

23019

KENYA

23019

CO 533/440

ESTIMATES 1934.

Previous

3363/33

Subsequent

23288/34

(Reconstruction)

Governor Byrnes 704 (head) (The Mail) _____ 29 Dec. 33.
 Submits Estimates for 1934 as passed by Legislative
 Council, together with Memorandum & Report of Select Committee
 thereon.

Copy to Mr. Street
 by Registrar
 Comptroller
 Shewchuk Library

Col. Secretary 3pm _____ 22 Dec. 33
 Trans. 12 copies of Estimates, Memorandum & Report of
 Select Committee.

RESTRICTED UNDER STATUTE

For 5 successive years the Government of
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(£....,000 omitted).

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	3067	3216	- 149	362
	3010	3120	- 110	252
(partly estimated)	3109	3195	- 86	166
(Estimated)	3199	3188	+ 11	177

The net Local Revenue for 1934 (after ^{deducting} re-
 imbursements, cross entries, etc.) is placed at
 £2122,497, compared with £1965,040 in 1933. The
 net increase of £157,457 is mainly derived from:-

(a) Customs and Excise £34,220, which ~~are~~
^{principally} ~~are~~ accounted for by the revised duties on
 cheap (i.e. Japanese) textiles, etc., imposed in
 July, 1933. It is noteworthy that Excise duties
 on beer, sugar, tea and tobacco are credited with
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Governor Bygone 704 (Recd) (Per Mail) _____ 29 Dec 33.
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Copy to Mr. Head
Mr. Bygone
Mr. Kinnear
Shaw & Lacey

Col. Secretary Sh. _____ 22 Dec 33
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on the corresponding categories of imports are

down by about 12 per cent.

(b) Licences and Duties £85,882, towards which native hut and poll tax contributes over £16,000, and the new "non-native" tax £65,600.

It will be recalled that these taxes in the form put forward by the Alternative Revenue Committee were anticipated to yield £111,000; income tax at a "conservative estimate" was predicted to bring in £130,000. We have already

asked for a report on the actual yield of these new taxes by the end of the first half of 1934.

It can hardly be doubted that the increased Customs duties will be paid mainly by the native population. This, taken together with the increased yield from hut and poll tax, shows that, in spite of Lord Moyne, the gap between Revenue and Expenditure is being bridged ^{amount} as much by native as by non-native contributions.

The Revenue Estimates as a whole are framed in the expectation of a normal year, i.e., one free from locusts, drought, or a further fall in price levels.

1934 Expenditure.

Broadly speaking, the keynote of this side of the Estimates is a close regard to the Expenditure Advisory Committee's recommendations. The table on page 4 of the Colonial Secretary's memorandum shows that Irreducible Services are excluded, Government's gross total is less than that envisaged by the E.A.C. by £10,659. This is a remarkable achievement.

The position of the Native Betterment Fund is shown in the following table :-

Agriculture

	Lord Moyne	1933	1933	1934
		(Provisional Estimate)	(Revised Estimate)	
	£	£	£	£
● Agriculture -	38,389	38,086	38,086	38,280
Education -	77,722	73,082	73,497	77,586
Medical -	124,642	115,194	115,044	115,271
P.W.D. -	30,201	24,091	17,333	16,000
Part-time Officers, &c. -	-	20,185	20,185	? 20,185
Total Expenditure	270,854	267,607	261,114	261,292
Balance to Native Betterment Fund	8,644	12,021	18,484	?
Total credited to Native Betterment Fund	279,628	279,628	279,598	?

No. 15 on 3070

The S. of S. approved the 1933 Revised Estimates on the distinct understanding that the £18,484 shown as due to the Native Betterment Fund Reserve should be paid over to that Fund when established. Strict accounting would demand, therefore, that this sum (which, in fact, has gone to reduce the deficit on 1933) should be shown as a suspended liability; similarly the Estimates for 1934 should provide a like amount for transfer to the Fund (if established) during the current year.

(The exact amount due for 1934 cannot be ascertained, as we have not the material for working out the 6-year Moyne average. It cannot, however, be far from £18,000).

