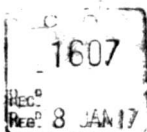


CONFIDENTIAL.



December 1st, 1918.



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Sir,

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I have the honour to transmit six "advance copies" of the draft Estimates of the Revenue and Expenditure of the East Africa Protectorate for the year 1917-18. These estimates have been prepared as far as possible in the form in which I propose that they shall be presented to the Legislative Council in January next, although it may be necessary to amend them in certain respects, more especially if my proposals are approved regarding the inauguration of the new system of administration as detailed in my Confidential despatch No. 146 of the 4th November.

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2. I trust that the procedure I am now adopting will minimise the inconveniences caused by the late arrival in England of the estimates referred

THE RIGHT HONOURABLE
ANDREW BONAR LAW, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S. W.

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referred to in paragraph 11 of your Confidential despatch of 20th March and that it may be approved as a standing arrangement for future years, as being the most satisfactory method of dealing with them in the circumstances of this Protectorate. A supplementary despatch will be sent, after the estimates have been considered by the Legislative Council, which will deal with any alterations or modifications which might subsequently become desirable. The alternative method of preparing the budget 2 or 3 months earlier in order to conform strictly to the provisions of Colonial Regulation 223 does not commend itself to me both because of the objections to setting forth our requirements further ahead than is absolutely necessary and because of the difficulty in forecasting our financial position so early in the financial year.

3. I have not found it possible this year to prepare a budget showing a surplus balance as was done for the 1916-17 budget. The increased recurrent provision which you have instructed me to make for military services is, however, greater than the current year's estimated surplus by £12,217, viz. £54,658 against £42,441, and there is in addition increased

increased special expenditure connected with the new military arrangements of £9,789. Further, the satisfactory results of the financial transactions for the year 1915-16 and the estimated surplus on the current year's accounts have enabled me to recommend that a sum of £118,000 shall be issued during the current year from our balances in settlement of the whole of the Protectorate share of war expenses to 31st March 1917 over and above the £107,000 in respect of which funds have already been advanced from the Imperial Exchequer. The savings on Military other charges vote for 1915-16 amounting to £23,810 have also been earmarked for part liquidation of the "Common Charges" Account and shown as a liability. Nevertheless the excess balance of assets over liabilities on 31st March 1917 is estimated at £214,603, vide Appendix B, page 206, a result which I trust you will regard as satisfactory, because although £27,548 less than the actual balance of assets on 31st March 1916, it is £94,961 more than was estimated as the balance on that date when the current year's estimates were prepared.

4. At the same time, although we hope to have this considerable balance on hand after disbursing

disbursing £113,000 on account of War Expenses and although the estimates provide for interest on the £107,000 advanced to us for the remainder of our share of war expenses, I regret very much that the budget for 1917-18 does not show a surplus which could be used to defray any additional loan charges in respect of any portion of the "Common Charges" which may be allotted to us. If it had not been for the largely increased military expenditure, which would appear to be sufficient to bear the cost of a force far in excess of our requirements, it would have been possible to show such a surplus. As it is, however, although the utmost economy has been exercised and the requirements of many departments as well as expenditure on much needed public works of utility and hygiene have been pruned down to a figure which I regard as detrimental to the progress of the Protectorate, it has not been possible to do more than prepare a budget which does not show a deficit. I can only express the hope that the greatly increased expenditure on "recurrent" military services will be regarded in part as a contribution to the cost of the East Africa Expeditionary Force and that we shall be relieved of it in future years, thus liberating an annual sum, part of which could be devoted to War Loan charges.

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5. The excess of assets over liabilities on 1st April 1916 was £242,151 as against £119,642 estimated when the current year's estimates were prepared. The manner in which this increase has accrued is explained in the Annual financial report transmitted under cover of my despatch No. 707 of the 9th of November. It is now anticipated that there will be a very considerable increase of Revenue over the total originally estimated for 1916-17. This increased Revenue is estimated at £157,423, vide statement attached. I also enclose statements of estimated savings and excesses on heads of expenditure, aggregating £33,427 and £124,029 respectively. Of this latter figure (£124,029), £38,205 as detailed in footnote (3) to Appendix B will be defrayed from the surplus revenue referred to above. Certain special services and uncompleted services from the year 1915-16 are to be met from balances. These items respectively amount to £7,143, as detailed in footnote (1) to Appendix E to the draft estimates, and £27,216 shown in Appendix V to the financial report 1915-16. Thus only £1,465 excesses on Heads of expenditure remain as a charge against the savings on other heads of £33,427. The net savings on the military estimates for 1915-16 amounting to £23,810 figure as already stated

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as a liability pending a final decision as to the military expenditure which is to be charged to the Protectorate on account of the King's African Rifles. The £113,000 for Protectorate share of War Expenses referred to in paragraph 3 is also shown as a liability and the net estimated surplus on 31st March 1917 is thus eventually reduced to £214,603. This figure is liable to still further reduction should it be decided that the recurrent military expenditure of the Protectorate for the years 1915-16 and 1916-17 is to be fixed at a figure higher than that provided in the estimates for these years. As you are aware, the reorganization of the King's African Rifles and the issue to them of Ordnance and other Stores from Expeditionary Force organizations has made it impossible to allocate correctly expenditure which would under other circumstances have been chargeable to sub-heads of the military vote in the Protectorate estimates.

6. The Revenue estimate for 1917-18 stands at £1,484,075 - an increase over the current year's original estimate of £191,297, over the current year's revised estimate of £33,874 and over last year's actual Revenue of £318,514.

Customs

Customs shows an increase of £41,790 as compared with the current year's original estimate but a decrease of £7,335 below the revised estimate. The current year's Revenue is undoubtedly abnormal because of the large number of troops in the country and the goods imported for their convenience by local merchants. Increased prices and high freights again affect our ad valorem tariff, so that revival of trade is not solely responsible for increased Customs Revenue.

Licences etc. show an increase of £28,810 and £32,925 respectively over the original and revised estimates for the current year.

Railway Revenue is restored to £800,000 the figure estimated for the year 1914-15. This is £107,500 in excess of the original estimate for the current year but is practically the same as the revised figure. I see no reason why the full amount of the estimate should not be realised and even if it is not, the corresponding savings on the expenditure estimate will not greatly alter the net earnings which are placed at £307,802 or £7,299 more than for the current year. I shall refer further to the Railway Estimates in my remarks on Railway Expenditure.

Revenue

Revenue Generally. Notes on the estimated increases and decreases in the various sub-heads of revenue appear on the "explanation" pages in the body of the draft Estimates.

7. The expenditure estimates have, as already explained, been framed up to the full amount of the estimated revenue, viz. £1,484,075. The explanatory notes against each change from the current year's figures require amplification in the following particulars:-

General. I have caused a new Appendix (H) to be prepared showing at a glance the increases and decreases in the numbers of Non-European Clerks. The system whereby clerks are promoted by seniority, without necessarily being transferred between departments, which was approved in your despatch No. 715 of 28th September 1915, makes it impossible to compare the provision in any one department with that for the previous year in the same department without such a summary. I have carefully scrutinized the increased provision now asked for, which amounts to eleven Clerks in all, and am satisfied that it is fully justified in every case. I also recognise the necessity of increasing proportionately the number of 2nd and 3rd grade posts because of the difficulty of retaining really good clerks
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who could otherwise obtain more lucrative employment outside Government Service. The difficulty of recruiting suitable Non-European Clerks is increasing.

Pensions and Gratuities. Appendix G which gives the details of the Pensions schedule will be brought up to date when the estimates are in Council. I do not however propose then to alter the total but to adjust the final entry, which at present stands at £2,000, by increasing or reducing it as may be necessary.

8. Provincial Administration.

General Staff.

The estimates have been framed to suit the existing system of administration but, as I have stated in my Confidential despatch N^o146 of 4th November, certain re-arrangements and reallocations will be necessary if the new scheme of civil administration which has been under consideration for the past two years is to be introduced from April 1st, 1917. The six additional appointments of Assistant District Commissioners were specifically dealt with in my Confidential despatch No.116 of 19th September.

Sevidie Province.

Item 46. I am asking that a special increase of £20 may be allowed for the aged

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Liwali of Mombasa, Sheikh Salim bin Khalfan, C.M.G. His son, the Assistant Liwali, will next year attain the maximum salary of his grade and I do not think it would be proper that the Liwali himself should draw less actual salary.

Ukamba Province.

Item 156b. This item has been shown as special expenditure during the past few years. It is, however, a permanent charge and I have therefore transferred it to the recurrent schedule.

Northern Frontier District.

The preparation of the estimates both recurrent and special for the Northern Frontier District has been undertaken in direct consultation with the Officer-in-Charge, Mr. Kittermaster. The question of the administration of that area, which is a matter of constant anxiety because of the extent to which it depends on transport facilities which have never yet been organized on a really satisfactory footing, has naturally been very prominently before me during the past year on account of the trouble with the Somalis and the more recent developments in Abyssinia. I cannot conceal from myself the fact that for years past we have been maintaining ourselves

ourselves in the Northern Frontier District largely by a policy of bluff. Transport arrangements have been of a very precarious and hand-to-mouth nature and although no actual serious break-down of communications has occurred hitherto, I am assured by Mr. Kittermaster that the transport camels and other livestock on which we are so dependant are steadily diminishing in numbers and quality. In addition therefore to revising the recurrent estimates, I have provided a considerable sum under Special Expenditure for transport which is largely of an experimental nature.

