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1916

5 Feb.

Last previous P. No.

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Accounts of Ordnance Dept.

Reports difficulty experienced by Auditor in adjusting accounts for transactions immediately subsequent to outbreak of war, & request approval of proposed adjustment notes forth in enclosed letter from J.C. to W.C.

Mr. Stephenson.

Delayed by printing 9/16/16

Probably you have been for the Auditor, whose reports is not sent to us.

I am not sure about the effect of disregarding the early accounts will be - apparently the payments method must be accepted without audit in charge in Part^l of us (proceeding to War Expenses account).

We must try to be definite in writing to the W.O. Can you help us?

W.C. 13.5.16

Mr. Nathanley

I have no information later than had which relates to 2692/15 but I believe that the transactions here referred to are some of them

Copy W.O. trans 7th March 16
Auditor's trans 2 Ave. No. 100
30/9/16

Next subsequent Paper.

10984

anticipated savings on other heads of expenditure and that the net result for the year is expected to be a surplus of £5,280. I agree with you that, in the circumstances, this result must be regarded as very satisfactory.

11. The fact that the draft Estimates were not in my hands until the 6th of March has caused considerable inconvenience in dealing with them before the end of the financial year. A similar delay occurred in the case of the Estimates for 1915-16, and although I realise that under present conditions the financial work of the administration must be carried on under great difficulties, I trust that, in future, it will be possible for draft Estimates to reach me not later than the middle of January.

I have, etc.,

Wm. A. BONAR LAW.

St. Cyprian
Governor
Nassau

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17 April
Amoregada

Estimates for current year
enclosed

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at Adels

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anticipated savings on other heads of expenditure and that the net result for the year is expected to be a surplus of \$5,280. I agree with you that, in the circumstances, this result must be regarded as very satisfactory.

11. The fact that the draft Estimates were not in my hands until the 6th of March has caused considerable inconvenience in dealing with them before the end of the financial year. A similar delay occurred in the case of the Estimates for 1915-16, and although I realize that under present conditions the financial work of the administration must be carried on under great difficulties, I trust that, in future, it will be possible for the draft Estimates to reach me not later than the middle of January.

I have, etc.,

(Signed) A. BONAR LAW.

Battalion of the King's African Rifles.

Head XX. - Post Office and Telegraphs.

I observe that it is proposed that two of the Assistant Female Accountants should be replaced by Assistant Male Accountants. The provision may stand, but I see no prospect of obtaining candidates to fill the appointments during the continuance of the war.

With regard to Item 40, the greatest difficulty is being experienced in obtaining a candidate for the second appointment of electric mechanic and there will probably be a similar difficulty in obtaining the electrical fitter whose appointment is now proposed.

I agree to the increased number of new appointments in the higher grade of postal clerk and telegraphist but, as in other cases, it will be very difficult at present to obtain candidates for the resulting vacancies.

Head XXIII. Forest Department.

The

The provision for three additional foresters may remain, but in this case also I fear there is no prospect of obtaining candidates at present.

DRAFT

Head XXX. Public Works Extraordinary.

The special expenditure on new roads and bridges to be met from the proceeds of the sale of Crown lands and town plots is, as you say, dependent upon this revenue being obtained. I fear that there can be little prospect of any substantial proceeds being received from the sale of Crown lands and town plots at present, even if the war is brought to a conclusion in the near future.

10. I observe from paragraph 4 of your despatch of the 3rd of February that, although a deficit in revenue of £83,533 for 1915-16 is apprehended in addition to excesses on various subheads of expenditure amounting to over £17,000, these variations from the original estimate are more than covered by

anticipate

until the increase of the European staff can be effected the question of the additions to the Asiatic and African ranks will not arise. The postponement of the increases will no doubt lead to reductions in Items 68, 67, 68 and 69 where large additional amounts are inserted for other charges of various kinds.

Head XIII. - Prisons.

I consider that the provision for new appointments and increases in salary which has been inserted in order to give effect to the Prisons Ordinance (No. 13 of 1914) should be held over until after the end of the war.

Head XIV. - Medical Departments.

As a special case I approve of the proposal to place the European Storekeeper on an incremental salary. I also approve of a Warden being appointed for the Lunatic Asylum and I assume that a local candidate will be available.

Head XV. - Laboratories.

With regard to the appointment of a

DRAFT

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second Assistant Analyst I do not propose to excise this item but I see no prospect, in present circumstances, of obtaining a suitable candidate from this country, and if, as may be the case, you contemplate the transfer of Mr. Barnes from the Survey Department, I fear that there would be equally little chance of obtaining a computer in his place.

Head XVI. - Education.

Head XVII. - Agricultural Department.

I regret that I do not feel justified in present circumstances in approving the new duty allowances which you recommend for the Director of Education and the Director of Agriculture.

Head XVIII. - Military Expenditure.

In the circumstances mentioned in paragraph 10 of your despatch of the 3rd of February, I approve of the grant to Mr. Armitstead of a personal and non-pensionable allowance of £60 per annum while Paymaster of the 3rd

difficulty in obtaining suitable candidates
at present.

Head IX - Port and Marine Departments.

I approve of the appointment of an Assistant
Port Officer and Pilot, but I trust that
it will be possible for you to recommend
a local candidate for the post as there
is little prospect at present of obtaining
an officer with the necessary marine
qualifications in this country.

Head X - Audit Department.

I approve of the creation of the ^{additional} post
of Senior Assistant Auditor which will
be filled by the officer in charge of
the audit of the railway accounts.

Head XI. - Legal Departments.

I approve of the appointment of
an Assistant Registrar of Documents to
assist the Registrar at Nairabi.

Head XII. - Police.

The improvement proposed in the
emoluments of the Assistant Commissioner
of Police must, I fear, be postponed
until the end of the war when I hope that

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it will be possible for me to give the
proposal my sympathetic consideration.

With regard to Items 10, 14,
17 and 18, I consider that the salaries
in question should be retained at their
present fixed rate. In other East
African Protectorates practically all
increases of salary have been stopped
during the war, and I do not see my way
to sanctioning the new incremental rates
which you have proposed for these police
appointments.

With regard to the new appoint-
ments in the European Police Staff, I
have carefully considered the arguments
advanced in the enclosure to your des-
patch of the 23rd of December but I am
not clear that the matter is urgent and
as in any case there is no prospect of
being able to obtain candidates until
the end of the war, the proposed appoint-
ments should be held over until normal
conditions are restored. I presume that

until

introduce tribal retainers although no reasons have been adduced to show that there is any urgency in the matter.

9. Head II - Pensions.

The Table in appendix C will require amendment. The pensions of Mrs. Bowen and Mrs. de Cerjat have now ceased on their remarriage and the allowances for Mrs. Bowen's children have been increased from £15 to £24 per annum in each case.

Lieutenant O'Heara's pension has been increased from £70 to £100 per annum.

In addition I consider that the provision of £200 for the gratuities and pensions which may fall due in

1916-17 should be increased to £2,000

in view of the number of outstanding

cases and the increase in the non-

effective charges which may be expected

as the result of the war.

Head V. - Official Gazette and Printer.

I regret that I have been unable

DRAFT.

to approve in full of the improvement proposed in the emoluments of the Assistant Printer. In view of the urgent need of economy and of the fact that the rate of salary of the Government printer is the same as that which is now proposed for his Assistant, I think that it will be sufficient if the Assistant printer receives salary at the rate of £250 a year, the maximum of his present scale.

Head VI. - Provincial Administration.