The establishment of the Native Betterment Fund is one of the questions which the S. of S. is to discuss with the Government in Nairobi. If he decides to establish it, the further question will

immediately

immediately arise whether it is to be credited with the arrears (on the Moyné formula) for 1933-1934 - i.e. about £37,000. It is very much to be hoped that the Governor will bring this question to the S. of S.'s notice during the Nairobi discussions. In the meantime we can only note that, if Lord Moyné's recommendation is to be honestly carried out, the real deficit on 1933 was £104,000 instead of £86,000; 1934 will show a deficit of £8000 instead of a surplus of £10,000; and the surplus balances at the end of 1934 will be £141,000 instead of £177,000.

The Estimates, both of revenue and expenditure, are based on the expectation of a normal year. A recurrence of the 1930-32 locusts ravages or the 1933 drought would, it can hardly be doubted, distort them ~~and~~ ^{and} recognition, (there is no margin whatever for elasticity).

A decision to adhere strictly to the Moyné proposals, or to make a serious start to carrying out the Morris Carter Commission's recommendations (for which no provision whatever is made) would turn the prospective surplus into a deficit, and the balance of surplus assets ^{is already} ~~is~~ perilously near the bone. In 1923 Government had to borrow about £80,000 - £100,000 to meet current cash requirements.

We have not yet had the official Report of the Debates in Council. (It is noteworthy that Select Committee held of the Estimates for only 11 days, as compared with 10 weeks in 1931.) But it may be assumed that, if the Estimates for 1934 are

demanded next November for reduction, or even abolition of the additional revenue measures, (some of which are due to expire on 31/1/34 unless renewed by the Legislature)

It might be well to forestall such a demand by a clear indication now that S.G.F. will be unable to create any ^{or} any substantial remission of taxation until the Colony's liquid surplus balance has been brought to £500,000 (= 3 months' local revenue). Even this figure is only half that assumed in the agreed plan with the Treasury, which envisaged £1,000,000 surplus by the end of 1936.

As the table prepared to the minute shows, in the last six years Kenya has been allowed to slide to the brink of bankruptcy. The S.G.F.'s efforts to apply the brake have not been entirely successful, but there is no reason why he should not use the spur to accelerate the uplift ^{process} of recovery.

? Send duplicate of N:1. a/c to Treasury, saying that T.L. will no doubt show S.G.F.'s satisfaction at

See g.A. on 16/3/30

[The metaphor is unfortunate. You shouldn't open a horse up hill.]

2.
Do apply a brake when you're on a slide!

Item XI. 1. ?
para. 10 of report

Chief financial post in 1934, which
is attributed in no small measure to
the unimportant efforts of Govt. to
eliminate any unnecessary item of
expenditure. Say that, in approving
the est. Estimate [Sops. propose to
inform the Governor that he sees no
prospect of any substantial reduction of
taxation or any increase in the scale
of expenditure, until the surplus
of assets has reached a total of
£500,000 in liquid form. And
write T.H. concisely.]

The despatch to Kenya must
await T's reply. It should
include a reference to the point
suggested at A/ above, and
comment on the item marked X/
in the attached note on details.

[Signature]
18/1.

Revenue.

II. 21.
Salary Levy.

X/

IV. 3(a)
Mining royalties.

IX.

X. 6.

Expenditure.

II. 1 and 2.
Senior District
Commissioners.

III.

22-27

See on page 4 of the despatch. £b,500 of
the reduction is ascribed to the altered rates
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So observe and say that the Secretary
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At the instance of the Elected Members the
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The post of Assistant to the Director of
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Contributions to various Imperial
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may call for revision; e.g. the Kenya con-
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is being asked to find £475 instead of £200 for the Imperial Agricultural Bureau etc. Correspondence in each case is proceeding separately. We need hardly comment.

VI.

Kenya's share of Mr. Surfleet's expenses will not be covered by the £900 provided in 1933. Government has no doubt deferred making supplementary provision until the exact figures are known.

VIII. 28(a)
European Scholarship Scheme.

(See page 14 of despatch).

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(It may be desirable to suggest later that corresponding assistance should be provided to enable Africans to go to Makerere).

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Reduction of Assistant Conservators of Forests by one. This has already been accepted by the Secretary of State in connection with the C.D.A.C. application for the cost of training a Forest Utilization Officer at Princes Risborough.

XIV. 55(a)

Appointment of the Assistant Geologist has just been approved.

XVI. 43

No provision is made for a successor to Dr. Kauntze, but see page 20 of the despatch.

XVI (a)
New native hospital at Kitale.

The capital is to be found from loan funds - see page 20 of the despatch.

? Defer comment.

XVII.