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Item 281. In paragraph 8 of my Confidential despatch No. 116 of 19th September, I explained that the special appointment of an Assistant Transport Officer was no longer necessary and I have accordingly deleted the provision made in the current year's estimates. I am indeed by no means convinced that Item 279 should stand. The officer nominally filling the post of Transport Officer has been employed on military duty for over two years and it is not clear to me how his presence in the Northern Frontier District would have assisted in the solution of the Transport problem. This view is endorsed by the Officer-in-Charge who considers that for the present at least the duties

duties of Transport Officer could, equally well if not better, be carried out by the Assistant District Commissioner who is to take the place of the Assistant Transport Officer and who would at the same time be available for other district work. After due consideration I have deemed it advisable not to delete the provision for the present, more especially as I am unable to suggest any other employment for the present holder of the post Captain (temporary Lieutenant-Colonel) C. A. Neave.

Item 284a. An attempt will be made to introduce amongst some of the Northern Frontier District tribes, the system of paid tribal retainers which is working very well in other Provinces. £40 have been inserted in the draft estimates for this purpose.

Items 285 a and b. The appointment of an European Sergeant Instructor to train the Northern Frontier District Constabulary is very desirable and I have inserted provision similar to the minimum of the scale of the senior Police/Sergeant-Instructor plus the usual Northern Frontier District allowance of £25 which is granted to junior Officers.

9. Special Expenditure. Northern Frontier District.

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The three most important items under this head are No.7 Mule Transport £900, No.8 Mechanical Transport £5,600, and No.11 Road Construction £1,000. An alternative road from Meru to Wajheir via the Lorian Swamp avoiding Archer's Post is under consideration. Such a road would be shorter and it is believed easier of construction. Meru will thus become the real base for the Northern Frontier District and it will be necessary to erect a small store there. Item 6 provides £200 for this purpose. It is intended to employ the mule transport entirely between Meru and Archer's Post which will become the advanced base for Moyale and the Western portion of the Northern Frontier District. The £900 will provide approximately for 50 mules, 4 wagons and harness and a buckboard for the use of European Officers travelling between the two stations. The loaded wagons would be travelling down hill and would return to Meru empty. The country is suitable for mules and the risk of fly is not great. Great saving of time is anticipated and also a reduction of wastage in flour (the principal commodity to be moved) from rain and leakage. In addition the very large number of porters who are under existing conditions necessary to keep the Northern Frontier District supplied will be

freed

freed for other service, a fact of considerable importance because of the steadily increasing requirements of the labour market.

The provision under Item 8 for mechanical transport will suffice for the purchase of 3 Motor Lorries, 1 repair lorry, 1 workshop lorry and 2 Ford Cars and for the running expenses of these vehicles including the wages of 3 European drivers and 2 mechanics.

The Motor Lorries will be used at first for Eulesa and Wajheir. If the new road from Meru to the Lorian proves a success and is carried on to Wajheir all transport for that station and most of the transport for Garreh will pass along it. It is hoped that later on a connecting road will be made between the Lorian and Sankuri on the Tana River (80 miles). Until this new road from Meru is proved and constructed the mechanical transport will be run over the existing road from Archer's Post to Eulesa and possibly to Arodima thereby saving heavy mortality in animals from fly along the river. It is believed that it will eventually be possible to run mechanical transport to Marsabit and without serious trouble on to the foot of the Moyale Escarpment. The sum asked for is of course not sufficient to meet all the requirements of the District but should permit of a reasonable trial of mechanical transport

transport being made. I am not sure that our wireless telegraphy programme can be carried out in its entirety until and unless mechanical transport is available.

The 2 Ford Cars are for the use of administrative officers and will be an immense benefit by increasing their mobility and by being available for urgent work, medical aid and so on. It would be possible to reach both Marsabit and Wajheir from Meru by car.

Item 11 provides £1,000 for road construction and maintenance and covers the wages of an European foreman. The principal new work will be as already indicated between Meru and the Lorian and existing roads will also require to be maintained.

Items 9 and 10 are for replacing worn out camel tanks and grinding mills.

I sincerely hope that you will allow the provision I have made for these transport proposals to stand. It must be borne in mind that the recurrent and special provision for transport are to a certain extent reduplicate. The special expenditure is experimental and until it has been proved it is necessary to estimate also for the whole of the old method. If it does prove a success it is believed that the expenditure on transport and rations will

become

become largely reduced.

As it may be possible by arrangement with the military authorities to obtain locally part, if not all, of the necessary equipment as well as the necessary staff I would ask that I may be informed by telegram whether you approve my proposals on this important subject. In the event of local hostilities being terminated before the 31st March and the military being anxious to remove so much of their mechanical transport etc. as could not be disposed of locally I would address you further on the subject of the provision of funds but in any event I should like to be able to conclude negotiations for the eventual acquisition of what is required at as early a date as possible.

10. Customs. Item 6. I have made provision for one additional Assistant in the Customs Department. It is proposed that this officer shall ordinarily be employed in the General Post Office in connection with the importation by registered and parcels post of dutiable goods. At present the Post Office is collecting approximately £7,500 per annum on parcels alone and a considerable amount of work falls on the

Post

Post Office Staff both with regard to Customs duties on parcels and to importations by letter mails. The Post Office authorities call for declarations and collect duty on a proportion of packages arriving by registered post and I am of opinion that a stricter control should be exercised over this method of importation. It is clear that the Customs vote is properly chargeable with the expense incidental thereto and I trust that the appointment of the additional officer will be approved.

11. Port and Marine. Special Expenditure.

Item 1 provides £350 for a motor boat for the Police and Immigration Departments. Much time is wasted at present and serious delay is occasioned in posting water police on gangways and in the arrival on board of the Principal Immigration Officer especially when ships arrive on the same day in both Mombasa and Kilindini harbours. More up to date methods are very necessary in dealing with shipping matters at the principal ports of the Protectorate.

Items 2 and 3 provide the necessary facilities for the ferries the direct control of which has now been taken over by Government.

Item 4. As in the case of the Police Department I consider a motor boat very

necessary

necessary for the Medical Department. It is not only required for visiting ships on their arrival and during their stay but also for visiting the new quarantine station at Kipevu which is now approaching completion. It has been found impracticable for the Medical Officer of Health to depend on assistance in the matter of transport from other departments, the unrestricted use of a launch is required and temporary arrangements have been made to place one at his disposal.

Item 5 is to replace the light row boat belonging to the S.S. "Rose" on the Juba River which is beyond repair.

I have reluctantly been compelled to refuse this year a request by the Provincial Commissioner for the provision of a motor launch for Kismayu harbour desirable though it undoubtedly is to expedite transit between ship and shore which under existing conditions take 2 to 3 hours on windy days in the South West Monsoon, but I consider the Police and Medical launches for Kilindini and Mombasa more important and the necessity for economy has prevented me from providing for all three.

Item 6 is to expedite the visits of the pilot to ships lying off Mombasa Island which when tide and wind are unfavourable take a

very

very considerable time.

I have not inserted the comparatively large expenditure under Schedule IXa until after very careful consideration and I trust that it will be allowed to stand in its entirety.

12. Legal Departments. Judicial.

As in the case of the Provincial Administration the estimate for the Judicial staff will require to be adjusted if my proposals for the new form of administration are approved. In any case a reduction of £100 will be possible in respect of Mr. Donald's personal allowance as that officer will be transferred from the Judicial Department next year.

Clerical Staff. I have caused items 14-20 on the current year's estimates to be rearranged so as to discriminate between the judicial clerical interpreters and the ordinary clerical staff which will be interchangeable with other Departments.

Attorney General's Department. In my Confidential despatch No. 151 of the 16th of November I have addressed you on the subject of increasing the efficiency of this important department. If my proposals are approved it will be necessary to adjust the draft estimates accordingly.

Police

13. Police. Item 5. I have again inserted the increased scale of emoluments for the Assistant Commissioner which was approved in principle in your Confidential despatch of the 20th of March last and I trust that it will be allowed to stand on this occasion.

Item 14. Assistant Inspectors. The four additional Assistant Inspectors now asked for were included in the draft Estimates for 1916-17 but were disallowed by you; they are required respectively for Nairobi, Chuka, Lamu and relief purposes. The reasons for this increase are as follows:-

The Assistant Inspector at Nairobi will take charge of the new outlying police station which has been rendered necessary by the extension of the suburbs and the number of persons now residing West of the Waterworks; an excellent site for this station has been reserved.

The Assistant Inspector at Chuka is for duty at the Kierra Mica Mines where an European Police Officer and 10 Africans will be required partly for the preservation of peace and good order among the employees of the Mines when they are re-opened and partly to protect the employees on the Mines in the event of any acts of aggression on the part of the surrounding native population.