With regard to the proposed appointment of two additional Assistant District Commissioners for the Turkhana District I recognize the necessity of ensuring proper administration in this newly conquered country and I have no doubt that the money spent on this object will be amply repaid by the advantages accruing from the maintenance of peace and the development of the district. I therefore approve of these appointments although I fear that there will be great difficulty

which you anticipate for the year 1916-17 will be realised, and I should prefer not to give any sanction in advance to the appropriation of the expected surplus which you suggest in your despatch. Apart from the uncertainty of revenue, the Estimates of expenditure make practically no provision for meeting war expenditure except as regards the ordinary establishment of the King's African Rifles, and I consider it of great importance that the Protectorate should make every effort to meet from revenue as large a proportion as possible of the heavy burden which the operations against East Africa will throw upon it.

7. Expenditure. I notice under several heads considerable increases in the amounts provided for passages of officers on the ground that leave which has been postponed will be taken directly after the end of the war. Even assuming that the war is brought to a conclusion during

DRAFT

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during the year 1916-17, it would appear to be scarcely practicable that all the officers who will be due for leave could be released. It is to be expected therefore that there will be considerable savings in this direction.

8. I also notice that there are increases of expenditure under nearly every head. I have not sufficient local knowledge to be able to indicate where economies could be effected but it appears to me that it is not sufficiently recognized that the present time is exceptional and every effort should be made to reduce the expenditure to the minimum required for the administration of the Protectorate. For example, I observe that with regard to the item of Tribal Retainers, in one instance only, namely that of the Nyasa Province, has any attempt been made to effect reductions while on the other hand, in the case of the Mombasa district, it is proposed to introduce

the observations in points of detail which follow in this despatch.

3. The Estimates are explicitly based on the assumption that local hostilities will soon end, and that there will then be an early revival of trade. *It seems to me that it is too soon to express any definite opinion on either point and the Estimates must, therefore, be regarded as provisional.*

4. Revenue. I observe that the revenue is estimated at a higher figure than for any previous year and that the railway revenue, originally estimated in 1915-16 to amount to £662,000, is expected to produce £892,500 in the ensuing year, although the revised estimate of 1915-16 was not more than £606,667. If, as I assume, this revised estimate includes the receipts from the military traffic from the railway, it would seem very improbable that, when that military railway traffic is lost, there

there will be enough ordinary traffic to make good its loss and to bring in £86,000 in addition.

DRAFT

5. I have no criticism to make as to the estimated receipts from customs which are put at £3,000 less than the revised estimate for the year 1915-16, or as to the large increase under Head III of Revenue which is entirely due to the increased rate of hut and poll tax ~~which has been applied~~ in the three principal provinces and which may therefore be expected to be realized. The estimated revenue of £2,000 ^{for} from the Jubaland province and the Northern Frontier district, and to a certain extent the estimate of £3,000 for the Tanaland province, cannot be depended upon in view of the recent disturbances in the north-eastern region of the Protectorate.

6. For these reasons I am not confident that the surplus of £41,000

10954

for S.A.P.

635

17 MAR 1916

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SJC

Chsd 3249

Recd 17/3/16

Downing Street.

30 March, 1916.

DRAFT.

EAST AFRICA PROTECTORATE
CONFIDENTIAL

Governor
Sir H. Conway Belfield, K.C.M.G.,
etc., etc., etc.,

MINUTE.

- Mr. Bottomley 17/3/16
- Mr. Read 17/3/16
- Mr.
- Mr.
- + Sir G. Fiddes
- Sir H. Just
- Sir J. Anderson
- Mr. Steel-Maitland
- Mr. Bonar Law

Sir H. Just 32798. B
Signed by Sir H. Conway

~~Memorandum~~

Sir,

I have the honour to acknowledge

the receipt of your confidential despatch No. 12 of the 3rd of February transmitting the Draft Estimate of Revenue and Expenditure of the East Africa Protectorate for the year 1916-17. I have also received your despatch No. 881 of the 23rd of February 1915, conveying your proposals in regard to the various appointments and additions to the scales of salaries and allowances for European officers which are included in the Draft Estimates.

2. In my telegram of the 17th of March, I conveyed to you my general approval of the Estimates subject to

No 10954

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17 March

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tel:

Governor

Nairobi

MINUTE.

Mr. Bottomley 17/3/6

Mr. Read 17/3/6

Mr.

Mr.

✓ Sir G. Fiddes

Sir H. Jeat

Sir J. Anderson

Mr. Steel-Maitland

Mr. Bonar Law

For...

G

Your despatch of 3 Feb.
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HEAD.

34. Special Expenditure for Hajjdi.

Subhead	Excess	Saving	Explanation
	£	s.	
Divisions and Repaving	5,000		Part of the unexpended balance of the 1914-15 vote.
Net excess 25,000			

HEAD.

33. Loan Charges.

Subhead	Excess	Saving	Explanation
Interest on overdrafts		3,000	Overestimated.
Net saving \$3,000			

HEAD.

32. Coast Land Settlement.

Subhead	Excess	Saving	Explanation
<u>Recorder of Titles Dept.</u>	£	s	
Personal Expendments		8	Vacancy in post of interpreter.
Local Travelling		66	Secondment of Deputy Recorder for Military service.
^{Special} <u>Special Expenditure.</u>			
Personal Expendments		450	Vacation in staff.
		624	
Net saving 624.			

HEAD.

Sl. Abolition of Slavery.

Subhead	Excess	Savings	Explanation
Abolition of Slavery	<p style="text-align: center;">£</p> <p style="text-align: center;">500</p>	<p style="text-align: center;">£</p>	<p>2372 unexpended portion of the grant of £40,000, and £128 required to continue the work.</p>
<p>Net excess £500.</p> <p>-----</p>			

HEAD.

30. Public Works Extraordinary (continued).

Subhead	Excess	Savings	Explanation
	£	s.	
Brought forward	14,377	...	
<u>Minor Works (continued)</u>			
Kenia. Staff quarters, Nyeri	471		Unexpended balance of 1914-15 vote.
Nyanza. Quarters for 1 Officer, Kisumu	657		-do-
-do- Subordinate Staff quarters, Kisumu	820		-do-
<u>Water Works</u>		400	Reallocated to Mukuru Water Supply S.W.15.
<u>Miscellaneous</u>			
Electric Light in Govt. residences	169		Unexpended balance of 1914-15 vote.
Acquisition of land, Mombasa	3,163		To be met out of surplus balances. 250,000 was sanctioned by the Secretary of State for this service, out of which 250,527 was spent up to the end of 1914-15. (C.O. B. Contd. of 30.7.15)
<u>New Roads and Bridges</u>			
a) General	367		To be met from savings on P.W.R., Maintenance and Repairs of Roads and Bridges, S.W.23. <i>Treas 3/6/15</i>
b) Special - Proceeds of sale of Crown Lands and Town Plots.	1,770		S.W. 35.
	21,794	400	
Net excess 221,394.			

HEAD.