Mr. Seal has looked through the F.A.R.

items and has no criticisms.

The salary of the Staff Officer, Kenya Defence Force, is reduced.

Provision for mine sweeping by the V.R.M.V. was cut out in Select Committee. This has been noted on the appropriate papers.

Note the comments in the memorandum and despatch.

See page 24 of the despatch.

? Approve creation of post and of its being accorded pensionable status.

The Statistical Section has been practically abolished and Mr. Walter now becomes a wholetime servant of the Governors' Conference.

XX.
Police.

XI. 18.
Electrical
Inspector.

XX. 7 and 8.

Handwritten signature
19/1

I have been through the Estimates and the attached memoranda with the Report of the ^{Select} ~~Advisory~~ Committee. I think that, on the whole, Kenya is to be congratulated. They have done the best they can in the circumstances and, with things as they are, it is not possible to go in for any spectacular budget. It is quite true, as Mr. Freeston points out, that if there is any trouble, such as a further fall in world prices, or a drought, or a visitation of locusts, the revenue will show a falling off, but it would be quite wrong of Kenya to budget for any such unforeseen items. So far as we know, prices are not likely to go lower and, indeed, there is some indication that the tendency is the other way, while the operations of United States finance may have the result of putting up prices. It would be idle, however, to bank on this because nobody knows what the results of those operations will be. There is no reason to look for drought, while we hope that the locusts have cleared off for another cycle.

The Select Committee on the Estimates, when examining the situation, put up the estimated ~~net~~ revenue by £9000, and the expenditure by £3000, thus raising the anticipated surplus from £4,449 to £10,932. These figures, however, show little hope of its being possible for Kenya to take off any of the emergency taxation in 1935. If they do want to take off any taxation I hope that the package tax, which is expected to yield £10,000, will be the first to go. It is not a satisfactory way of raising revenue, and Uganda, who had to impose it to match, will gladly see it abolished. I think that it might be well to adopt Mr. Freeston's suggestion and

inform

inform Kenya that, as things are, the Secretary of State fears that it would be impossible for the Colony to remove any of the emergency taxation unless things take a very decided turn for the better, of which there appears to be no very clear indication. I would not, however, go as far as he does and say that Kenya would have to get its surplus balances up to £500,000. I am quite aware that the figure anticipated in our correspondence with the Treasury was a surplus of £1,000,000 by the end of 1936, but, with things as they are at present, to mention any such figure, or even the smaller one of £500,000, would simply provoke derision. Kenya has no chance of getting a surplus of anything like either amount within the next couple of years.

With the Estimates framed as they are, there is no room for comment on details. Everything has been cut to the bone and the small increases that were put in ^{among expenditures} to revenues have all been agreed to by the local unofficials, and can therefore be accepted. It will be observed that Mr. O'Shea said that the time was not ripe for increasing the cost of European education and that the unofficials urged that the possibility of providing scholarships to the Universities in England for Kenya youths should receive consideration. We should hear further about this in due course, but I do not feel at all happy about it because it will provoke remarks about racial discrimination.

As regards the Lord Moyne proposals, Lord Moyne envisaged that, out of his figure for the Native

Native Betterment Fund, there would be a small surplus which he put at £3000 on a total of £272,529. In 1933, owing to a reduction in the expenditure, the surplus would have been £18,484, and, as we do not know what the 6-year average would be, we cannot say what the surplus ought to be in 1934. If the Fund were in existence, then, as Mr. Freeston points out, it should be credited with a total sum of £18,000 up to the beginning of this year, and there would be a further sum of about £18,000 at the end of 1934. But the Fund is not in existence and it is by no means necessary that it should be established with retrospective effect, and until it is established and set up, I do not think that Kenya should be forced to provide for the surplus. When Lord Moyne was talking to the Secretary of State he made it quite clear that he had in mind that the surplus should be kept there as a sort of stabilizing reserve and, as the Fund has not been established, there is no need to have the reserve. I think that Kenya is perfectly justified in putting all the money it has got to revenue and thereby enabling both ends to meet.

The only action to be taken appears to be to write to the Treasury as Mr. Freeston proposes and see what they reply.

24.1.33
The Secretary's proposal, if accepted by the Treasury, would be binding, and I do not think that we ought to commit an official Secretary of State so far. For [] a matter of the effect that it is

statements of ...
complex balance, but all the
that it seems clear that in
the absence of a worked arrangement
with the ... 1936
as the ... which T.Z.
have raised it, cannot be
reached. Add that the ...
will no doubt have ...
the general financial position
with the Governor during his
stay at Nairobi.