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The Force in the Tanaland Province is inadequate, the posts are very widely scattered and if adequate inspection is to be carried out one European Police Officer should be on safari continuously which is impossible with only one officer, a considerable portion of whose time must be taken up in training and administering his Unit, in the Province.

The authorised establishment of Assistant Inspectors at present is 19 of which number 3 are unallocated i.e. available for relief of Inspectors on leave, sick, on transfer etc. and with an increase in the establishment it is necessary to make provision for another spare man.

Items 21-23. European Police. Of the seven included in the draft Estimates for 1916-17 three only were allowed; the four deleted are again included with the addition of one for Kiambu Station. The details are as follows:-

(a) Kiambu. For the past two years there has been one European Police Officer only at Kiambu, namely the Assistant Superintendent of Police, whose duties necessitate his being out of the station some 15 to 20 days in each month

month during which period there is no European Police Officer at the head-quarter Station of the District. With a Constable stationed at Kiambu it will be possible to enlarge the Headquarters patrol area and permit of the Constable at Ruiru including that portion of the Kiambu District at present patrolled from Thika in his patrol area thereby releasing the Thika Constable for work in the Fort Hall District only.

(b) Nyeri District. One 1st Grade Constable. A European Police Officer is required for the efficient policing of the Northern area of the European settled portion of the District known as the Western Kenya allotment which it is anticipated will develop rapidly on the cessation of hostilities; the exact position of the post will be settled later.

(c) Fort Ternan. One 2nd Grade Constable. It was hoped that the Constable at Songhor would be able to patrol this area but owing to the difficulty (geographical) of reaching the Koru area from Songhor and the closer settlement round Songhor and in the Nandi District it has been found impossible.

(d) Two Unallocated. With an establishment of 38 five is a bare minimum of the number required for relief purposes, i.e. to replace

Constables

(a) Nairobi 7.—These are required for the opening of a post at Kiu for the better control of the bazaar at that place and to co-operate with the posts at Magadi Junction and Athi River in patrolling the boundary of the Masai Reserve with a view to restricting the movements of Masai outside their Reserve.

(b) Fort Hall 5. It is anticipated that the conclusion of hostilities in German East Africa will be followed by a considerable incursion of European settlers to the Thika area and an expansion of trade is anticipated throughout the whole Province, of which Fort Hall is by position the natural and only gateway. The increase of Revenue warrants the extra expenditure which is negligible.

The duties assigned to the Police in the Fort Hall District are certainly on the increase and I consider the additional number of men necessary for their efficient performance.

(c) Kisumu 2. These are required by the Uganda Railway for "Watch and Ward" duties and their cost is recovered in the increased contribution to be made by the Railway.

(d) Depot 3. The African Staff at the Depot is overworked and they are unable to cope efficiently with the number of recruits passing through that institution - I consider the

increase

increase asked for of vital importance.

Items 54-56. Clerks — Two additional 4th grade Clerks are asked for, one for the Headquarters Office and one for Eldoret.

(a) Although the Clerical Staff at Headquarters was increased this year it has continued to work overtime by beginning before office hours and not leaving often until 6 p.m.; in spite of this the Commissioner of Police has experienced the greatest difficulty in keeping the work up-to-date; the volume necessarily increases with the establishment and the clerical work resulting from the administration of the Motor Traffic Ordinance is by no means negligible.

(b) There are six outstations, at three of which there are European Constables, on the Uasin Gishu Plateau and it is most desirable that the Assistant Superintendent of Police should inspect these and get about the District as much as possible. At present much of his time is occupied in purely clerical duties which could well be performed by a less highly paid official and so release him for more valuable work.

Items 88-98. Immigration Department.

I have dealt with the new proposals regarding the Immigration Department in my despatch No. 714

of the 10th of November.

14. Prisons. Items 1, to 7 have been rearranged in accordance with the sanction notified in your despatch Confidential of the 6th of October 1916. It will be necessary to add £125 to Item 1 if Mr. Donald is eventually appointed to the post of Commissioner.

Items 19-21. I again urge the reorganization of the establishment of Chief Warders by amalgamating the two highest grades and increasing the emoluments. There will thus be 9 Chief warders on scales of Rs.80 per mensem to Rs.140 per mensem by triennial increments of Rs.20. It is essential that men occupying this grade should be possessed of such literary qualifications as will enable them to discharge the clerical work necessary in a prison. In order to secure a suitable type the terms must be considerably improved as the present salary compares very unfavourably with the terms offered to the clerical staff and is insufficient to retain good men.

Item 22. For similar reasons it is proposed to convert the existing 3rd Grade Chief Warders into 2nd Grade Chief Warders and to increase their emoluments from Rs.35

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to Rs.45 per mensem.

Item 25. Ten additional appointments of warders are required for three new prisons the establishment of which is in contemplation at Kakoneni (Giriama), Kacheliba (Turkana) and Marakwet. It is considered best to provide for these additional appointments in the 3rd instead of in the lower grades in order to stimulate promotion and to satisfy and retain in the service the older and experienced class of warders whose services are indispensable.

Items 48-49. Slight but very necessary increases appear in the staff of the Kabete Reformatory. It is only the necessity for economy which has prevented me from strengthening the establishment of this institution very appreciably and I hope that I shall be able to bring up this question next year.

15. Medical Departments. Item 17. I trust the three additional appointments of Medical Officers will be approved. The large area covered by the Northern Frontier District necessitates the presence there of two Medical Officers whereas at present only one can be provided. The second officer will be stationed at Archer's Post a convenient base for any
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part of the District. The extension of our administration in the Turkana District necessitates the appointment of a Medical Officer in that area and the desirability for posting one in the Masai District has been apparent for some time.

Items 43 and 44. allow for the additional appointment of an Assistant Medical Officer of Health at Kisumu. This appointment was recommended by Professor Simpson, *vide* paragraph 11 of his report on Sanitary Matters in the East Africa Protectorate. The work at Kisumu and in the Nyanza Province generally amply justifies its creation owing to the frequent outbreak of plague and other infectious diseases.

Item 45a. I have inserted a duty allowance of £40 for the Assistant Health Officer and Pathologist at Mombasa as this officer is debarred from private practice and it has been the custom to grant duty allowances in such cases. I trust it will be allowed.

Item 21. After consulting my Executive Council and the Principal Medical Officer I have decided that it will still be necessary for some time to avail ourselves of the facilities offered by the Zanzibar Quarantine

and

(and Sanitary Station. I have accordingly provided in the draft Estimates for a contribution as in the past years. The war has delayed the completion of our own station which will at first be unable to deal with the case of infected ships though, when released by the military authorities, it will be available for the reception of cases suffering from sea borne infectious diseases and contacts.

16. Laboratories. Item 2. I trust that you will agree to the revision of the scale of emoluments of the Pathologist and Assistant Bacteriologist, which I propose should be similar to that of the Senior Medical Officers but without, for the present, a duty allowance. The post is filled by Dr. J. H. Pirie who is specially qualified therefore. He is debarred from the privilege of private practice and from ordinary promotion in the Medical Department. His position is very different from that of a young Medical Officer, often but recently qualified and with little experience. He is 37 years of age and has wide experience in responsible appointments which make him peculiarly suitable for his present appointment. He is very highly spoken of by Dr. Hess, the Director of Laboratories. It is not in my opinion a case for a personal allowance because I

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do not think the post could be satisfactorily filled at a lower rate though we have been fortunate in having been able to secure the services of so experienced an officer in the person of Dr. Pirie.

17. Education. It is with great reluctance that I have maintained the education vote at so low a figure, but after careful consideration I have come to the conclusion that it would be better to mark time for the present and to go carefully into the whole question of education after the war. It is very clear that the increasing needs of the European Community in this respect will have to be met and that the native education problem will have to be taken up. I have also been compelled for the present to decline certain proposals which have been made to me by members of the Indian community for contributions by them to a Government scheme of Asiatic education. I propose to make special reference to the education question when addressing the Legislative Council at the budget session.

Items 20 and 21. If the proposals contained in my despatch No. 749 of the 27th of November are approved it will be necessary to increase these items by £50 each.

18. Transport. Items 1 and 2. The reductions are in consequence of the recommendations made in my despatch No. 508 of August 16th.

Items 6 and 7. Mr. Larros, the Cashier, a I Grade Clerk, has applied for a medical board with a view to retirement from the Service. If, as appears probable, his retirement is approved it will be possible to achieve further economy by filling the vacancy with a III Grade Clerk.

19. Military Expenditure. The detailed military estimates in Schedules XVIII and XVIIIa prepared by the Commandant of the King's African Rifles were transmitted to you in my despatches No. K.A.R. Confidential 10 of 18th November and No. K.A.R. Confidential 11 of 23rd November. I have already referred to the greatly increased burden on our finances caused by the new arrangements which I trust will be of a temporary nature only. I find it difficult to comment on the details of the estimates which have been specially compiled with due regard to existing local war conditions.

The complete reorganization including the splitting up of the original battalions and their reconstitution under the new system has given rise to numerous difficulties connected with pensions, gratuities, barrack house and office accommodation

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accommodation etc. which it is not possible to deal with during the continuance of hostilities. I have no doubt, however, that it will be able to dispose of these difficulties when a more normal state of affairs exists.