30. Public Works Extraordinary.

Subhead	Excess	Saving	Explanation
	£	£	
Major Works			
Mombasa. Quarters for 14 Officers, Nairobi	5,870		Unexpended balance of 1914-15 vote.
Malindi. Quarters for 15 Officers, Mombasa	1,509		-do-
-do- Wireless Station and Buildings, Mombasa	1,400		To be met from surplus balances of 1914-15. S.W. 33.
-do- Rebuilding Pigott Market, Mombasa	606		Unexpended balance of £2,000 sanctioned by S.W. 32 of 1914-15.
-do- Post Office, Mombasa	2,471		Unexpended balance of £5,917 sanctioned by S.W. 32 of 1914-15.
Malindi. Malindi Water Supply	400		To be met from savings on petty works, S.W. 15.
-do- Water Supply Southern Mombasa Reserve	242		Unexpended balance of 1914-15 vote.
Minor Works			
Mombasa. Removal of Quarantine Buildings, Nairobi	950		Unexpended balance of £950 sanctioned by Special Warrant 26 of 1914-15.
-do- New Station, Mombasa	285		Unexpended balance of £284 sanctioned by S.W. 32 of 1914-15.
Malindi. Completion of Quarters for Junior Official, Mombasa	129		Unexpended balance of 1914-15 vote.
Malindi. Civil Buildings, Serenli	545		£175 unexpended balance of 1914-15 vote, over expenditure of £370 met from savings.
Malindi. Shed for Cargo, Lamu.	170		Unexpended balance of 1914-15 vote.
Carried forward	14,579	...	

HEAD.

29. Public Works Recurrent.

Subhead	Excess	Saving	Explanation
Maintenance and Repairs of Roads and Bridges		967	Reappropriated to 'Rents' and 'P.W.M. New Roads and Bridges' Special Warrants 23 and 25.
Maintenance and Repairs of Public Buildings		500	Reappropriated to 'Rents' S.W. 25.
Rents of Offices and Houses	1,450		Vote inadequate, S.W. 25.
Tools and Plant		150	Reappropriated to 'Rents' S.W. 25.
Expenditures		75	-do-
	1,450	1,692	

Net saving \$242.

HEAD

28. Public Works Department.

Subhead	Excess	Savings	Explanation
transport Local Travel- ing		100	Reappropriated to P.W.R. Rents, S.W.S.S.
-do- Travelling Al- lowances		100	-do-
Contingencies	50		Expenses of D.J.W.'s trip to Egypt.
	50	200	
Net saving £150. *****			

HEAD.

IV. Land Department.

Subhead	Excess	Saving	Explanation
Personal Emoluments	2	150	House allowances of officers and salaries of clerks on leave.
Transport, Passages		220	Suspension of leave.
-do- Local Traveling		267	Traveling curtailed owing to war.
-do- Travelling Allowances		33	-do-
	...	650	
Net saving 650.			

HEAD.

26. Survey Department.

Subhead	Excess	Savings	Explanation
Personal Expenditure	£	£	
Fig. and Topo. Branch		1,100	Vacancies in staff
Local Transport & Labour		1,000	Staff on Military duty
Industrial Branch			
Local Transport & Labour		1,000	-do-
Tools, Material for Boundary marks &c.		50	-do-
Cont.	10		Cost of indents underestimated.
Granges		400	Suspension of leave.
Travelling allowances		250	Staff on Military duty.
	10	3,800	
Net saving <u>£3,870.</u>			

HEAD.

25. Emigration.

Subhead	Excess	Savings	Explanation
Personal Expenditures	2	2	
Transport. Passages		21	
-do- Local Travelling		15	
-do- Travelling Allowances.		5	
		69	
Total saving \$-69.			

HEAD:

24. Game Department.

Subhead	Excess	Saving	Explanation
Personal Emoluments	£	£ 322	Vacancy in the post of Game Warden.
Horse and travelling allowances		250	Not drawn by Officers detailed for Military service.
Active Scouts		753	Activities of the Department curtailed owing to the war.
Transport		467	-do-
Messages		100	Suspension of leave.
	...	1,572	
Net saving £1,572.			

HEAD.

23. Forest Department.

Subhead	Excess £	Saving £	Explanation
Personal Emoluments		310	Vacancies in posts of 1 Assistant Conservator and 1 Forester.
Protection and exploitation	140		Owing to abolition of Suspense Account, Special Warrant No. 25.
Maintenance		50	Saving can be effected.
Purchase and collection of seeds		25	"
Gratuity allowance and purchase of Hales		50	"
	140	355	
Net saving £195.			

HEAD.

Aga. Agricultural Department Special Expenditure.

Subhead	Excess	Savings	Explanation
Expenses under Coconut Ordinances - Compensation to Mr. Hixington	950	500	Ordinances not brought into force. Vide Special Warrant No. 20 and C.O.D. 565 of 30th July 1915. <i>Ac</i> <i>33972</i>
Net Excess \$450. -----	950	500	

HEAD

22. Agricultural Department (continued)

Subhead	Excess	Saving	Explanation
Brought forward Veterinary Division Transport Passages	£ 829	£ 3,915 150	Suspension of leave.
	829	3,065	
Net saving £2,236. *****			

HEAD.

22. Agricultural Department.

Subhead	Excess	Saving	Explanation
Administrative Division Personal Expenditures	£ 21	£	Meteorological allowance. Special warrant 13. C.O.D. confidential of 2nd January 1918. <i>Flc 1030 Capital</i>
Economic Plants Division Personal Expenditures		4	
Givasha Stock Farm Personal Expenditures		24	Reduction in Manager's salary on being placed on pension- able establishment.
-do- Livestock		100	Purchases curtailed.
airobi Experimental Farm Livestock		100	-do-
Main Gishu Experimental Farm Personal Expenditures		365	Post of Manager not filled.
-do- Purchase of stock		120	Purchases curtailed.
Meteorological Division Personal Expenditures		263	Post of Assistant Entomolo- gist vacant and temporary Assistance not required.
Bacco Division -do-		150	Temporary assistance not re- quired.
miscellaneous. Transport. Passages		140	Suspension of leave.
-do- students mess		100	
Meteorological Division Apparatus machinery &c	200		Rise in prices and increased output.
Upkeep of Laboratory	350		Increased demand for curia.
Veterinary Division Personal Expenditures		1,040	Appointments vacant. 2500 of this saving reallocated to Head 22a under H.V.10.
Horse Allowance		300	Officers mounted by Military, having reallocated to Com- pensation H.V.10.
Consumption	200		H.V.10.
Carried forward	229	2,912.	

HEAD.

U.S. Railway Department Special Expenditure.

Subhead	Excess	Saving	Explanation
Basin Gashu Survey	£	£	
General Engineering Works	1,988	1,049	
Fire fighting appliances	270		Unexpended balance of 1914-15 vote.
Furniture	78		-do-
Phila Railway		251	-do-
Minor works of a Capital nature	2,200		-do-
erection of New Marine Workshop machinery <i>Keenan</i>	148		Special warrant 24.
	4,684	1,290	
Net excess 25,407			

HEAD.

21. Railway Department.

Subhead	Excess	Saving	Explanation.
Maintenance of ways and works	£	£	Decreased working owing to the war.
Locomotive, carriage and wagon expenses	4172	-	
Traffic expenses		4,431	
General charges		6,362	
Steam boat service		28,005	
Special and Miscellaneous expenditure.		8,063	
	4,172	59,686	
Not saving 255,513.			

30a. Post Office and Telegraphs Special Expenditure.

HEAD.

Subhead	Excess	Saving	Explanation
Telephone extensions and improvements in Nairobi and Mombasa	200		£184 unexpended balance of vote for 1914-15, and a further £76 required to complete the work, to be met from general savings.
Further improvements to Mombasa Lamu Telegraph line	104		Unexpended balance of the vote for 1914-15.
Extensions of new telephone switchboard for Nairobi	497		£328 unexpended balance of vote for 1914-15, and a further £169 required to complete the work to be met from general savings.
Construction of Nairobi-Mania Bridge-Fort Hall line with iron poles	200		Part of the unexpended balance of £692 of the vote for 1914-15, the difference will not be spent in 1915-16.
Mombasa wireless station	1,228		To be met from surplus balances of 1914-15. S.W.32
Telegraph line to Archer's Post	3,378		Vide S.10162
	5,707	---	
Net increase £5,707.			