Then wait for the Treasury
reply as proposed. I am not
happy about the B.F. I agree
with the opinion that balance
should be built up, but his
argument might tend in the
direction of an indefinite
postponement of the establishment
of the Fund.

Ward 24.1.34

3 To Treasury (with ...)
30/1/34

Trans. 13 copies of Estimates 1934 as passed by the
Legislative Council.
R. 209
Share & Library
M
DESTROYED UNDER
DWDavis: 1 Feb
Wm

5. Governor Bygone 12 6th Jan 34
Trans. on sub, authenticated copy of 1934 Appropriation
Order, No 66 of 1935.
1 copy to library.
I have compared the Schedule
with the Estimates.
Sigsby non-disallowance LF
DWDavis: 6/2

Wait till Est^s are off!

Ward

2/2 at

6. P. Secretary 3 Jan 30 Jan 34
Trans. 12 copies of 1934 Appropriation Order.
DWDavis: 2/2

to have
of ...
as late to ...
of ...

I want Mr. Bygone to ask what the
position was. He said he did not know
— had not seen M. 3 at all. But
he will find out.
? B. v. in a well
DWDavis:

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No. 15 on
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It might be well to forestall such a demand by a clear indication now that S.F.S. will be unable to create any substantial remission of taxation until the Colony's liquid surplus balances have been brought to £500,000 (= 3 months' local revenue). Even this figure is only half that assumed in the agreed plan with the Treasury, which envisaged £1,000,000 surplus by the end of 1936.

As the table prepared to this minute shows in the last six years Kenya has been allowed to slide to the brink of bankruptcy. The S.F.S.'s efforts to apply the brake have not been entirely successful, but there is no reason why he should not use the spur to accelerate the uplift ^{process} of recovery.

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See p 4 in
16/08/30

[The metaphor is important. You should open a horse up side.]

Do apply a brake when you're on a slide.

Item 21.1.
para. 10 of report

the prospect of a slight improvement in the Colony's financial position in 1934, which is attributable in no small measure to the unimpaired efforts of Govt. to eliminate any unnecessary item of expenditure. Say that, in approving the dft. Estimates [S. G. proposes to inform the Governor that he sees no prospect of any substantial reduction of taxation or any increase in the scale of expenditure, until the surplus of assets has reached a total of £50000 in liquid form. And write T. to concurre.]

The despatch to Kenya must await T's reply. It should include a reference to the point suggested at A/ above, and comment on the item marked X/ in the attached note on details.

Approved
15/1.

Revenue.

VI. 21.
Salary Levy.

See on page 4 of the despatch. £b,500 of the reduction is ascribed to the altered rates which have never been officially reported to the Secretary of State, much less submitted for his approval.

So observe and say that the Secretary of State wishes to be consulted before any change in the present rates is introduced.

X/

IV. 3(a)
Mining royalties.

Government evidently anticipate an output of about 30,000 ounces (12,000 in 1933).

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Forest Department revenue again shows a decline and is £2,910 less than expenditure.

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Senior District Commissioners.

At the instance of the Elected Members the Governor has undertaken to discuss this with the Secretary of State in Nairobi, see page 8 of the despatch. The Secretary of State personally approved the proposal to create these posts - see minutes on 3096/33.

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The post of Assistant to the Director of Agriculture, vacated by Mr. Blunt, is abolished.

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Note the comments in the memorandum and despatch.

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Chow
19/1

I have seen through the Estimates and the attached memoranda with the Report of the ^{Select} ~~Advisory~~ Committee. I think that, on the whole, Kenya is to be congratulated. They have done the best they can in the circumstances and, with things as they are, it is not possible to go in for any spectacular budget. It is quite true, as Mr. Freeston points out, that if there is any trouble, such as a further fall in world prices, or ~~a~~ drought, or ~~a~~ visitation of locusts, the revenue will show a falling off, but it would be quite wrong of Kenya to budget for any such unforeseen items. So far as we know, prices are not likely to go lower and, indeed, there is some indication that the tendency is the other way, while the operations of United States finance may have the result of putting up prices. It would be idle, however, to bank on this because nobody knows what the results of those operations will be. There is no reason to look for drought, while we hope that the locusts have cleared off for another cycle.