20. Miscellaneous Expenditure. Item 2. The Station Stores vote which for purposes of economy was reduced this year by £140, has been increased by £200 and distributed among the various departments. It provides for such items as flags, specie boxes, carpenter's tools, hoes and other implements of a similar nature the cost of which can be readily allocated to the Department or Province concerned.

Item 18. I have provided £100 for the repatriation of undesirable and indigent persons. Expenditure in this connection has been of annual recurrence and has been met by Special Warrants. I consider it preferable to make definite provision in the Estimates. No expenditure will be allowed against this vote without my special sanction in each case.

21. Post Office and Telegraph. In your Confidential despatch of 17th August you approved the revision of the scales of emoluments of a number of posts filled by Europeans in the Post Office and Telegraph Service. There were, however,

however, one or two which were inadvertently omitted when I submitted my previous recommendations to which I will now allude.

Item 8. I have increased the rate of increment from £10 to £12 in order to bring the emoluments of the two Assistant Chief Accountants more into line with those of the Second Class Postmaster.

Item 12. I ask that the maximum of the scale for the First Class Postmasters may be raised from £360 to £400 thus bringing it up to that of posts of similar standing in other Departments.

Item 18. I have also increased the maximum of the scale of the Female Supervisor by £10 to bring it up to that approved for the Female Postal Clerks and Telegraphists.

Item 20. The post of Chief Clerk is abolished for the present. It has been vacant for some years in fact since the retirement in May of 1908 of Seyed Kassim. Since then the increase in the number of the European Staff has made it necessary for the post to be filled by an European. Various Postal Clerks and Telegraphists have "acted" in the capacity on trial but the emoluments were not sufficient to attract

attract a suitable officer to fill the post permanently. It will probably be necessary later on to revive the post on the scale of an Office Superintendent but I consider that temporary arrangements for performing the duties attaching thereto can continue in the meantime.

Items 21-24. In the case of these Non-European appointments I have found it necessary, as in other Departments, to increase the prospects of the staff by raising the proportion of the higher grades without altering their number. The net result is an increase of two II Grade and six III Grade Sub-Postmasters and a decrease of five IV Grade and three V Grade, the totals in the various grades being thus 7, 37, 63 and 20 against 4, 32, 73 and 23 respectively.

Item 36. I have inserted £400 as the revised salary of the Assistant Telegraph Engineer, thus placing it at the figure approved for the Engineering Assistants. Unless the emoluments of the post are revised, we shall lose the services of Mr. H. J. W. Ridley who has recently proceeded on leave and whose work is completely satisfactory.

Item 38. One additional appointment of a Sub-Engineer is asked for to cope with the extension

£
1235
17
+ 7.11
6287

extension of lines. Incidentally there will be increased work in connection with maintenance which has been somewhat neglected during the war owing to shortness of staff.

Item 39. The question of the establishment of an "Un-Allocated Stores" for telegraph construction material has been under consideration for some time. It has been held up owing to the war but I consider it very desirable that it should be adopted without further delay. It is necessary that the appointment be filled by the selection of an officer from the engineering service of the Home Post Office and the salary suggested is on the same scale as that of the Sub-Engineers.

Item 45. The minimum rate and the amount of the annual increments of the 3rd Class Telegraph Inspectors have been slightly increased. One of the holders of the posts is in fact already on the scale now proposed.

I am aware that the draft Estimates show an increase in the personnel and cost of the Post Office and Telegraph Staffs while at the same time there is a fall in Post Office and Telegraph Revenue. I trust, however, that this will not influence you in considering the recommendations I have made each of which

has

has been thoroughly discussed with the Postmaster General who has convinced me of the reasonableness of the proposals.

22. Post and Telegraphs. Special Expenditure.

Item 2. The work of improving the telephone system at the various principal centres will be proceeded with and extensions are contemplated at Nakuru and Kisumu.

Item 3. The expenditure of £1,600 under this head will allow of the extension of the copper telegraph wire from Nairobi to Nakuru where traffic is at present very congested. The copper wire from the Coast to Nairobi has already been installed.

Item 7. It is very desirable to substitute iron for wooden posts in Jubaland so that the work may be of as permanent a nature as possible.

23. Railway Department.

The total expenditure on the Uganda Railway amounts to £429,198 as against £391,997 for the current year - an increase of £100,201. The increase in Railway Earnings has been placed at £107,500 thus showing a net increase of profits amounting to £7,299. The expenditure is increased proportionately higher than the earnings

earnings but I have been through the estimates item by item with the General Manager and am unable to recommend that any of the provision asked for be disallowed. I have reduced the estimates as originally submitted by Mr. Eastwood by some 15,000. I enclose schedules giving more detailed explanations of the increases these are shown in the explanatory notes to Appendix E.

24. Railway Department. Special Expenditure.

Financial reasons caused me to reduce very considerably the provision originally suggested by the General Manager who had asked in addition to the works included in the draft Estimates for 29,000 for improving the Mazeras water supply and 15,000 for rebuilding the landies used at Nairobi by the African Staff. As regards the former item it was shown that the annual cost of the present supply represents 13 1/2 per cent on the capital outlay required for the improvements which would thus be repaid in 7 1/2 years. The African landies when re-erected will have to be constructed in the new native location and as funds are not available for the essential preliminary laying out of the location the provision of accommodation in it for Railway employees must necessarily be postponed.

Item 2 is very urgent expenditure for the accommodation of Asiatic employees.

Item 3. Is perhaps not properly a railway work being an essential feature of the new quarantine station at Kipevu, so as to enable trains from upcountry to run direct to the station for quarantine purposes before being admitted on to the Island of Mombasa.

Item 4 is to obviate the present necessity for every train to haul an auxiliary water tank over the entire length of the Thika branch line. The expenditure will increase the earning capacity of the line by £800 per annum with the present train mileage only.

Item 5. The £3,000 provided for improvements to Lake Steamers is in order to increase the passenger accommodation on two of the steamers, viz. the "Clement Hill" and the "Winifred". At present the accommodation is wholly inadequate with the result that first and second class passengers are put to very considerable discomfort.

25. Agricultural Department.

Item 20. It may be necessary to increase the provision under this sub-head to £250 because of the difficulty in securing the services of a competent

competent Flax expert, vide my telegram No. 488
of the 13th of November.

Item 58. The reduction under this sub-head is made on the assumption that it will be possible to fill Mr. Montgomery's post by appointing a successor at the minimum of the sanctioned scale of the appointment which is doubtful.

Item 60. I am asking that the scale of emoluments for the Assistant to the Pathologist may be brought into line with that approved for Veterinary Officers viz. 1400 by 20 to 1500 on conclusion of a tour of probationary service. Mr. Kearney has now completed his probationary tour and his admission to the permanent and pensionable post has been approved in your despatch No. 170 of the 11th of March last.

Items 61 and 62. It is very desirable that a grade of senior Laboratory Assistants be created. These officers require to be as highly trained as sanitary inspectors or stock inspectors, and satisfactory men cannot be retained in the service at the lower scale. I therefore ask that the emoluments of two of the existing appointments be increased to a scale

scale of £200 by 10 to £250 per annum.

Item 66. Hitherto the Storekeeper at the Laboratory has been paid from the Rinderpest Serum Suspense Account but I consider the appointment should be borne on the estimates. All forage, sera, apparatus, etc. pass through his books to the value of over £10,000 per annum.

Item 74. The £100 is to provide for attendants, dipping fluids and general upkeep of the Kamasia dips which were erected from the proceeds of a native line. The expenditure is more than balanced by increased Revenue from Dipping fees, vide Revenue Schedule IV Item 9.

26. Agricultural Department. Special Expenditure.

I have increased the provision for the continuation of the dipping scheme to £2,000. The total cost of the scheme was estimated at £12,000 of which £3,000 was allowed in the 1914-15 estimates and £1,000 in each of the following years.

27. Public Works Department.

Included in the Estimates is the following staff required for the maintenance of

of the Mombasa Water Supply:-

Under Item 3	1 Assistant Engineer	£300
Under Item 27a	1 Inspector	200
Under Item 33	1 III Grade Clerk	100
Under Item 34	1 IV Grade Clerk	80
Under Item 40	Inferior establishment	1,534
Under Item 41	Office Boys	30
		Total
		£ 2,244

Under Public Works Recurrent £1,600 is included as other charges making £3,844 in all. On the other hand Revenue Schedule IV Item 23 shows £8,500 as the receipts to be collected from this source.

26. Public Works Extraordinary.

It has been possible to double the provision under this head as compared with the current year, but the amount provided still falls far short of what is required. It is with great regret that I am unable to recommend the resumption of our programme for the construction of permanent offices at headquarters to replace the unhealthy and overcrowded tin shanties in which such a large proportion of the staff are accommodated at present to the detriment not only of their health but also to the character of their work. Of the £55,567 available, £4,000 is contingent on sales of land being held during

the

the year and is accordingly earmarked for special roads and bridge work. I have provided an additional 120,000 for new roads and bridges generally leaving a balance under Public Works Extraordinary of 131,567. I have selected from the long list of Public Works submitted by the Director of Public Works in consultation with Provincial Commissioners and Heads of Departments, seven "major" works. These are well distributed in the Seydlitz, Ukamba and Nyanza Provinces and include also part cost of the wireless stations in the Northern Frontier District.