HEAD.

20. Post Office and Telegraphs.

Subhead	Excess	Savings	Explanation
Return Commission on Money Orders	2	2	Overestimated.
Cost of printing stamps	30	30	Underestimated.
Telegraph Stationery	150		Increase of Military telegrams.
Uniforms	50		Indent of 1914-15 completed in 1915-16.
Transport Passages		390	Suspension of leave.
	230	440	
<p>Net saving £210.</p> <p>-----</p>			

HEAD.

19. Miscellaneous Services.

Subhead	Excess	Saving	Explanation
	<i>£</i>	<i>£</i>	
Stationery & books etc. for Departments	1,000		Vote inadequate
Commission and share of office expenses of Agents in India	75		- do -
Mar risk insurance	1,300		not provided for.
Telegrams	1,070		Vote inadequate
Repatriation	50		Not provided for. Special Warrants No. 2 and 3 cover £10
African Tropical Service Courses		100	Course discontinued.
Cash compensation	2,000		C.O.D. confidential of 21st October 1915. S. 4 31. <i>2605</i>
Contribution to Nairobi Municipality for Fire brigade		150	Fire Brigade not formed.
	6,275	250	
Net excess 60,025 *****			

HEAD.

18a. Military. Special Expenditure.

Subhead	Excess	Saving	Explanation
Officers' Houses Nairobi	699	2	2306 unexpended balance of the vote for 1914-15 and 2344 overexpenditure.
Furniture for Officers' Mess	148		Unexpended balance of the vote for 1914-15.
Table for Mess Nairobi		50	Reallocated to the item below. Special Warrant No. 2.
Water sterilizer for Nairobi	50		Net from saving on previous item. Special Warrant No. 3.
Urban Patrol	3,000		Special Warrant (No. 30) to be met from savings on Military Expenditure.
	3,897	50	
Net excess \$3,847.			

HEAD.

18. Military.

Subhead	Excess	Saving	Explanation
	£	£	
Personal Emoluments 3rd K.A.R		447	Vacancies in the staff
-do- 1st K.A.R		1,274	Vacancies in Company Com- manders and Subalterns, tem- porary commissioned Officers being charged to War Expenses
Messages		500	Cancellation of leave.
-do- to and from Mysore- land		1,000	The Mysoreland Company re- turned on a Government transport.
Intelligence		80	Due to the war.
		3,271	
Net saving 43,271			43,000 reallocated to Head 18a Military Special Ex- penditure, Madras Patrol Special Warrant 30.

HEAD

19. Transport.

Subhead	Excess	Saving	Explanation
Personal Exclusions		30	Post filled at the rate lower than that sanctioned
upkeep of Motor Car		135	Motor considered by the Military.
	...	171	
Net saving \$171. *****			

HEAD.

16. Education.

Subhead	Excess	Saving	Explanation
Personal Emoluments	2	205	Vacancies in the staff.
Transport, Passages		100	Suspension of leave.
-do- Carriage of Goods	20		Vote inadequate to provide for opening of Sidcot Boarding School.
Technical Education		300	Fewer apprentices were presented for examination.
	20	605	
Net saving 2585.			

HEAD

15. Government Laboratories.

Subhead	Excess	Savings	Explanation
Personal Emoluments	2	2	Vacancies in staff.
Net saving 266.		36	

13. Prisons.

HEAD.

Subhead	Excess	Saving	Explanation
Personal Emoluments	2	400	Vacancy in post of Superintendent Hombass and absence of men on leave.
Men's Uniforms	100		Rise in prices.
Men's clothing	500		-do- Special warrant No. 21 250.
Fees	50		-do- -do-
Men's food		800	Food supplied from prison farms.
Selling		300	Suspension of leave.
	650	1,500	

Net saving 2000.

HEAD.

12. Police.

Subhead	Excess	Saving	Explanation
Personal Expenditures	2	1,000	Reestablishment of Europeans below strength.
Uniforms	3,500		Rise in prices.
Arms and Equipment	350		Vote inadequate.
Ammunition		760	Husketry course abandoned.
Miscellaneous Store	250		Rise in prices
Transport. Passages		600	Suspension of leave.
Husketry Prizes, Target Ac.		50	Husketry course abandoned
Purchase and repairs to Typewriters	15		Rise in prices.
Purchase and repairs to Saddleboard and harness		50	Purchase cancelled owing to high prices.
Expenses under weights and measures Ordinances		40	Ordinance not brought into force.
Working expenses of Motor Ordinances	50		New service not provided for.
	4,165	2,700	

Net Excess \$1,465.

HEAD.

11. Legal Departments.

Subhead	Excess	Saving	Explanation
	£	£	
Official. Personal Emoluments		644	Vacancies and absence.
-do- Contingencies	100		Vote inadequate
-do- Transport & Passages	47		Vote inadequate.
-do- -do- Local Travelling	100		To provide for expenses of Judges of the Court of Appeal for Eastern Africa.
-do- -do- Travelling Allowances	200		
-do- -do- Carriage of goods	18		Vote inadequate
Administrator General. Personal Emoluments		24	Saving on changes in holders of posts.
-do- Transport. Passages		20	Provision made for Administrator General who took his leave in 1914-15.
-do- -do- Local Travelling		20	
-do- -do- Travelling Allowances		10	
Registration of Documents. Personal Emoluments		75	Overestimated.
-do- Transport. Passages		20	Leave postponed.
-do- Transport. Travelling Allowances		10	
Attorney General. Personal Emoluments		10	
-do- Transport Local Travelling		50	Travelling curtailed.
-do- Transport. Carriage of goods		0	
	462	991	

HEAD.

10 Audit Department.

Subhead	Excess <i>E</i>	Savings <i>P</i>	Explanation
Personal Emoluments		394	Savings effected on change of holder of post, vacancies in staff and absence of clerks on leave.
Transport Passages		147	Cancellation of leave.
	...	541	
Net saving \$541. -----			

HEAD: 9a. Port and Marine Departments Special Expenditure.

Subhead	Excess	Saving	Explanation
ring buoy for Mombasa	191		Unexpended balance of 1914-15 vote carried forward to incomplete indent, to be met out of surplus balances
on barge for Tana River		300	will not be spent.
Launch for Tana River	1,596		Unexpended balance of 1914-15 vote carried forward to meet incomplete indent, to be met out of surplus balances.
or Launch for Mombasa	5		- do -
	1,792	300	
Net excess £1,492.			

HEAD.

U. S. Navy and Marine Department

Subhead	Excess	Saving	Explanation
Office	£	£	
Personal Expenditures	280		Insufficient provision for overlapping leave pay of Captain Pidgeon.
Upkeep of launch, coal, stores etc. <i>including</i>		40	
Upkeep of buoys, beacons, boats, lighthouses and leading marks		100	
	280	140	
Net excess £140.			