The Select Committee on the Estimates, when examining the situation, put up the estimated ~~net~~ revenue by £9000, and the expenditure by £3000; thus raising the anticipated surplus from £4,449 to £10,932. These figures, however, show little hope of its being possible for Kenya to take off any of the emergency taxation in 1935. If they do want to take off any taxation I hope that the package tax, which is expected to yield £10,000, will be the first to go. It is not a satisfactory way of raising revenue, and Uganda, who had to impose it to match, will gladly see it abolished. I think that it might be well to adopt Mr. Freeston's suggestion and

inform

inform Kenya that, as things are, the Secretary of State fears that it would be impossible for the Colony to remove any of the emergency taxation unless things take a very decided turn for the better, of which there appears to be no very clear indication. I would not, however, go as far as he does and say that Kenya would have to get its surplus balances up to £500,000. I am quite aware that the figure anticipated in our correspondence with the Treasury was a surplus of £1,000,000 by the end of 1936, but, with things as they are at present, to mention any such figure, or even the smaller one of £500,000, would simply provoke derision. Kenya has no chance of getting a surplus of anything like either amount within the next couple of years.

With the Estimates framed as they are, there is no room for comment on details. Everything has been cut to the bone and the small increases that were put in ^{among expenditures} ~~to revenue~~ have all been agreed to by the local unofficials, and can therefore be accepted. It will be observed that Mr. O'Shea said that the time was not ripe for increasing the cost of European education and that the unofficials urged that the possibility of providing scholarships to the Universities in England for Kenya youths should receive con- sideration. We should hear further about this in the future but I do not feel at all happy about it because it will provoke remarks about racial discrimination.

As regards the Lord Moyne proposals, Lord Moyne envisaged that, out of his figure for the

Native

Native Betterment Fund, there would be a small surplus which he put at £2000 on a total of £279,629. In 1933, owing to a reduction in the expenditure, the surplus would have been £18,484, and, as we do not know what the 6-year average would be, we cannot say what the surplus ought to be in 1934. If the Fund were in existence then, as Mr. Freeston points out, it should be credited with a total sum of £18,000 up to the beginning of this year, and there would be a further sum of about £18,000 at the end of 1934. But the Fund is not in existence and it is by no means necessary that it should be established with retrospective effect, and until it is established and set up, I do not think that Kenya should be forced to provide for the surplus. When Lord Moyne was talking to the Secretary of State he made it quite clear that he had in mind that the surplus should be kept there as a sort of stabilizing reserve and, as the Fund has not been established, there is no need to have the reserve. I think that Kenya is perfectly justified in putting all the money it has got to revenue and thereby enabling both ends to meet.

The only action to be taken appears to be to write to the Treasury as Mr. Freeston proposes and see what they reply.

20. 7. 33
The Treasury's proposal, if accepted by the Treasury, would be binding, and I do not think that we ought to commit an elected Secretary of State to pay. For [] assistance

The necessity for having a
statement of an account
surplus balance, but all these
that it seems clear that in
the absence of a worked account
as the 1900, 1901, 1902, 1903, 1904
have decided it cannot be
reached. All that is left
will no doubt have been
the general financial position
with the Government during his
stay at Nairobi.

The report for the Treasury
is by no means good. I am not
happy about the N. B. F. I agree
with his opinion that balance
should be built up, but his
argument urges tend to the
direction of an indefinite
postponement of the establishment
of the Fund.

Wrote 24.1.24

To Treasury. (left 10 mins) Gms. 30/1/24

✓ Lt. Secretary 3/11 _____ 29th Dec 33
Trans. 13 copies of Estimates 1934 as passed by the
Legislative Council.

copy to library
K. 309

DESTROYED UNDER SECTION 10

TWO copies: 1 Feb
WMS

Shaw & Library

5. Governor Bygone 12 _____ 6th Jan 34

Trans. in dub. authenticated copy of 1934 Appropriation
Order, No 66 of 1933.

copy to library.
Authenticated

I have compared the Schedule
with the Estimates.

? Signs non-disallowance L.F.

TWO copies: 6/2

Wait till Est. in off!

✓
done

✓
1/2 etc

6. Lt. Secretary 3/11 _____ 30 Jan 34

Trans. 12 copies of 1934 Appropriation Order.

✓
done

TWO copies: 26/1

I rang up Mr. Ryan to ask what the
position was. He said he did not know
— had not seen M. 3 at all. But
he will find out.