Items 6 and 7 will be expended at such places as it may appear to be most urgent to do so when the time arrives.

Item 8 provides 13,467 for "Minor and Petty Works", and will similarly be allotted later on to serve the most pressing wants for the time being. This figure will be amended before the estimates are finally passed as the net result of any alterations to the budget in its present form will be added to or deducted from it as the case may be.

29. Coast Land Settlement.

B. Arbitration Boards.

Item 16. In the event of Mr. MacDougall's retirement

File
4/2/41

43
retirement on the grounds of illhealth, a circumstance which appears to be very probable, it will be possible to abolish the substantive appointment of Chairman to the Arbitration Board and to provide for the duties by seconding an officer from the Administration or some Department. Should this be the case I would ask permission to provide a special allowance of £100 per annum to the officer filling the post. The nature of the work will necessitate its being carried out by someone with a knowledge of Arabs and natives and as it is not of a permanent nature I do not advocate that it should continue to be shown in the estimates as a substantive appointment. As you are aware the case of Mr. MacDougall was special his appointment on the administration staff having ceased some years ago and his post as Provincial Commissioner having been filled by the promotion of another officer. His emoluments were then in the first instance charged to the Abolition of Slavery Vote and latterly to Coast Land Settlement.

Item 18. It is hoped to extend the activities of the Board next year and I have provided for two Arab Assistants. I propose to fill these appointments by securing the

services

services of two young Arabs, the sons respectively of Sheikh Ali bin Salim, Assistant Liwali of Bombasa, and Sheikh Seif bin Salim, Liwali of Lamu. These youths have been educated in England and in view of the position and influence of their fathers I consider it of great importance that they should enter Government Service at as early a date as possible. Otherwise there is always the possibility of their getting into the hands of unscrupulous and undesirable individuals. The existence of the Arbitration Board is a happy opportunity for being able to find useful employment for them.

30. In conclusion I would wish to remark that considerable savings on the sanctioned estimates for 1917-18 may be looked forward to because of the large number of vacant posts throughout the departments which it is highly improbable will be filled until at least well on in the year. I realise that this is not the time for creating new appointments or for increasing salaries except in very special cases and I trust that such additions and increases as I have asked for will receive your fullest support. I have omitted a number of new appointments which in other circumstances I should have submitted to you in connection with

with these Estimates and I have also refrained from pressing in this despatch for the increases in the emoluments of a number of officers which I have on previous occasions recommended for your favourable consideration. At the same time I hope to be permitted to bring certain special cases again to your notice during my approaching leave. My continuous local service of over four years has given me an exceptional insight into the responsibilities of the various posts and into the capabilities of the officers who fill them.

I have the honour to be,

Sir,

Your humble, obedient servant,

C. B. Rowley

Direct approval
by GOVERNOR.

REVISED ESTIMATE OF REVENUE FOR THE YEAR
 1916-17.

Head	Surplus	Deficit	Remarks
Customs	49,125		Due to the increase in white population due to the influx of troops there has been a large expansion of local trade.
Port Office		300	While the lights have been removed from Bombay Harbour owing to Admiralty requirements no light dues have been collected.
Licences & Excise etc.		4,115	The estimated Native Hut & Bell Tax collection in Nyassa Province will not be realized owing to the migration of natives into Uganda Protectorate in order to avoid the increased rate of tax.
Fees of Court etc.	3,145		Corresponding to the increase in Customs Revenue there is an increase in Warehouse & Crans fees. There are also increased receipts from hire of the Port Office launch.
Reimbursements in Aid	1,250		Payment of the Zanzibar Military contribution for the last quarter of 1916/17 was delayed.
Post & Telegraphs		1,320	Receipts from sale of stamps were overestimated.
Railway	107,000		Increased traffic.
Rents		4,200	Measures to enforce collection of rent of land from persons on active service have been suspended.
Interest	1,000		At the beginning of each month when remittances are received from the War Office there are large balances with the National Bank of India on which interest is received.
Miscellaneous	9,000		Revenue from commission on enemy property passing through the hands of the liquidator of enemy firms & custodian of enemy property was not anticipated.
Land Sales		3,100	Auction sales have been postponed.
Net Surplus	170,515	13,895	
Total	170,515	170,515	

REVISED ESTIMATE OF REVENUE FOR THE YEAR
1916-17.

PROVISIONAL
Inspector General of Customs

Head	Surplus £	Deficit £	
Customs	49,125		<p>REC'D 8 JAN 1917</p> <p>Owing to the increase in white population due to the influx of troops there has been a large expansion of local trade.</p>
Port Office		300	<p>While the lights have been removed from Mombasa Harbour owing to Admiralty requirements no light dues have been collected.</p>
Licences & Excise etc.		4,115	<p>The estimated Native Hut & Poll Tax collection in Nyansa Province will not be realized owing to the migration of natives into Uganda Protectorate in order to avoid the increased rate of tax.</p>
Fees of Court etc.	3,143		<p>Corresponding to the increase in Customs Revenue there is an increase in Warehouse & Crane fees. There are also increased receipts from hire of the Port Office launch.</p>
Reimbursements in Aid	1,250		<p>Payment of the Zanzibar Military contribution for the last quarter of 1915-16 was delayed.</p>
Post & Telegraphs		1,320	<p>Receipts from sale of stamps were overestimated.</p>
Railway	107,000		<p>Increased traffic.</p>
Rents		4,260	<p>Measures to enforce collection of rent of land from persons on active service have been suspended.</p>
Interest	1,000		<p>At the beginning of each month when remittances are received from the War Office there are large balances with the National Bank of India on which interest is received.</p>
Miscellaneous	9,000		<p>Revenue from commission on enemy property passing through the hands of the Liquidator of enemy firms & Custodian of enemy property was not anticipated.</p>
Land Sales		3,100	<p>Auction sales have been postponed.</p>
Net Surplus	170,518	13,095	
Total	170,518	170,518	

REVISED ESTIMATE EXPENDITURE FOR THE YEAR 1916-17SAVINGS ON HEADS.

Head	Amount £	Explanation
Secretariat	400	Absence of Staff on leave on reduced pay.
Provincial Administration	5,635	
Treasury	250	
Customs	1,126	
Audit	210	
Legal	1,953	
Police	3,986	
Prisons	2,481	
Medical	2,015	
Laboratories	74	
Education	450	
Transport	379	
Post Office & Telegraph	2,947	
Agricultural	2,519	
Do Special	500	The constant Ordinance has not been brought into force.
Forest Department	829	
Game Department	390	
Survey Department	4,550	
Land	843	
Public Works Department	1,690	
East Land Settlement	800	
	<u>33,427</u>	

The explanations in all cases except those two against which special notes have been made, are vacancies in the staff, stoppage of leave, and the curtailment of departmental activity due to the seconding of Officers for military service.

REVISED ESTIMATE OF REVENUE AND EXPENDITURE FOR THE YEAR

1915-16.

EXPENDITURE ON HEADS

Head	Amount	Explanation
H. H. the Governor	284	Additions to Government house furniture to bring the equipment up to the standard.
Official Gazette	280	Increase in cost of paper and ocean freights thereon.
Provincial Administration Special Expenditure	246	New Orleans & Durham stations the cost of which is met from revenue from fines. (Colonial Office Despatches No. 2 of 3rd Jan. 1916 & 385 of 23rd Aug. '16)
Port and Marine	300	Increased working of steam launch for hire met by increased revenue. (Governor's Despatch No. 565 of 3rd August 1916.)
Port & Marine Special Expenditure	1,212	Unexpended balances of 1915-16 votes (Governor's Despatch No. 624 of 9th October 1916)
Military Special Expenditure	1,656	Measures in connection with Somali unrest & unexpended balances of 1915-16 votes. (T.M. Memo. 625 of 30-8-16 & Governor's Desp. No. 624 of 9-10-16.)
Miscellaneous	1,243	Contribution to British Red Cross Society (T.O. Telegrams of 8-8-16), insurance against war risks, & expenses of liquidator of enemy firms (Governor's Desp. No. 568 of 8-9-16) and Custodian of Enemy Property (Governor's Desp. No. 625 of 9-10-16.)
Post & Telegraphs Special Expenditure	3,150	Unexpended balances of 1915-16 votes (Governor's Desp. No. 624 of 9-10-16), erection of Telegraph Line to Archers Post & deferred charges in connection with the contract for Lombard wireless station.
Railway	86,172	Increased working expenses covered by increased receipts. (Governor's Desp. No. 379 of 22-6-16.)
Police Special Expenditure	5,376	Unexpended balances of 1915-16 votes. (Governor's Desp. No. 624 of 9th October 1916)
Immigration	15	Hard shuck cabinet required on reorganisation of Department, the cost met from savings on police vote.