HEAD

A. Customs Department.

Subhead	Excess	Saving	Explanation
Personal Expenditures	2	P 1,500	Vacant posts and absence of clerks on leave.
Repair of, and coal and stores for cranes, boat and plant	100		Vote inadequate.
Forms for watchmen, boatsmen etc.	150		-do-
Contingencies	300		-do-
Passport passages	50		-do-
do- Local Travelling		75	
do- Travelling Allowances		25	
	500	1,500	
Net saving £1,100-			

HEAD

V. Treasury

Subhead	Excess	Saving	Explanation
Personal Emoluments	£	£ 270	Savings effected on change of holders of posts and absence on leave of subordinate staff.
Support Local Travelling		60	
	...	380	
Net saving, £380.			

HEAD.

6a. Provincial Administration. Special Expenditure.

Subhead	Excess	Savings	Explanation.
Province of Jubaland	£	£	
Initial cost of Transport	1,000		Special Warrant No. 17. Governor's despatch G.O. No. 707 of 26th September 1918.
Northern Frontier District			
Initial cost of Transport		1,000	-do- <i>57257</i>
Province of Malvasha			
New Turkiana Stations	3,000		Special Warrants No. 10 and 18. Governor's despatch G.O. No. 661 of 1st Sept. 1918. <i>42662</i>
	4,000	1,000	
Net excess £3,000.			

Subhead	Excess	Saving	Explanation
Brought forward	£ 2,463	£ 2,892.	
Province of Jubaland. Runner service between Kismayu Beerenli and Wajjheir		33	Wajjheir mail service has not been opened.
-do- Rations and equipment of Station Staff at Afraadu		67	Afraadu Station has been closed.
Province of Nyansa. Personal Expenditure		200	
-do- Rewards & Gratuities		13	
-do- Present to Chiefs		13	
-do- Clothing for Chiefs		10	
-do- Transport, Travelling Allowances	100		Vote inadequate.
-do- Conservancy Kismayu		17	
-do- -do- Musina		27	
Province of Naivasha. Transport, Local Travelling	400		Increase of staff at Turkhana and Eldoret
-do- Transport, Travelling Allowances		30	
Reserve. Personal Expenditure		30	
-do- Transport, Local Travelling	222		
-do- Transport, Carriage of goods		11	Special Account No. 27. Vote inadequate.
	£ 3,165	£ 3,302	

Net saving 200.

6. Provincial Administration.

HEAD.

Subhead	Excess	Savings	Explanation
General Staff - Personal Emoluments	600		The estimate did not provide for the full staff.
-do- Passages		1,000	Leave of European Officers has been cancelled.
-do- Expenses and Transport of H.B.M.'s Cont. for S. Abyssinia	635		Special Warrant No. 4. C.O.B. No. 304 of 27th May 1915.
Province of Seyidie. Personal Emoluments		200	
-do- Transport, Local Travelling	150		Vote inadequate.
Province of Ukamba. Personal Emoluments		60	
-do- Transport, Local Travelling	160		Vote inadequate.
Province of Kenya. Personal Emoluments		59	
-do- Transport, Local Travelling	745		Vote inadequate.
-do- Transport, Travelling Allowances	47		-do-
-do- Transport, Carriage of goods	60		-do-
Province of Jubaland. Personal Emoluments		240	
-do- Transport, Local Travelling	33		Vote inadequate
-do- -do- Carriage of Goods	35		-do-
-do- -do- Jubaland Transport		172	Overestimated
Carriage Allowance	2,465	2,992	

HEAD.

4. Secretariat.

Subhead	Excess	Saving	Explanation
General Savings Savings	62	140	Passage of Mr. M. P. Evans who was invalided home was not provided for.
	62	140	
Net savings £78. -----			

HEAD.

3. His Excellency the Governor.

Subhead	Excess	Saving	Explanation
	£	£	
Personal Expenditures		240	The post of A.D.C. has been vacant
Transport. Travelling Allowances		67	Not such travelling in the later months of the financial year contemplated.
-do- Carriage of goods		5	
-do- Passages		60	
House allowances for A.D.C.		12	The post of A.D.C. has been vacant.
Exp of Motor Car	67		The vote has proved insufficient.
	67	374	
Net savings 4807.			

Head	Excess	Saving
Brought forward	46,897	72,541
East Land Settlement		524
Abolition of Slavery	500	
Loan Charges		3,000
Special Expenditure for Magadi	5,000	
Total	52,397	76,065

Net Saving 23,668.

Head	Excess	Saving
His Excellency the Governor		307
Secretariat		78
Provincial Administration		206
-do- Special Expenditure	3,000	
Treasury		330
Customs		1,100
Port and Marine	110	
-do- Special Expenditure	1,492	
Audit		541
Legal		529
Police	1,468	
Prisons		880
Government Laboratory		66
Education		568
Transport		171
Military		3,271
-do- Special Expenditure	3,847	
Miscellaneous	6,025	
Postal and Telegraphs		210
-do- Special Expenditure	8,707	
Railway		55,518
-do- Special Expenditure	3,407	
Agricultural Department		2,338
-do- Special Expenditure	450	
Forest		195
Game		1,578
Immigration		99
Survey		3,870
Land Office		660
Public Works Department		180
Public Works Recurrent		848
Public Works Extraordinary	21,304	
Carried Forward	46,897	71,541

B

REVISED ESTIMATE OF REVENUE 1915-16.

592

Head	Excess	Deficit
Customs	£ 23,625	£
Port Harbour Wharf and Lighthouse dues		150
Licenses Excise		8,185
Fees of Court		1,024
Reimbursement by other Governments		6,000
Post and Telegraphs		6,410
Government Railways		55,333
Rents of Government Property		5,864
Interest	2,437	
Miscellaneous Receipts	3,608	
Sale of Government Property		237
	29,670	83,203
Net Deficit	53,533	
	83,203	83,203

62. *Loan Charges.*—There is a decrease of £11,283, which is chiefly in connection with the £375,000 Loan. The sum of £5,620 inserted in the draft estimates is to meet the first payment of Sinking Fund, which is due on 1st April, 1916. Interest will be paid on 31st March, 1916, and it has been arranged that the next payment will be made on 1st April, 1917, in order to coincide with the payment of Sinking Fund. It is therefore unnecessary to make provision for payment of interest in 1916-17.

As regards interest on advances to meet the Protectorate share of War Expenses, this is calculated at the rate of £3 10s for each £95 advanced. The rate chargeable on advances made to Colonies and Protectorates for war purposes. The amount on which the interest is calculated is based on the estimate that the Protectorate share of War Expenses is increasing by £8,000 monthly. It is possible, however, that this figure may have to be revised.

63. *Special Expenditure for Magadi.*—The financial position of the Protectorate has prevented the completion of this work, and the sum of £15,106 now placed on the draft estimates is the unexpended balance of the previous votes granted prior to 1915-16.

47. *Prisons.*—An increase of £1,734 is asked for in view of the impending re-organisation of the Department. It is proposed to abolish the posts of Inspector General of Prisons and Inspector of Prisons, and to appoint a Commissioner of Prisons and an Assistant Commissioner of Prisons, the latter to be also Superintendent of Nairobi Prison. It is also proposed to increase the non-European staff by 45. Provision has been made for an increased number of native prisoners and for the rise in prices of materials.

48. *Medical Departments.*—There is an increase of £5,036. The Secretary of State has already approved the appointment of a Dental Surgeon, and it is proposed to appoint a European Warder to assist the Superintendent of the Lunatic Asylum. Provision has had to be made for allowances aggregating £1,514, payable to seconded members of the Indian Subordinate Medical Department, while increased provision is required for the upkeep of hospitals and for passages. A saving of £750 is effected in respect of the Sanitary Station at Zanzibar, as the Zanzibar Government no longer demands a contribution towards the cost of its maintenance.

