24) Forestry & Scientific	14875	"	19295
(24a) do. do. Sp. Expenditure	1400	"	1750
(27) Land Office	10397	"	10047
(30) P. Works Extraordinary	57955	"	56059

The Land Commissioner seconded.

The motion was agreed to.

Estimates.

Report to Council.

The Treasurer moved that the Bill be now reported to the Council.

The Land Commissioner seconded.

The motion was agreed to.

Notice of 3rd Reading.

The Treasurer gave notice of the 3rd Reading of this Bill in March or April next.

Resumption of Committee.

The Crown Advocate moved that the Council resume the Committee on the Customs Bill.

The Lieutenant Governor seconded.

The motion was agreed to.

Motion Sec. 68.

Mr. Wilson moved to insert "or other approved security" after "guarantee" in Section 68.

The Treasurer seconded.

The motion was agreed to.

Motion Sec. 68.

The Crown Advocate moved to delete "such provided" inclusive in Section 68.

Mr. Wilson seconded.

The motion was agreed to.

Report to Council

The Crown Advocate moved that the Bill be now reported to the Council.

The Land Commissioner seconded.

The motion was agreed to.

3rd Reading.

The 3rd Reading of the Bill was agreed to unanimously and the Bill read a third time.

The President declared the meeting closed.



82

*5850/08
S. al*

DRAFT.

SECRETARY

DOWNING STREET,

TO THE TREASURY

29 February, 1908.

MINUTE.

- Mr. *Ellis 29/2*
- Mr. *Peard 29*
- Mr. *Antrobus*
- Mr. *Cox*
- Mr. *Lucas*
- Sir F. *Hopwood*
- Mr. *Churchill*
- The Earl of Elgin*

Sir,

I am directed by the Earl of Elgin

to transmit to you for consideration of the

Lords Commissioners of the Treasury, the ac-

companying copy of a despatch from the Governor

of the East Africa Protectorate, transmitting

the estimates for the year 1908-1909, and

other despatches bearing upon that subject.

The financial operations of 1905-1906, 1906-

1907 may be summarised as follows:-

6000

to - Conf 12 Dec

to - Conf 30 Dec

to - Conf 7 Jan

50

all from bank

1905-6

1906-7

The Post for

	Local Revenue.	Grant-in-Aid.	Expenditure.	Surplus.
	£	£	£	£
1905-6	290,342	214,000	418,389	65,973
1906-7	451,863	154,000	614,621	10,842

30702

12

44995, 61375850

3. The operations of 1907-8 are analysed in Appendix B to the Estimates, but some explanation of these figures may be desirable.

The year began with a surplus of Assets of £225,708 - the local Revenue is now estimated at £531,355, the Grant-in-Aid was £153,000 and there was a special grant for the Abolition of Slavery of £40,000.

The Ordinary Expenditure is estimated to be £736,184 only as against £781,569 sanctioned, £3,000 having been saved, and £42,385 requiring to be revoted for services not completed in the year.

But there was additional Railway Expenditure out of balances for the new Cargo Boat Ac., to the amount of £15,257 - and also special expenditure out of balances on Nairobi Drainage, Removal of Treasury and Railway Surveys amounting to £21,000. And there was further special expenditure from balances of

£2,000 on the purchase of Stock and £16,000 on combating diseases of Stock.

DRAFT.

The figures of the year may be presented with these explanations in tabular form as follows:-

<u>Revenue</u>		<u>Expenditure</u>	
Surplus on 31/3/07	£225,708	Ordinary Expenditure	£ 736,184
Local Revenue	31,355	Special Railway Expenditure	15,267
Grant-in-Aid	153,000	Other special Expenditure	21,000
Slavery Grant	40,000	Slavery Expenditure	6,000
		Stock	2,000
		Diseases of Stock	16,000
Total	£950,063		796,951
		Surplus on 31/3/08	153,112
			£950,063

The ~~Treasurer's~~ forecast for the next year 1908-9 is based on a grant in aid of £163,000 and is as follows:-

<u>Revenue</u>		<u>Expenditure</u>	
Surplus on 31/3/08	£153,112	Ordinary Expenditure	747,228
Local Revenue 1908-9	538,439	Special Expenditure	32,500
Grant-in-Aid	153,000	Slavery Expenditure	34,000
	£839,551		813,728
	Balance still available		25,823
			£839,551