Carried over

160,091

Head	Amount	Explanation
Brought forward	100,001	
Public Works Recurrent	450	Insufficient vote for Rents of Offices & Houses.
Public Works Extraordinary	15,568	Unexpended balance of 1915-16 votes (Governor's Despatch No. 624 of 9th October 1916) & Acquisition of Land met from Surplus balances.
Loan Charges	3,365	Provision for interest on Protectorate share of War Expenses & Interest on overdrafts has proved insufficient owing to having of claims for refund from the War Office (Colonial Office Confidential Despatch of 18th May 1916).
Special expenditure for Magadi	4,640	Unexpended balance of 1915-16 votes (Governor's Despatch No. 624 of 9th October 1916).
Total	124,029	

Locomotive, Carriage and Wagon Expenses.

(a) General Superintendence. \$4,850 Increase \$317.

This is due to normal increments and a provision to meet the salary payable to Mr. R. H. Saunders, who has received promotion in his Indian appointment.

(b) Subordinate Superintendence. \$4,843. Increase \$377.

Part of this is for normal increments, and it also arranges for the employment of an Inspector to be in charge of clearing carriages and wagons.

(c) Office. \$4,071 Increase \$445.

Part of this is for normal increments and promotions, the balance is necessary to provide a staff adequate to meet the requirements of the Department.

Running Expenses. \$20,770 Increase \$407.

This is necessary to meet the expenditure that will be incurred, based upon the present cost of working. At the present time our expenditure is at the rate of \$2,500 per annum.

Fuelling. \$3,000 Decrease \$500.

With an increase in the consumption of coal there will not be the labour required for handling wood fuel.

Fuel. \$70,000 Increase \$20,000.

This is to allow for the use of coal and to meet the present day expenditure. The cost of fuel for the first 4 months of this year is \$28,500, or at the rate of \$27,500 per annum. This is with burning coal on the Kilindini-Voi section only. The cost of wood fuel on the Kilindini-Nairobi section has greatly increased during the past year, and will increase far more in the future, even if the supply could be maintained, which is very doubtful. There are compensating factors, which do not show on the surface, of the saving in haulage and greater facilities available for public traffic, owing to the large quantity of rolling stock that is now locked up for fuelling purposes. The saving in the difference of the cost of the haulage of wood is \$9,500 and the increased earning capacity of our rolling stock is \$15,800.

Water. \$2,000. Increase \$000.

This is due to the increased cost of water at Mazarua.

Oil, Tallow and other stores. \$4,800 Increase \$200.

Due to increase cost of stores.

I. Maintenance and renewal of engines and rolling stock.

Wages	\$27,280	Increase \$10,000
Materials	\$24,000	Increase \$10,000

The increase in wages is to bring the provision up to what is necessary to keep the stock in an efficient state of repairs, and the increase under materials is partly for the same reason and partly to allow for the replacement of rolling stock that will have to be written off as being beyond repair and useless.

1. Maintenance and renewal of machinery, tools and plant.
 \$4,900 Decrease \$100

The amount asked for should be sufficient.

X. Cleaning and oiling carriages and wagons. \$2,200 Increase \$800.

This work has not been properly and efficiently carried out in the past. Provision is also made under B 1 (4) for supervising staff necessary for the work.

Y. New minor works. \$400 Decrease \$400.

It is not anticipated any works carried out in the year will cost more than \$400.

(5)
Abstract "D"

Traffic Expenses.

I. (a) 1. General Supervision. £4,558. Increase 2555.

Due to normal increments and replacing the A.S.S. who was at Kampala by a European D.S.M.

(a) 2. Offices. £3,249. Increase 2880.

Due partly to normal increments and promotions and also the provision for an adequate staff. The provision asked for is practically the same as that mentioned 3 years ago, 1914-15.

(b) 1. Station Staff. £37,404. Increase 27,728.

The expenditure under this head up to the end of July (the last audited accounts) was £39,402, or at the rate of £37,800 per annum. The present estimate therefore only meets the expenditure we are now incurring. The traffic was understaffed and also badly staffed and the Traffic Manager remarks:-

- The increase is a large one, but if the
- service is to be improved better men
- must be got and this means more money."

I fully agree with this.

(c) Train Staff. £2,502. Increase 2802.

To provide more guards and also ticket examiners.

II. Fuel, lighting and water etc. £4,500. Increase 2700.

Increased cost of stores and materials and to provide for the proper lighting of stations.

III. Clothing. £1,344. Increase 272.

This was cut down to part only of the clothing allowed according to regulations, also there are a larger number of men to provide for, and the increased cost of material to be recognised.

IV. Unclassified Expenditure. £200. Increase 200.

It is estimated this amount will be required.

V. Catering. £10,720. Increase 21,440.

Two new refreshment rooms will be opened at Subandi and Solo and there will be all the expenses attendant upon their upkeep.

VI. Millmain Pay. £3,100. Increase 2285.

There is a decrease of £210 in the salary and duty allowance of the Wharf Superintendent, who is leaving the service at the termination of the war and whose services will not immediately be replaced. There is an increase of £200 under engine power and craneage and miscellaneous expenses to bring the provision into line with our present expenditure.

(6)
Abstract "E".

General Charges.

11. African Management.

(a) Controlling Office. £2,381. Increase £50.

Normal increment.

(b) Office. £2,538. Increase £16.

The present staff is insufficient to properly carry out the work.

(c) Audit and Accounts. £2,115. Decrease £52.

Normal increments balanced by an Assistant Chief Accountant commencing on the minimum salary of the post in place of Mr. Heaton mentioned.

(d) Office. £12,544. Increase £1,987.

Part of the increase is due to normal increments and promotions, part of it is due to an increase in the number of staff employed and about half of it is due to the necessity to promote a large number of men if we are going to retain their services. In the present grade of junior clerks there are a large number of promising young men who have attained the maximum pay of the grade, and unless many of these are promoted at a given season to expect future promotion. I am of opinion that we shall lose their services. While the Railway is under military control we can refuse resignations, but this cannot continue indefinitely and as these men can obtain elsewhere much higher salaries than we pay them there is no doubt but that when normal conditions again prevail they will leave our service for employment elsewhere.

(e) Cash Office. £1,223. Increase £40.

Normal increments.

(f) Printing. £2,030. Increase £59.

Normal increments and we provide for the establishment necessary.

(g) Stationery and Forms. £3,134. Increase £252.

Due to increased cost of paper.

(h) Tickets. £120. Decrease £5.

This should be sufficient to meet expenditure under this head.

(i) Stores Department. £1,081. Increase £5.

Normal increments.

(j) Stores Office. £5,130. Increase £11.

This is due to normal increments to the staff, a correct allowance being made for the cost of rations, and to the Catering Stores staff at Fiumu being placed under the Stores instead of the Marine Department.

General Charges

11. African Management.

(a) Controlling Office. £2,363. Increase 750.

Normal increments.

(b) Office. £2,332. Increase 715.

The present staff is insufficient to properly carry out the work.

(a) Audit and Accounts. £2,115. Decrease 222.

Normal increments balanced by an Assistant Chief Accountant commencing on the minimum salary of the post in place of Mr. Henton invalided.

(c) Office. £16,344. Increase £1,327.

Part of the increase is due to normal increments and promotions, part of it is due to an increase in the number of staff employed and about half of it is due to the necessity to promote a large number of men if we are going to retain their services. In the present grade of junior clerks there are a large number of promising young men who have attained the maximum pay of the grade, and unless many of these are promoted and given reason to expect future promotion I am of opinion that we shall lose their services. While the Railway is under the military control we can refuse resignations, but this cannot continue indefinitely and as these men can obtain elsewhere much higher salaries than we pay them there is no doubt but that when normal conditions again prevail they will leave our service for employment elsewhere.

(d) Cash Office. £1,222. Increase 240.

Normal increments.

(a) Printing. £2,030. Increase 258.

Normal increments and to provide for the establishment necessary.

(b) Stationery and Forms. £3,124. Increase 292.

Due to increased cost of paper.

(c) Tickets. £100. Decrease 28.

This should be sufficient to meet expenditure under this head.

V(a) Stores Department. £1,081. Increase 287.

Normal increments.

(b) Stores Office. £5,150. Increase 211.

This is due to normal increments to the staff, a correct allowance being made for the post of rationer, and to the Catering Stores staff at Elsmu being placed under the Stores instead of the Marine Department.

vi. Wages and Card. \$2,700. Increase 20%.

Increase due to loss of ten and to higher cost of card. Amount agreed with the Commissioner of Police.

vii. Telegraphs. \$2,000. Increase 20%.

Amount agreed with the Postmaster General. Due to the extra cost involved by the use of Trans Tablets.

Abstract "B"
Steamboat Service.