49. *Laboratories.*—An increase of £665. An additional Assistant Analyst is required, also increased provision for upkeep and stores.

50. *Education.*—An increase of £788. Of this, £90 is accounted for by an error in stating the Headmaster's salary in 1915-16 at £300, instead of £360. Provision is made for a duty allowance to the Director of Education, and for increased expenditure on tools for technical instruction at Mwachaka Native School, also for increased grants-in-aid to Dutch schools in Uasin Gishu.

51. *Transport.*—The increase of £629 is in reality only £400, as a contribution of £220 will be received from Uganda in respect of three clerks whose salaries are now shown in full in the East Africa Estimates, instead of, as formerly, half in East Africa and half in Uganda Estimates. The provision for passages has had to be increased.

52. *Military.*—A decrease is shown of £4,167. Against this it must be remembered that the military contribution from Zanzibar, which was estimated at £11,000 for 1915-16, will cease entirely in 1916-17, so that the cost of the Military as estimated for 1916-17 will mean an increased charge of £6,833 on East Africa funds.

No changes of any moment are made in either the European or Native Establishments, with the exception of the addition of one Company Commander and two Subalterns. As regards "Other Charges," it is difficult to frame an estimate at the present time, and that now submitted is based on the average figures of the last three years. £2,750 of the reduction is in respect of passages to and from Nyassaland.

53. *Military—Special Expenditure.*—There is a decrease of £1,265, as it is only proposed to spend £500 on quarters for clerks and artisans.

54. *Miscellaneous Services.*—The increase of £2,016 is chiefly due to the increased requirements for stationery and the enhanced price of the same, and also to the inadequacy of the previous vote for telegrams.

55. *Post Office and Telegraphs.*—An increase of £5,066 is asked for. The demands on this Department have been almost more than it could cope with, both in the Postal and the Engineering Divisions, and additional appointments are required for the efficient performance of the work, which is increased by the wireless installation. Additional expenditure is also required for the internal carriage of mails, passages and local travelling.

56. *Post Office and Telegraphs—Special Expenditure.*—An increase of £1,670 is asked for. Telegraphic extensions and improvements are much required, while it is highly desirable to erect a telegraph line to Archer's Post in the Northern Frontier District.

57. *Survey Department.*—The estimated increase is £19,616, against which, as already stated, the available margin in revenue is £40,500.

58. *Survey Department—Special Expenditure.*—There is a decrease of £6,600, only £300 being required for the Thika Railway.

59. *Busoga Railway and Kampala-Port Bell Railway.*—For the reasons already given the expenditure under these heads does not affect the balance of East Africa.

60. *Agricultural Department.*—The increase of £920 is mostly due to passages. Provision is made for a duty allowance for the Director of Agriculture, and for the appointment of a Yard Foreman at Kabete Laboratory.

61. *Agricultural Department—Special Expenditure.*—The same sums as provided in the current year are again asked for the continuation of the dipping scheme and for expenses under the Coconut Ordinance.

62. *Forest Department.*—The increase of £1,210 is chiefly due to the abolition of the Suspense Account which was formerly kept, whereby it is necessary now to place the gross revenue on the estimates and show a corresponding increase in expenditure. Three additional Foresters are asked for, and, if not sanctioned, the estimated revenue from Fuel Sales and Royalties must be reduced by £360.

63. *Game Department.*—There is a decrease of £30.

64. *Immigration Department.*—There is a decrease of £4.

65. *Survey Department.*—The whole schedule has been rearranged. The Special Survey Expenditure, which was formerly shown under the vote for Coast Land Settlement, is now transferred for convenience to the vote for the Survey Department. The salaries of the staffs of the Computing Office and of the Drawing Office are now shown separately instead of being included under the Cadastral Branch, while the sub-heads for "Other Charges," which were formerly shown separately for the Trigonometrical and Topographical Branch and the Cadastral Branch, are now combined for the whole Department. These changes are calculated to simplify accounting and to be an improvement in the classification of Survey expenditure.

Another change calls for comment. The question of house and travelling allowances affects Surveyors in a peculiar manner, and after mature consideration the Secretary of State has approved of scales of salaries including consolidated allowances. The result is an increase in personal emoluments and a reduction in travelling allowances.

Although the increase in the schedule is £8,785, the actual increase in expenditure on Surveys is only £2,140, of which £920 is for transport and labour, and £330 for instruments and equipment.

66. *Land Department.*—The increase of £669 is chiefly due to passages and travelling.

67. *Public Works Department.*—The increase of £1,188 is chiefly due to normal increments, but an additional sum of £103 is required for headmen.

68. *Public Works—Rentals.*—The increase of £1,000 is required for rents and allowances in lieu of quarters, the previous provision for which has proved inadequate.

69. *Public Works—Extraordinary.*—An increase of £1,600 is asked for, but this includes the sum of £1,000 for new roads and bridges which was referred to in connection with land sales. The question of Nairobi Drainage is of great importance, and it is hoped that £30,000 will be available for this purpose. A sum of £7,500 is put down for Minor and Petty Works, which, although an increase of £2,400, is a very modest sum for the whole Protectorate. In addition to the £4,000 just referred to, it is hoped to spend £6,000 on New Roads and Bridges. The total estimated expenditure on Public Works Extraordinary is £27,500, as compared with £104,755 in the pre-war Budget of 1914-15.

70. *Abolition of Slavery.*—The increase is £1,540. The original grant of £40,000 has proved to be not quite sufficient. A certain number of cases is still awaiting settlement, and destitute slaves have to be provided for.

71. *Coast Land Settlement.*—This vote shows an apparent decrease of £1,185, but allowing for the transfer of the Special Survey expenditure to the Survey Department schedule, there is an increase of £516, additional provision being required for passages, travelling, etc.

9. It is anticipated that an early revival of trade will follow on the cessation of local hostilities and on this expectation are based the increased figures of £20,375 from Customs Duties and £30,500 from Government Railways.

10. An increase of £69,831 is expected from Licences, Excise and Internal Revenue. Under this head various decreases are anticipated, of which the principal are £3,000 on Game Licences and £2,160 on Non-Native Poll Tax. On the other hand Native Hut and Poll Tax is expected to realise an increase of £76,611, due to the decision to increase the tax from Rs. 3 to Rs. 6 in certain districts.

11. The estimated increase of £3,745 under Interest is accounted for by the great expansion of the circulation of the Government currency notes, against which, as Honourable Members are aware, a guarantee fund is maintained, consisting of one half in coin and the other half in first-class securities.

12. If, as is anticipated, the land sale which was postponed in 1914-15 takes place in 1915-17, it should realise a sum of £4,000, but this, or whatever the actual sum may be, will be earmarked for new roads and bridges, and a corresponding amount has been provided on the expenditure side under Public Works Extraordinary.

13. While the foregoing all show increases, there are certain anticipated decreases which call for comment.

14. The decrease of £959 on Fees of Court and Payments for Specific Services is nullified by the fact that, through an inadvertence, the sum of £659 for the estimated cost of the Currency Notes Issue Department was allowed to remain in the revenue estimate for 1915-16 after the corresponding amount had been deleted from the expenditure estimate. But for this the 1916-17 Estimates would show an increase of £290. Examination of this schedule will show that the principal falling off is anticipated on Testing and Dipping Fees, but is more than counterbalanced by an increase on Fees of Court.