4. The rapid depletion of our balances makes it appear probable that ^{the situation would} ~~there would be~~ an increased

grant-in-aid for 1909-10 ^{will be required} ~~on the basis of~~ ^{for the 1908-9} ~~of~~ £2153,000

~~But this is not necessarily the case:~~

£47,385 of ~~our~~ ordinary expenditure is re- ^{this sum be}

voted from 1907-8 and if we deduct ~~that and~~ ^{no further increases are necessary} ~~the~~ expenditure of 1909-10 ~~is~~ ^{would}

~~the sum arrived at~~ will be £704,843.

~~The estimated revenue of 1908-9 is~~

~~To meet such an expenditure in 1909-10~~ ^{there would be requisite on the basis of} £533,439 ~~and~~ a grant-in-aid of £153,000 ~~and we~~ ^{and} giving a total of

the 1908-9 figures

~~have~~ £686,439 so that an increase of revenue

of some £18,000 ^{on a draft on balances of the same amount} would make our accounts

balance.

It is however clearly desirable that a more stable equilibrium should

5. With regard to the Estimates of

Revenue, it will be seen that the figures for the coming year show an estimated decline of

about £14,000 as compared with the current year; this is much more than accounted for

by the decline of some £38,000 in the estimated receipts of the Railway, the causes of

which

*In establishing
of his H.L. has
therefore caused
the estimates
to be examined
in detail and
with a view
to provide a more
stable equilibrium
with the results
detailed in
the following
pages of this letter.*

DRAFT.

which Their Lordships have already been acquainted with. The other items of Revenue mostly show satisfactory increases. Thus Customs show an increase of £10,000; Internal Revenue, chiefly salt-tax, £7,000. A slight decline is shown in the proceeds of land sales which however may be regarded as due to the policy, in which Their Lordships have expressed their concurrence, of restricting as far as possible the sale of land as freehold.

6. Estimates of Expenditure.

Subsidy and Interest for the Sultan of Zanzibar

This item remains at £17,000 and requires no comment.

7. Pensions show a trifling increase from £517 to £632.

8. His Excellency the Governor

This head shows an increase of £679 from £4605 to £5284. This is more than accounted for by the duty allowance of £500

granted

87

granted to the Governor and by the (non-recurring) item of £300 for laying out the grounds of the new Government House at Nairobi.

9 ~~the~~ Lieutenant Governor and Secretariat.

This department shows an increased expenditure of £1333 - mainly due to the transfer to this head (from Provisional Administration) of the provision for the Secretary for Native Affairs (£700), and to the ~~provision~~ ^{provision} for 3 additional clerks (£268) and £390 additional local Travelling mainly resulting from the transfer. An Office Superintendent at £200 by £20 to £300 is substituted for the 3rd Assistant Secretary at £250 by £20 to £350 effecting a slight saving.

10. ~~the~~ Official Gazette, Printing and Stationery.

The provision rises from £4269 to £4808 - increase £549.

This is due to the appointment of a Head Printer at £200 to £300 and an increase of £180 in the provision for type and machinery.

It appears desirable to His Lordship that a printing office of this size should have a responsible European with technical knowledge at its head.

DRAFT.

// Provincial Administration.

The chief increase of staff is 2 District Commissioners and 7 Assistant District Commissioners involving an increased cost of £3,000. Three of these additional officers will be detailed for special duties under the Secretary for Native Affairs. This branch of the Administration has been established in the course of last year to regulate and control Native Labour. The officers detailed for this duty - 6 in all, 3 of whom are additionally granted a duty allowance of £50 each on account of the more arduous nature of their work compared with that of the ordinary District Officer. The other 3 ^{additional officers} will be available

for ordinary district work. The Treasurer *in the memorandum submitted in the form of the 30th Decr* states that at present there are 3 stations without an officer and many others where there is only ~~one~~ ^{one}, who is tied to the station and cannot travel; and there is no doubt that the new officers will soon pay for their appointment in increased hut tax receipts.