- 1. (a) General Superintendence. \$2,025. Increase 14%.
Normal increments.
- (b) Head Office Staff. \$1,919. Increase 14%.
Normal increments and provision for another Draftsman.
- 11. (a) Peer Staff. \$3,275. Increase 29%.
More Peer Clerks are required to efficiently carry out the work.
- 17. (a) Running Expenses. \$10,212. Increase \$1,753.
No provision has been previously made for leave or sick-ness, only the number of Officers being allowed for to man the ships that are actually in commission. This has caused a very strong feeling on the part of Chief and Second Officers owing to their having to act on many occasions in a superior grade and not being granted any allowance for doing so. The necessity for employing officers in grades higher than their appointments should now disappear.
- (b) Running Expenses. \$7,231. Increase \$1,255.
^{owing}
The increase is due to the engineering staff required for the "Kavirondo" being the same as that required for the steamers "Usoga" and "Rusings" and for men being employed on the new lighters. Provision has been made for the crews of five steamers for the year.
- VII. Loading and Unloading Vessels. \$3,000. Increase \$1,500.
This is increased to meet the expenditure that is anticipated will be incurred.
- VIII. Fuel. \$2,471.37. Increase \$1,130.
This is to meet the extra cost of steamers that will be burning oil fuel.
- X. New Minor Works. \$500. Increase \$500.
This is to improve the steamers "Usoga" and "Rusings".

Special and Miscellaneous Expenditure.

v. Importation and Remuneration of Indian Labour. 1917-18.
Increase Rs. 300.

To provide for labour that must be imported to meet the requirements of all Departments. The greater part of the labour at present employed is overdue the period of its agreements and has been retained owing to the Military requirements.

Extraordinary Expenditure.

(10)

Half cost of replacement of 5 Locomotives at Nairobi
at 5400 each.

2,400

(Total cost of land 2800)

Water Supply, Ruiru and Thika Stations.

2,000

At the present time there is no water on the Thika Railway and all trains have to haul an auxiliary water tank over the entire length. The train miles to the end of September are at the rate of 51,350 miles per annum. During the year 1911-12 the average earnings of a goods vehicle per mile was 38.7 cents. The expenditure of the 52,000 asked for therefore represents an increased earning capacity of 2800 per annum with the present train mileage only and this amount will increase directly in proportion to the increase of traffic. The outlay will be repaid in 8 years.

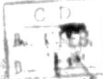
Siding to Isolation Hospital, Changamwe.

2,400

This is not properly a Railway work, but I understand that it is a work that will be of very great benefit to the Protectorate. I have allowed for second-hand material only and have not included any amounts for land compensation.

Improvements to Lake Steamers.

3,000



Gov 1/16/07 16/17 EAD

2nd 1/16/07

31 January (1917)

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DRAFT Tell

Governor

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Mr. De Haveny 3/1/17

Mr.

Mr.

Mr. Grindle

Mr. Lambert

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Mr. G. Padden

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Gov.

E. A. P.

16.07.16.17.



sent 3.15 pm

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14 February

DRAFT. Telegram Codes

Governor

Mairdi

MINUTE.

- Mr. Bostonley
- Mr. Butler } 15.2.17
- Mr.
- Mr. Grindle
- Mr. Lambert
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- Mr. Steel-Maitland
- Mr. ...

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Confidential

DRAFT.

The U.S. H. for the Cols
presents his compliments to the
Gov. of the E.A.P. and
is directed to request
that the following
correction may be made
in the earlier part of
para: 15 of the Secretary
of State's ^{conf} distributed of
the 15th of February: -

MINUTE.

- Mr. Bostonway 162.17
- Mr. Butler 16 f.3
- Mr.
- Mr. Grinnelle.
- Mr. Lambert.
- Mr. Read.
- Sir G. Fiddes.
- Mr. Steel-Maitland.
- Mr. Bonar Law.

For "Pathologist and the
Asst. Bacteriologist" read
"Pathologist and Asst.
Bacteriologist"

For "These two applications"
read "this application"

D.S.
19 Feb. 1917

for certain. I am very
sorry I am not satisfied
with the copy left the
Office. Your rough
draft was prepared
without the paper - but
I should have noticed
the point.

15

Dowling Street, 65

February 1917.



DRAFT

Sir,

E.A.P. Conf:
Governor.

Mr H. Belfield, E.A.P. G.,
Ec. Secy.

MINUTE.

Mr. Bottomley }
Mr. Baker } 13. 2. 17

- Mr.
- Mr. Grindle.
- Mr. Lambert.
- Mr. Road.
- Mr. G. Fiddes.
- Mr. Wood-Matland.
- Mr. Long.

I have the honour to acknowledge the receipt of your confidential despatch No. 164 of the 1st of December last, covering advance copies of the draft Estimates of revenue and expenditure of the East Africa Protectorate for the financial year 1917-16. I note that a supplementary despatch will be sent, after the consideration of the draft Estimates by the Legislative Council, dealing with any alterations which may have been found desirable.

As it now appears from your telegram No. 80 of the 2nd of February that the Estimates were not to be presented to the Legislative Council until the 12th

Gov/6232/17

Redraft

of February, I think it desirable

to comment without delay on the

draft estimates in their present form, and to deal hereafter with any modifications which you may wish to suggest, and which will no doubt be confined to points of detail.

2. It is a matter for satisfaction that, while making the increased provision for military expenditure which I have felt bound to prescribe, and to which reference will be made hereafter, you have found it possible to balance revenue and expenditure for 1917-18 at the figure of

£1,484,075. It is also gratifying

that, after setting aside a sum of

£100,000 towards the protectorate

share of war expenses, which, so far

as it is at present ascertainable,

is estimated to amount to £200,000

up to the 31st of March 1917, and

after earmarking for part liquidation of the Common Charges Account

the sum of £23,810 saved on the vote

Military

The above funds damaged by military traffic. Taken from the expenditure being charged upon the balance in my despatch No. 84 of the 25th January

Other Charges for 1917-18, has been expected to be

financial year with a surplus of assets

over that which is needed at £210,000.

The sum must however be reduced by £12,210, for

3. I have given private consideration to your remarks on the proposed

provision for military services which

you have made on instructions from my

predecessor, but I have not been able

to approve of any departure from the

principles which he laid down, i.e.,

that the provision should cover the full

charges for the new battalions, the

African Rifles, and should include the

former provision for the detachment of

the 1st (now a part of the 3rd) Battalion,

and for the 3rd Battalion so far as the

former personnel has not been diverted

to the 5th Battalion.

4. If it is found subsequently that the

permanent garrison of the Protectorate

can be reduced below the strength

represented by these Estimates, the future

provision

provisions will, of course, be reduced in a corresponding degree, but for the present I consider that there is great advantage in including the full amounts ^{required} needed. The 5th Batta has been raised for Protectorate purposes, and there can be no doubt that these new troops, as well as the former garrison, must be a charge on Protectorate funds. It is therefore only a question whether the charge in 1917-18 shall be borne out of revenue or from the suspense account of Protectorate War Expenses, and as, under the latter alternative, it would still have been necessary to restrict the non-military expenditure in order that as large a surplus as possible might be available towards the liquidation of the suspense account, the result would have been substantially the same.

5
A. Revenue

C* Revenue

I trust that the estimate of revenue from Customs will be realised. You remark that the revenue from this source in the current year is abnormal because of the large number of troops in the country. If the operations in German East Africa end as soon as now seems likely, this cause of increase will cease to operate, or will operate with greatly diminished effect, early in the coming financial year.

6. In this connexion the War Office have raised the question of a rebate of Customs duties on imported goods purchased locally for the troops. They also propose to raise the question of the rates charged by the Uganda Railway for services rendered to the military authorities. Both questions will be most carefully examined with the desire to arrive at an equitable arrangement as between Protectorate and

Imperial interests but I think it right to warn you that the discussion involves the possibility that the Protectorate may have to restore to Imperial funds some portion of the Customs and Railway revenue of recent years. This possibility suggests an unforeseen inroad on the Protectorate's balances, and still further emphasises the desirability of making all prudent provision from Revenue for the payment of the Protectorate's as yet unascertained share of war expenditure.

The item "Revenue from Enemy Property" shown under Revenue Head will be affected by the decision, conveyed to you in my despatch No. 7 of the 11th of the 11th that the Government, as distinct from the officers actually employed in the liquidation or control of enemy property, shall not derive any profit from this source. Such revenue should accordingly be limited to the amount required to pay the allowances and other emoluments of the officers so employed, on the basis laid down in the despatch referred to.

Expenditure

7. General

It would be a convenience if, in addition to

a table showing the increases and decreases in the numbers

numbers of non-European clerks, a table could be included in future Estimates showing the distribution of such clerks by Departments.

8. Head IV. Secretariat.

You are now aware that it has been decided to retire Mr. J. Evans. The salary provided for the Chief Assistant Secretary can therefore be reduced to the minimum of the scale.

9. Head VI. Provincial Administration.

I should have been glad if I could, in accordance with your wishes, have replied to your proposals for a new scheme of civil administration in time to permit of any necessary alterations being made in the Estimates for the coming year. You will have learned from my telegram of the 29th of December that

I have not found it possible to do so. The proposals which you have made are of great importance for the future of the Protectorate. Their acceptance involves

suggest other employment for Captain C.A. Heave as soon as you find it practicable to do so.