15. The largest decrease occurs under Imbursements by other Governments. Owing to a redistribution of the troops, whereby East Africa will no longer furnish Zanzibar with a garrison drawn from the King's African Rifles, the annual contribution of £11,000 from the Government of Zanzibar will cease. The increase of £222 in the Post and Telegraphs contribution from the Government of Uganda is on account of the increase in the telegraph staff at Entebbe. The insertion of the new item of £220 as a contribution from Uganda on account of the Transport Department Clerical Staff is due to the fact that the salaries of the three clerks in respect of whom the contribution is to be paid were formerly shown in equal proportions in the estimates of East Africa and Uganda, but will in future be borne in whole on the East Africa vote.

16. The decrease of £1,828 on the estimated revenue from Post and Telegraphs can only be ascribed to an over estimate having been made for the current year. So far from there being a decrease on the actual revenue for the current year, there is every reason to expect an increase, and this anticipation is strengthened by the intention to raise the Post Office charges for certain services which have hitherto been performed for the Public at unremunerative rates.

17. The decrease of £6,000 on the revenue from the Busoga Railway is counterbalanced, in so far as East Africa is concerned, by a corresponding reduction in the expenditure under that head. The profit or loss on the working of this railway only affects the finances of the Uganda Protectorate, and the figures appear in the estimates and accounts of East Africa because the working of the railway is under the control of the financial Manager of the Railway Department of the East Africa Protectorate.

18. The decrease of £2,615 in Rents of Government Property is in respect of Forest revenue which cannot be expected to recover so quickly as some other sources of revenue.

19. The decrease of £209 on such an unreliable item as Miscellaneous Receipts scarcely calls for detailed comment.

20. Turning now to the expenditure side of the Budget, it will be observed that the estimated expenditure for 1916-17 is £1,356,288, which is an increase of £65,841 on the current year's estimate, but, as already stated, is £11,431 less than the estimated increase in revenue.

21. In considering the various increases which it is proposed to make, and which he had to the fact that not only has leeway to be made up on account of the drastic pruning of the estimates for 1915-16, but that further expenditure must be faced if the additional revenue which is budgeted for is to have any reasonable chance of being realised. It is a matter of first-class importance that the Administrative, Military and Police Departments be maintained in a state of efficiency, but it is a satisfaction to observe that the additional revenue which is estimated for amply covers the extra expenditure required.

22. I will now invite attention to the several heads of expenditure.

23. Rent and Interest to Zanzibar.—No change.

24. Pensions and Gratuities.—There is an increase of £708.

25. His Excellency the Governor.—There is an increase of £758, which is chiefly due to provision being made for the Governor to resume a more normal amount of travelling throughout the Protectorate.

26. Secretariat.—The increase of £196 is mainly due to normal increments of salaries.

27. Official Gazette and Printing.—The increase of £685 is chiefly due to the enhanced price of stationery.

28. Provincial Administration.—Here there is an increase of £19,837. The estimate for the current year for Assistant District Commissioners was based on the assumption that the salaries of some of these officers would be chargeable to War Expenses. On this item alone, therefore, there is an increase of £5,368, which includes normal increments, although it is only proposed to make two new appointments. About £4,000 more is required for the Northern Frontier District, mainly in connection with transport, and a similar increase for local travelling throughout the Protectorate, while new expenditure has to be met in connection with the Turkhana District, in which new stations have lately been opened. An unusual provision has also to be made for passages, owing to the postponement of leave which was due to officers during the current year, but which had to be deferred on account of the War. It may be noted here, by way of repetition, that this remark applies to the estimate for passages for nearly every Department.

29. Provincial Administration—Special Expenditure.—This shows a decrease of £3,256, as it is not proposed to ask for any large sum in existing circumstances.

30. Treasury.—An increase of £637 is required, due partly to normal increments, and partly to passages.

31. Customs.—The increase of £109 is almost entirely due to normal increments.

32. Port and Marine.—An increase of £203 is asked for. It has repeatedly been urged by the Port Officer that he should have a European assistant, and the death of one of the Indian pilots, combined with the demand of the Naval Authorities for European pilotage, render the moment opportune for the appointment of a European Assistant Port Officer and Pilot.

33. Port and Marine—Special Expenditure.—A sum of £640 was sanctioned for the current year, but it is not proposed to ask for anything for next year.

34. Audit.—The increase of £244 is due, partly to normal increments, partly to the postponement of leave in the current year, and partly to an increase in the Protectorate's share of the expenses of the Director of Colonial Audit in London.

35. Legal Departments.—There is an increase of £1,686, which is chiefly in the Judicial Department, which requires increased provision for travelling, etc. Provision has been made for the much needed appointment of an Assistant Registrar of Documents,

36. Police.—An increase of £14,678 is asked for in order to increase the strength and efficiency of the Department. It is proposed to increase the European staff by 14 and the non-European by 214, and to put the salaries of Inspectors, Assistant Inspectors and Sergeant-Inspectors on instrumental scales. Provision has had to be made for the great rise in prices of materials and for an unusual number of passages.

EAST AFRICA PROTECTORATE.

BUDGET STATEMENT OF TREASURER IN LEGISLATIVE COUNCIL.

January 25th, 1916.

YOUR EXCELLENCY,

I beg leave to introduce and move the first reading of a Bill intitled "An Ordinance to apply a sum of money for the service of the year ending the 31st day of March, 1917."

2. Before proceeding to the consideration of the various heads of revenue and expenditure it is desirable that Honourable Members should be made acquainted with the general financial position of the Protectorate.

3. The Budget Statement for 1915-16 opened with the cautious remark that it could only record, under existing conditions, little more than anticipations based on circumstances liable to possible fluctuations and changes. Events have proved the wisdom of the warning contained in that statement; but, although until quite recently there were indications that the Budget expectations of 1915-16 would be far from being realised, and that the Protectorate surplus balances at the end of the current financial year would probably fall below the minimum of £100,000 which it is our aim to maintain, later information affords good ground for believing that the deficit on the estimated revenue will be more than counterbalanced by savings on the estimated expenditure, and that the excess of assets over liabilities on 31st March, 1916, will be £119,642. The manner in which this figure is estimated is shown in Appendix B of the Draft Estimates for 1916-17, of which copies have been furnished to Honourable Members.

4. The Draft Estimates now submitted make no provision for the payment of any War Expenses other than a sum of £5,748, which is calculated to be the interest payable on advances received to meet the Protectorate share of War Expenses. It is, however, certain that a large sum will eventually have to be met from Protectorate revenues, and the Budget has been prepared with this fact in view.

5. It is estimated that the revenue will amount to £1,292,418, and the expenditure to £1,250,988, leaving a surplus of £41,430 to be added to the assets of the Protectorate.

6. The estimated position may conveniently be summarised as follows:—

Estimated balance of assets over liabilities on 31st March,	£	£
1916	...	119,642
Estimated revenue, 1916-17	...	1,292,418
Estimated expenditure, 1916-17	1,250,988	
Estimated balance of assets over liabilities on 31st March		
1917	161,072	
	£1,412,060	£1,412,060

7. It will be observed that a new feature has been introduced in the Draft Estimates, whereby explanations are given of the differences between the figures for the current year and those for 1916-17. This will greatly facilitate a right understanding of the Estimates, and render it unnecessary to enter in the Budget Statement such full details as have appeared in it in previous years.

8. The estimated revenue for 1916-17, as already stated, is £1,292,418, which is an increase of £106,721 on the current year's estimate.

Ans^d 25/9/16

533

58, VICTORIA STREET,

S.W.