An increase of £960 (p.28) is shown under the province of Ukamba, as a provision for the payment of fixed salaries instead of commissions to native tax collectors. From the political aspect this seems a desirable change and apparently no real increase of expenditure is involved. On page 19 there is an increase of £463 for local travelling and £427 in travelling allowances for the Province of Ukamba alone with the note "Previous provision inadequate". With regard to the travelling allowances the large amount expended has recently formed the subject of despatch to the Governor, in which His

Lordskip proposed to cut off travelling allowances from those officers whose duties

DRAFT.

involved continuous travelling and to give them ^{in lieu thereof} some increase in pay: from which it was believed a saving would result. It has not been found possible to embody the change in these estimates but the growth of the allowances and also of the item "local travelling" will be made the subject of further enquiry.

+ Roughly the amounts provided under the various heads for Transport are passages £15,200
Local Travelling £22,500
Travelling Allowances £9200
Carriage of Goods £1,28,000
Total £59,000

On the same page there is an increase of some £300 for subsidies to chiefs in lieu of Commission on Hut Tax in the Province of Kenya the nature of which has already been explained.

On page 30 there is an increase of £250 for Travelling.

In Kisumu (page 31) 3 additional clerks entail an additional of £156 to the total cost while additions under Transport cause a net increase of £271 in the same province.

In Malvasha (page 33) Transport shows

DRAFT.

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Local Travelling 222,800
Travelling Allowances £9200
Carriage of Goods £. 28,000
Total £59,000

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In Kisumu (page 31) 3 additional clerks entail an addition of £156 to the total cost while additions under Transport cause a net increase of £271 in the same Province.

In Naivasha (page 33) Transport shows

a net increase of £200.

The cost of policing the Abyssinian Boundary shows an increase of £4150; it is now proposed that this additional charge should be borne by F.O. votes and the head may be reduced accordingly.

There is an apparent saving of £2,265 under the subhead Native Affairs (page 34) the items of which have been distributed under the head Secretariat and the previous sub-heads of this head.

To sum up the cause of the alterations under this Head are -

<u>Increases</u>	General Staff	£ 3,600
	Transport	1,950
	Subsidies to Native Tax Collectors	1,260
	Labour	
	Labour recruiters	500
	Miscellaneous	1,064
	<u>Total</u>	<u>8,374</u>
	Deduct savings Native Affairs	2,265
	<u>Net increase</u>	<u>6,109</u>

12. Head 7 Treasury

This shows an increase of £670 due to certain duty allowances and additional minor officials, sanctioned in view of the removal of the Treasury to Nairobi and to increments.

DRAFT.

Head 9 Customs Shows an increase of £620 due mainly to the proposal to appoint a deputy Chief of Customs at £400 to £500. His Lordship considers that this appointment should be approved; the cost of the department (£12031) even with the addition, will not be disproportioned to the revenue obtained £94,000 especially considering that there are a number of ports of entry *in the Port.*

Head 9, Port and Marine shows a slight decrease of £150. The net cost of running the Juba (£4216) is a heavy charge but it is necessary to maintain her, until private enterprise gives regular communication with the northern ports *of which there seems no immediate prospect*

Head 9.A. Special Expenditure, Port and Marine shows a decrease of £1670 owing to the

increased
the large expenditure last year
absence of last year's heavy bill for re-
pairing the "Juba".

13 Head 10. Audit. Shows an increase of £543

due to increased travelling and extra clerks.

Head 11 Legal Departments. Show an increase

of £1265 to £12669. The Deputy Registrar *of the*

High Court is a new appointment which has al-

ready been sanctioned ~~but~~ on a scale of £200

to £300, (Treasury 17040) but the Governor

desires to raise the salary, and also that of

the Deputy Registrar of Documents on the ground

that £200 is too little for an officer

stationed at Nairobi to live on, and His

Lordship is prepared to support the recom-
mendation.

There is an item of £200 for a legal library
at Nairobi, which His Lordship presumes will
not be recurrent.

The remaining increase is chiefly under the
head of transport and payments to jurors and
witnesses.

4. Police

This head shows an increase of £3,200 and stands at £55,509.

DRAFT.

The increase is accounted for by an addition of 150 to the rank and file required for new stations in Tanaland, Jubaland and Sotik and by an addition of 7 to the rank of Assistant District Superintendent, partly balanced by a decrease of 5 in the rank of European Inspectors. The latter change is due to the necessity of obtaining a better class of man as officers of the Police: the Inspectors scale of £180 to £250 not being sufficiently attractive.