10. Head VI a. Special Expenditure, Northern Frontier District.

I have informed you in my telegram of the ^{14th} of February, that I approve of your proposal under this head, and I have no objection upon the necessary negotiations with the military authorities with a view to securing locally as much as possible of the proposed equipment and staff for the conclusion of the campaign in German East Africa. I realise that this proposed expenditure on transport arrangements in the Northern Frontier District is largely of an experimental nature, but I am deeply impressed with the importance of improving communications in this district, the administrative and military resources of which are so slight in comparison with the area held and the responsibilities entailed. I should be glad

careful redistribution of the administrative staff, and a reconsideration of recently approved scales of salary in some cases, and of individual salaries in other cases. They raise also certain delicate personal questions. I should, moreover, be glad to have, before finally pronouncing upon them, more knowledge than is possible at present of the future of the neighbouring territory of German East Africa. On these grounds I felt that there was no such urgency for a decision as would justify me in giving to the proposals a consideration less careful and less detailed than their importance merits.

I approve of the six additional appointments of Assistant District Commissioner and of the abolition of the appointment of Assistant Transport Officer in the Northern Frontier District, proposed in your confidential despatch No. 116 of the 15th of September last.

I agree with you in thinking that the appointment of Transport Officer in the Northern Frontier District should be allowed to stand for the present, but I trust that you will suggest

(Cott/62004/1)

to receive special reports on the new systems of
mile transport and mechanical transport as soon
as it is possible to ascertain definite results.
In future Estimates, recurrent expenditure on
these services will no doubt be shown separately
from expenditure of an initial or capital nature.

11. Head XI. Legal departments.

You will have learned from my confidential
despatch of the 18th of January that I approve of
provision for the appointment of Solicitor-General
at a salary of £700 per annum with duty allowance
of £70 per annum, and that the Assistant Attorney-
General will henceforth be styled "Crown Counsel".

m. Govt/62016

10/6/16

+ 775.

Head
12. XII. Police.

I feel that the increase proposed in the
scale of salary of the Assistant Commissioner of
Police must again be postponed, and I fear it is
useless to raise this question again before the end
of the war.

- £35.

In view of your representations, I recognise
the necessity of the proposed increases in the
numbers of the Assistant Sub-Inspectors and the European Police, &c.

I gather from your explanations that the
position

position of the European Police at out-
stations is tending to approximate to that
of non-commissioned officers in charge of
native police. I should be glad of a description of their functions in relation to
the native ranks.

I approve of the increases pro-
posed in the numbers of the native rank
and file and the clerks, and I accept your
proposals for the conduct of immigration
work by the Police.

Head
13. XIII. Prisons.

In accordance with my predecessor's
confidential despatch of the 6th of
October last, Mr. Donald will become
Commissioner of Prisons at a salary of
£525 per annum in the scale of £500-25-00,
and will receive in addition a personal
allowance of £100 per annum.

v. 44778/16).

125.

I approve of the reorganisation
of the establishment of Chief Warders and
of the additional appointments of warders
for new prisons.

Head

14/11/16

16

Head

14. XII. Medical Departments.

I approve of the selection of three Medical officers to the station hospital.

The amount provided as a contribution towards the cost of the Medical and Sanitary Committee for the Tropical Africa Medical

Committee appears to be slightly in excess of what is required, owing, probably to a misunderstanding of

the reference to an "East African contribution" in

the enclosure in my predecessor's despatch No. 58 of the 28th of

January 1917. It will be seen that the amounts

actually required in 1915 were £8 guineas for the

work of the Committee and £18 for the main

Committee. It is therefore possible to reduce the

amount provided by £18.

Head
15. XV. Laboratories.

I have much sympathy with the case which you state for increasing the emoluments of the Pathologist and the Assistant Bacteriologist. At the same time

I find it so difficult to distinguish between

the individual cases in which increases are pro-

posed from time to time that I feel that I must

stipulate that these applications also shall be

postponed.

(C.A. 2336
T.A.)

- 213.

Do be
as well
and in
5/11/17

267.

postponed until the end of the war.

This involves a reduction of £72 in the

amount provided. You will, I am sure,

understand that, in postponing increases

of salary wherever practicable, however

well deserved they may appear to be, I am

motivated solely by the desire to postpone

additional expenditure until it is

possible to gauge the financial position

of the Protectorate on the conclusion of

the war and in the light of the Protector-

ate's liability for its share of the

war accounts at present unliquidated.

Head
15. XVI. Station.

I approve the proposal made

in your despatch No. 45 of the 27th of

November that the salary of the Headmaster

of the Usin-Gishu school should henceforth

be £250-15-400, and that of the Head-

mistress £250. This involves an addition

of

to the amount provided in the draft

100.

estimates.

17. ^{Head} Military.

In view of the basis on which the military expenditure has been estimated, and of what I have already said on the subject in paragraph 3 of this despatch, there is no necessity to discuss the details of this schedule.

In order that I may be fully acquainted with the procedure in force, I shall be glad if you will inform me whether the amounts provided for personal emoluments for the 2nd, 3rd, and 5th Battalions are paid directly into the King's African Rifles account or are held in reserve to meet the Protectorate's share of that account in the same way as the provision for "Other Charges" is held in reserve pending the allocation of the Common Charges Account, and also whether this last arrangement is followed in the case of "Other Charges" for the 6th Battalion.

18. ^{Head} XX. Post Office and Telegraphs

In considering the various improvements in scales of salary proposed under this head, I have necessarily

1/3/20

necessarily had to give the greatest weight to the representations made by me last year to the effect that the scales hitherto provided are failing to retain the services of officers from the home service, by whom certain grades in this Department are almost entirely manned. It was found necessary on this ground to approve the introduction of the higher scales for Male Postal Clerks and Telegraphists in October last, without waiting for the opening of the coming financial year. In the circumstances, I feel that it is impossible to withhold my assent from the increase proposed for the other grades concerned, and I accordingly approve of the new scales provided for the 1st Class Postmasters, the 2nd Class Postmasters, the Female Supervisor, the Assistant Supervisor, and the Female Postal Clerks and Telegraphists, and of the increase of the annual increment of the Assistant Chief Accountants from £10 to £12.

I regret, however, that I find a difficulty in approving of the corresponding increases proposed for the subordinate telegraph engineering staff. When the increase of the scales of the postal clerks and telegraphists was under consideration some months ago, the Treasury were asked to acquiesce in the increase, as being interested in the contribution paid by Uganda to the cost of the Post and Telegraph Department. The Treasury reply virtually stipulated that the increase proposed should not lead to an application for a similar increase in the scale of pay of the Uganda subordinate telegraph engineering staff, and I have in consequence felt bound to refuse such an increase on the Uganda Estimates for the coming financial year. The Telegraph Engineering Staff in Uganda and that in the East Africa Protectorate, though employed by different Governments, are members of one Department, working under a common chief, and I do not feel that it is possible to give an increase of salary to some members of certain grades when it has become necessary to refuse it to other members

LC 74

members of the same grades. I regret very much that this should be the case, but I fear that there is no alternative but to postpone the proposed increase in the emoluments of the subordinate telegraph engineering staff in the East Africa Protectorate until it is possible to induce the Treasury to agree to the same increase for the same grade of officers in Uganda. This decision affects items 33 and 44 of this head of the estimates. As regards item 35, I approve of the appointment of a telegraph storekeeper at £30 in the scale approved for tele-engineers (1904-10-3.0)

You have already learned that

Captain R. J. W. Ridley has been offered, on management as Assistant Telegraph Engineer, a salary of £35-0-450 plus a special allowance at the rate of 13s per annum while engaged on wireless work. This involves an addition of £10 to the amount provided in the draft estimates.

19. Head XXI. Railway.

I presume that in the estimates as

originally prepared, the interest charges on capital expenditure on the Railway will be shown under this head, in accordance with the decision conveyed to you in my despatch No. 44 of the 13th of January.

I notice that provision is still made

for a Wharf Superintendent in Abstract (21), though it is stated in an explanatory note that there is a decrease of 2015 in the salary and duty allowance of this appointment.

X amount from def. attached

20. Head XXII. Agricultural Department.

A foreman with expert knowledge of flax has been engaged at a salary of Rs. 200 per annum. It is therefore necessary to increase by Rs. 200 the amount provided. The reference to an incremental scale should be omitted.

I approve of the present Assistant to the

Pathologist being placed on the incremental scale of Rs. 2400-26-500. Any new holder of the post will be expected to complete a probationary period of three years at the salary of Rs. 2400 per annum before being admitted to the incremental

In the same Abstract I observe that the appointment of a second Grade Officer is proposed. I have no objection to the proposal if approved by the Govt. of India on 30th of Jan 1906. I have no objection to the proposal of Rs. 2500 per annum for the post.

Govt. of India

File 7782

220.

incremental scale.

21. Head XXVIII. Land Settlement.

As Mr. Power is to be appointed Director-General, the minimum provision of Rs. 6000 for the appointment of Legal Assistant in the coming year. This involves a reduction of Rs. 1000 in the amount provided.

22. Head XXX. Public Works Recurrent.

The interest charges on the capital expenditure on the Gopasa Water Supply should be shown under this head, in accordance with the decision conveyed to you in my despatch No. 44 of the 13th of January.

23. Head XXXII. Coast Land Settlement.

The retirement of Mr. MacDougal makes it possible to adopt your suggestion that the substantive appointment of Chairman to the Arbitration Board should be abolished (a saving of Rs. 600 per annum), and that the work should be done by an officer second

Iron

2384/16