25th Sept: 1916

Mr Bottomley,

We have not been
furnished with a copy of the
"Estimates of East Africa
1916-17", and the library,
in reply to a requisition, tells
"they have no spares". Would
you be kind enough to do the
best you can to help us?

Yours sincerely

J. Barnes

generally to a figure commensurate with their respective requirements, instead of, as reported by me when submitting the estimates for the current year, relying on savings on personal emoluments to cover possible excesses on other charges.

I have the honour to be,

Sir,

Your humble, obedient servant,



draft approved by
GOVERNOR

your Confidential despatch of August 10th.

10/15/15

10/16/15

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KAR

10. In my despatch No.881 of December 23rd, 1915, I made certain recommendations as to new appointments and increases of emoluments. In that despatch, however, I inadvertently omitted to refer to a personal allowance of £50 for Mr. Armitstead, Paymaster to the King's African Rifles. Mr. Armitstead formerly drew this allowance as accountant for the volunteer reserve. Provision for the volunteer reserve was deleted from the 1915-16 estimates and the reserve has now been formally disbanded. I consider it a hardship that Mr. Armitstead, who has held his present post for 12 years, should suffer pecuniarily and I trust that you will approve the grant of this personal allowance and allow the provision to stand (Vide XVIII 20).

11. The various alterations in the draft estimates are referred to in the Treasurer's budget statement and are more specifically dealt with in the "explanations" given in the estimates themselves. Further comment on the detailed provision appears unnecessary but I would state that the large increase in Revenue has enabled me to restore the allotments throughout departments generally

surplus for 1916-17 are twofold viz:-

(1) To provide a reserve from which to defray any additional loan charges in respect of the Protectorate share of war expenses in the event of a decision on that point being arrived at during the coming year.

(2) To have in hand without trenching on balances some funds which could be drawn upon should any special readjustment of administration or departmental arrangements become necessary as a result of local hostilities. Although I am unable at present to make any definite recommendations or even suggestions it appears to me possible that the effect of the war on the native mind may render such action necessary.

At the same time, should it in due course become apparent that the surplus will not be required for the purposes indicated above, I would wish to be allowed to increase the expenditure for 1916-17, (1) on Public Works and (2) on works in those native reserves where the taxation is being increased, as advocated in paragraph 11 of my Confidential despatch No. 57 of 26th May 1915 and approved in principle in

your

for example does not even bring the 1916-17 figures up to the revised estimate for the current year, and it should be remembered that an ad valorem tariff on local costs automatically increases with the increase of prices at countries of origin and the higher freight charges. The principal Revenue increase is under Native hut and poll tax owing to the increase of the tax in the most densely populated Districts from Rs.3/- to Rs.5/-. In submitting an increased Railway Revenue estimate of 230,500 I have in mind the additional facilities afforded by a number of sidings which have been constructed between stations by the military authorities, on the subject of which I am addressing you in a separate despatch, and the accumulation of exportable products at various enemy ports on Lake Victoria which a termination of local hostilities would make available for traffic. The increased Revenue from the Currency note issue is amply justified by the increased note circulation, and the 20,000 for Land sales is a cross entry with Expenditure item XXX 5.

9. My reasons for showing a budget surplus

Railway Revenue and Expenditure are now expected to fall some £55,000 below the figure at which they were originally placed, the net Railway earnings are within £180 of the original estimate.

7. Special Warrants have been issued in respect of the various excesses on the current year's votes and of expenditure to be met from balances on hand and steps will be taken in due course to obtain the necessary approval of the Legislature.

8. Turning now to Appendix C (page 203), you will observe that I have not deemed it advisable to provide for expenditure up to the full amount of the estimated Revenue. The 1916-17 budget, in fact, shows a net surplus of £41,430 bringing the estimated excess of assets on 31st March 1917 up to £161,072 (Appendix D). I do not wish to convey the impression that I am in any way apprehensive of submitting too sanguine an estimate of Revenue. On the contrary I believe that due caution has been exercised in its preparation and that very possibly the figures as shown will be more than realised. The increased Customs Revenue,
for

summary:-

	£.	
Actual book assets on 1st April 1915	140,500	
Savings on expend- iture on 1915-16 estimates	76,065	
Expenditure during 1915-16 to be met from balances		35,145
Revenue deficit 1915-16		53,533
Excess of 1915-16 votes		17,252
Net assets 31st March 1916		110,642
	<u>£225,572</u>	<u>£225,572</u>
	=====	=====

Or more briefly:-

	£.	
Estimated balance of assets as on 1st April 1915	113,589	
Surplus 1914-15	773	
Estimated surplus 1915-16	5,280	
	<u>£119,642</u>	
	=====	

6. It is interesting to note that if the railway figures are eliminated from both revenue and expenditure, the net excess Revenue would appear at £1,500 and the net savings on expenditure at £1,500 a total surplus of £5,100. Thus although both

£17,252 will probably have to be faced. This total of £70,785 is, however, more than covered by anticipated savings on other expenditure heads which aggregate £70,065 and the net result is therefore a surplus of £5,280. This result may, I think, be considered very satisfactory in view of the great difficulties attending the preparation of estimates under war conditions.

5. I attach statements of the revised estimates of Revenue and Expenditure for 1915-16, showing how the figures quoted above are arrived at. It is necessary to explain that the revised estimate of expenditure includes the various items aggregating £35,145 referred to in paragraph 3 as chargeable to balances; but for this the net estimated savings would figure at £58,313. The estimates for 1915-16 were drawn up so that revenue and expenditure balanced, i.e. the net balance of assets on 31st March 1916 was the same as on 1st April 1915 i.e. £113,500. How this figure is now increased to £119,313 can conveniently be shown in the following summary:

Bill which was read a first time at a meeting of the Legislative Council held last week and left in Committee at the second reading.

3. A reference to Appendix B to the estimates (page 202) will show that the revised estimated excess of assets over liabilities on 31st March 1916 is placed at £119,642. The balance at the commencement of the year was £149,507, vide Appendix A, but a total expenditure of £35,145, representing (1) certain specially sanctioned items which had never appeared in any estimates and (2) certain uncompleted services from 1914-15, has been necessary during 1915-16. Deducting this figure from the book assets as on 1st April 1915 the latter are reduced to £114,362, which very closely approximates the amount estimated when the 1915-16 budget was framed, viz. £113,580, and shows a surplus of £778.

4. As regards the transactions for 1915-16, you will observe that a revenue deficit of £53,533 is apprehended and that excesses on various votes to the extent of £17,352

EST AFRICA PROTECTORATE.
No. 18.

GOVERNMENT HOUSE,
NAIROBI,
BRITISH EAST AFRICA.

CONFIDENTIAL.

February 3rd, 1916.



Sir,

I have the honour to transmit 6 copies of the draft estimates for 1916-17, together with 12 copies of the Treasurer's budget statement. You will observe that I have caused these estimates to be prepared on a different model, which I consider more convenient for purposes of reference and comparison and which obviates the necessity for furnishing separate "schedules of differences". I trust that the form which I have adopted will meet with your approval.

2. The usual procedure has been followed with regard to the Appropriation

Bill

THE RIGHT HONOURABLE

ANDREW BONAR LAW, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON, S. W.

estimates

Treasurer's
statement

to Boston

There would be both trouble & expense (not much it is true) in doing what you request, but in view of the instructions to exercise the strictest economy in printing it would perhaps be better to accept your suggestion to send out a long print.

AM 24/4

S.P.A. Done

Then please arrange for the S. A.'s signature to be affixed to the proof copy below. W.L.S. 16.4.16 at 10