There is also an addition of £605 for a Pay and Quarter-master's establishment which has already been approved by Their Lordships.

The continued increase in the charge for the police seems a necessary incident of the

spread of administration to new districts and the consequent need for larger numbers of military police
Prisons

15. 10

This head shows an increase of £2351

13

to £11291.

Some £400 of this is due to the Reformatory for Native boys which it is proposed to establish to which reference is made under Public Works Extraordinary where £1000 is provided for the prime cost.

The remaining increase is accounted for by a large number of small increases for providing more gaolers and warders in the rather numerous prisons of the Protectorate the largest item being an increase of £500 in food, clothing and Transport for warders and prisoners in Kisumu.

16. The Medical Department shows a decrease of £40 and does not call for comment.

17. Hospitals and Dispensaries at £10,000 show an increase due to the provision of staff for the newly established Lunatic Asylum (£340) to additions to the number of Compounders and Hospital Assistants; and to the increased quantity of medical stores required.

16/4/1904

~~18~~ The special expenditure is £400 less.

~~18~~ There is a large increase under Education vizt. £2788 to £4368.

DRAFT.

This increase is mainly due to provision being made for a combined day and boarding school for European children. Some provision of the kind is undoubtedly necessary if the children of the outlying settlers are not to grow up in ignorance but His Lordship regards the proposal to pay for the food of the children as ^{al} somewhat dangerous ^{President} and he will instruct the Governor that payment should be demanded in all but necessitous cases.

Provision is also made, involving an additional expenditure of £820, for a Mahomedan School at Mombasa.

~~19~~ Transport

This schedule shows a slight decrease but the main items are divided among the other votes and have already been commented upon.

~~20~~ Military Expenditure

20. Military Expenditure

As already mentioned ^{to} these estimates only provide for the retention of the 1st

Battalion King's African Rifles up to ^{as change is made in the present arrangements} 15/7/08 and if ~~they are retained~~ they will

be an increased expenditure of £9,211 to be

provided ^{as noted in para 13 of the Treasurer's} ~~in various~~ ^{head note is inserted} ~~the~~

Apart from this important question, the details of this head do not appear to call for remark.

1908

21.

Miscellaneous services and Bombay Agency

These estimates are practically stationary and do not call for comment. The Agency has recently been the subject of special enquiry on the spot and it did not appear that any saving was practicable pending the death or retirement of the existing officers.

22. Post Office and telegraphs

The expenditure on these services has ^{remained} ~~risen~~ in the past two years without

16

without an equivalent rise in Revenue.

Revenue	1906-7 15734	1907-8 17410	1908-9 18940
Expenditure	16126	22653	26358

DRAFT

A good part of the addition is due to the demand of settlers in outlying places for postal facilities and to their unwillingness to be served by Indians. His Lordship thinks that the Post Office should aim at being self-supporting and that economies should be effected by employing stationmasters and shopkeepers and in proper cases Indians, as Postmasters at a small remuneration. He therefore proposes to omit the provisions for additional staff on page 74 saving as nearly as can be calculated £1,500.

~~Schedule B1. A~~

23. Telegraph and Post Office, Special Expenditure

The Witu-Mkumbi reconstruction ^{has been} found to be unnecessary so that a saving of £220 instead of an increase of £530 is shown.

24

Railway Department

24

The expenditure is decreased by £21,884

corresponding to a decrease of £38,385 in the receipts. The Manager has furnished a *which is forwarded for L.C. copy &* report on these estimates, to which it does not seem necessary to add materially.

The increased cost of fuel is due to the Railway paying the Forest Department for fuel instead of taking it for nothing, an arrangement which, while not adding, except *formally* generally to the total expenditure of the Protectorate, seems fair as *between the Departments.*

It is not clear why
~~The question of the rationale~~ of the

charge for the Quarantine station is ~~an ob-~~ *maintained, &* ~~source one~~ *in regard to which* His Lordship is in correspondence with the Foreign Office *on the subject.*

The origin of the charge upon the Railway was that the station was mainly used by coolies imported from India for the Railway.

26. The Agricultural Dept.

This head shows an increase of £3300 of H.L. is not prepared to recommend any material reduction. A very experienced & efficient officer Mr. McDonald has been appointed as Director of H.L. feels some confidence that the exp. recommended by him will be wisely spent on bettering & developing the Agricultural possibilities of the Prov., on which its future must depend.

The details of the increases of exp. are explained in the Treasury memo, & the only item which Lord Elgin proposes to call in question is the necessity for substituting two Chief Clerk increased salaries of the two Indian Clerks in the Administration Division.

28A.

Agricultural Dept. Special Ex. p.
The exp. of £2000 on combating disease of Pheasants has already been sanctioned by T.C.

28 (ending)

If this state of things is found to exist no longer the charge may be redistributed; but it must stand for the present.

billboard to

DRAFT:

24. A Railway Special Expenditure.

25

This is mainly remanet expenditure

which has already been sanctioned, and institutions of the other one other things are given in the Manager's minute which forms the most important part of it is the £2500

and to the Govt
depts No 24

for a new house for the Manager which His Lordship proposes to strike off, giving the Manager if his present house is unsuitable, a moderate house allowance.

26. Immigration Department.

→ Part
No 26, 27
928

29

This Department shows a decrease of £400

due to the absence of provision for Indian immigration. If, as is probable, Indian immigration is not to be sanctioned, the necessity for this Department is doubtful: and His Lordship is inclined to suggest its abolition; any duties towards existing immigrants being discharged by the Native Affairs Officers, and the staff being absorbed in other Departments. The provision

however

28. Forestry & Revenue Dept.

In the case of
Huegan H.L. considers that in
Mr. Haldane's very able officer has been
obtained for the direction of this
difficult & important branch of
the administration, & he is therefore
unwilling to interfere with the
details of the expense which he
proposes. It is however necessary
to regulate the total expense
on the debt with due regard to the
other items on the resources of
the Protector & by the therefore
to reduce the year's proposed
the estimate by £4,000 to £12,000
having Mr. Haldane to adjust
the details accordingly.

Insert for
previous figure

however stand for the present.

26 ~~and~~ A.

30 Survey Department and Survey Special
Expenditure.

These Departments figure at £23,000 and
£1,930 as against £17,099 and £754 - an in-
crease of £5,901. The department has of
course been enlarged to meet the constant and
urgent demand from the settlers for more
rapid survey of their lands, ~~The Survey~~
~~Committee has never considered the Esti-~~
~~mate and has been able to make a reduction~~
of £2,211 on the proposed expense.
The Land Office shows an increase of £5,500
and stands at £10,397.

This heavy increase is due to the addi-
tion of a conveyancer represented by the
Governor as being necessary in order to re-
lieve the Crown Advocate (44977) and in view
of the work entailed by the new Land Ord-
nance, His Lordship supports the proposal.
Provision is made for 3 Inspectors of

farms 1 at £375 and 2 at £350.

DRAFT.

The object of these appointments is to see that the conditions as to development, on which the farms are held, are carried out, which is a very necessary ~~item~~ ^{matter}: but His Lordship considers that 2 officers should be sufficient for the present by this means a saving of some £750 including the proportionate cost of travelling, would be effected. £1500 is provided to carry out a scheme approved by the Under Secretary of State for the Colonies when visiting the Protectorate for more rapid settlement of the country by beaconing off farms pending final survey.

32 Public Works Department. Personal

Emoluments

This head shows an increase of £2400 at £18461.

A minute by the Commissioner of Works on this Estimate is ^{forwarded} ~~containing~~ an enclosure ^{to the General Dept. of the 30th Nov.} in 1888. The Public Works to be undertaken

2/11

in the coming year are less than last year and it is not clear to His Lordship that so large an increase in the cost of the staff is justified.

He proposes to negative the proposed increases of salary to the Assistant Director of Public Works and the Assistant Accountant, to make the scale of the Chief Assistant ^{Accountant} £250 to £300, and to strike out the provision for an Assistant Architect and a Quantity Surveyor saving £650.

He would also disallow the increase of £940 in the ~~subordinate~~ District Staff.

The total saving on the head will thus be £1,590.

His Lordship however supports Mr. Watts' proposal to make certain officers of the Department permanent and pensionable, ~~as the~~ as the work of the department undoubtedly requires a cadre of permanent officials.

33

24. Public Works Recurrent.

This item shows an increase of £1,404 due to the increased length of roads required to be kept in repair.

DRAFT.

34

29. Public Works Extraordinary figure at

£57,955 only as against £104,824 last year *it*

having been necessary to economise on this vote in order to balance the decreased revenue and increased expenditure on other departments.

Mr. Churchill in view of the experience gained on *his visit to the Post* advises that

the following items shall be struck out:

13. Commencement of Court House &c. Nairobi	£ 1500
50. Offices Nakuru.....	700
55. Additions to Government House Mombasa.....	1000
62. Additions to Land Office	300
63. Additional room C.V.O's House	150
81. Monerail	5000
	<hr/>
	£8650

and His Lordship concurs in the recommendations.

If

28

If this is done the only item to which it seems necessary to call attention is the £1000 for a Reformatory. This will take the form of a farm near Nairobi, and is intended to reclaim to industrious habits the young natives who are attracted to Nairobi and fall into dissolute habits there. Lord Elgin has not yet decided whether this is the best method of combatting the evil, but he would wish the provision to be retained.

35 The result of the examination of the Estimates in this Department, is that the following economies seem possible:-

Reductions proposed

On Public Works Extraordinary	8,650
On Survey	2,211
On Post Office	1,500
On Telegraph special expenditure	750
On Railway Special expenditure (Manager's house)	2,500
On Land Department (one Inspector less)	750
On Public Works Dept	1,590
On Abyssinian Boundary	4,150

~~22,101~~
22,101

240n

36 On the other hand there are two items of additional expenditure which may have to be faced.

DRAFT.

The Estimates do not provide for the retention of the Reserve Battalion of the King's African Rifles after 15/8/08 or for the cost of its relief. Lord Elgin has decided that this matter cannot be decided pending a report by the Inspector General after his present tour of inspection.

Provision must therefore be made for the contingency that they may be retained. The cost of such retention is estimated by the Treasurer at £9,011 (paragraph 13 of his printed memorandum).

The other item is the proposed expenditure of £3,000 on an electrical installation at Nairobi on which subject a despatch is enclosed, His Lordship considers it desirable that an opportunity should be taken of securing a supply of electricity for Government

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No. 5612
S.P.P.

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at a low price while at the same time encouraging a Company which has done bona fide work

in developing this enterprise. *He is consulted.*

ring the Post Office to the details of the
Deducting these two items from the savings we obtain a sum of £10,090 as the net

savings which reduces the total expenditure

on the Estimates to £737,138 or deducting the

"remained" expenditure to £694,753.

37 The Estimates will then be in accordance

with the Treasury principle that the increase

of expenditure over the previous year must

not exceed half the estimated increase of

revenue. There is no estimated increase of

revenue for 1908-9 but a decrease of some

£14,000 and accordingly there should be and

is no increase of expenditure; the ordinary

expenditure of 1907-8 having been sanctioned

at £700,392. The Treasurer in paragraphs 15

to 24 of his memorandum makes some proposals

for amending the half-and-half principle

alluded to, but His Lordship does not propose

to recommend these suggestions as he regards
the principle as one which though it cannot
always be strictly adhered to, is useful as

DRAFT.

imposing a ~~standard of expenditure.~~
~~offering a standard by which~~
the ^{I am &c.} expenditure of the Post.
may be measured & limited.

38. H. L. learns from the Treasury
letter of the 25th 1898 that T.L.
desire that the grant in aid
for 1908-9 shd be £138,000,
& he is prepared to acquiesce
in this ^{one} while pointing out
the larger depletion of balances
involved with increase the
proportion referred to in the
4th par of this letter that
it will be necessary to ask for
a larger grant for 1909-10

39. Appendix C to the Estimates
showing how the deficit for
1908-9 is to be met with

then stated as follows

Sanctioned Expenditure 1908-9		100
to balance Revenue 1908-9	533,429	737,138
Parliamentary Grant in Aid.	138,000	
Revenue Excess from 1907-8	42,385	
Portion of balance on hand 31 st March '08	23,314	
	737,138	737,138

and the balance still available on 31st March 1908 will be reduced to £20,913

£ 25823
 4910

 20913

40. H. L. notes the desire of the L. C. that all expenses of the Prot. shall be shown on under the heads of the Estimates, & he will give directions for the necessary alterations to be made in the Protocols.

28 before