? B. v. in a week

TWO copies

7. Gov. 65 (reserved)..... 30th January, 1934.
Explains error in the Estimates for 1934 as regards the post of Deputy Registrar of Domestic Servants.

8. Gov. Tel. No. 54..... 7th March, 1934.
Requests to be informed by telegram of instrns. regarding the Estimates.

No. 7 ? In the despatch approving the Ests. a para. might be added acknowledging No. 7 and saying that approval is to be taken to cover the creation of the Post of Deputy Registrar of Domestic Servants

DP:

No. 8 I believe Mr. Flood proposes to bring up Mr. Griace at the Treasury to ask them to hurry up.

T. Davies: P/2

Whitney

9 Treasury — 9 March, 1934
Concurs in proposal to approve Bets. & asks to be furnished with a statement of the final outcome for 1933 & to be kept of the report of S. & S. discussions with the Gov. as to the financial position. Refers to necessity of building up the Empire's Balance.

Despatch note on (10)
to be circulated
reply to (10) (11)

10 Tel. for Kenya Tel No 52 9.3.34

The last line of No. 9 should be worded. The T.S. would like to be informed of the results of the S.S. conversation with the Gov. & if the actual final figures for 1933, in the course. I submit a copy. L. H. H. for comm.

T. Davies: P/2

Calcutta
Liby (Legal) to note reply to (10)
to see

This has been properly held up until we have the S. & S. attitude towards the Native Settlement Fund question. In view of his remarks today, the despatch may go with para. 5 deleted (6-11 to be renumbered 5-10).

13/4

See Sturges

The S. & S. said that the fund was to be set up but neither he nor Lord Hoyle - whom he had consulted - were of opinion that it should aim at any sort of rigidity. Therefore we need not wear out the theme by reiteration.

I have modified the wording in para. 10. Kenya is full of optimism just now - quite unjustifiable but that it is - and the S. & S. has expressed in public his confidence in the future. Accordingly it would do to be too pessimistic in the despatch.

I have also added a word to thank the unofficials for their collaboration over economics. It can do no earthly harm and they have really toiled hard on various committees and what not.

I send to you as you may wish to make some comments. You were away when the thing came along first.

S. I. H. King
16.4

Thanks. I concur in the despatch.
(I am not, and never have been, keen on the N.B.F. It seems to me wrong in principle.)
The 17-4-34.

Write to me and to the Governor and to the S. & S. about the Hoyle report & write for a line to it.

11/4/34

W/1
11/17/34

To Kempa, 283 Bureau ~~Apr~~ 10 APR 1934
(Answer)

Revised 4/11/34
Trans 1. (11)
was high low

To Torrey (att 11) 18/16 21/17/34

Libs (leave) Const
para 10 of 11

Head XVII Sec. No contacts on 2nd table
In a not appear to have been possible to provide
for any work on 4-enclosed 3 Bureau as
Head VII. The Bureau has for some
to arrive and I understand from Staff
Shipping not. This is not for in handling
and has been understood by the various
authorities.

Revised 4/11/34
in case of 11 of 11
para 6 of 11 on
Personnel page

C.D. para 7, 8, 19
of 11

J. I. Goo
23. 4. 34

DCA. 11/11 with
page copy of 11.
Memo.

Seen. Copies of Estimates
& Memo taken
A. J. Harding
DCA

15/5/34

[Handwritten initials]

B.
Trans. 6th info.
11/17/34

C. O.

Mr. Davies, 17/11/34
 Mr. Freeman 16/11/34
 Mr. Hand 16/11/34
 Sir J. Campbell
 Mr. Parkinson
 Mr. Timmins
 Sir G. Drommley
 Sir J. Shackburgh
 Perm. U.S. of S.
 Parly. U.S. of S.
 Secretary of State.

23019/24 Kenya.

11
 27
 H
 R 18 APR
 D 18

Downing Street,

R 18 APR
 D 18

~~Kenya~~
 19 APR 1934

Sir,

I have etc. to acknowledge the receipt of your Reserved despatch

DRAFT.

conson.

KENYA.

V. minute

NO. 253 RESERVED

GOVERNOR.

- (1) No. 707 of the 29th of December, and to
 (10) confirm my telegram No. 52 of the 9th of March, in which, ^{after having obtained} ~~after obtaining~~ the concurrence of the Lords Commissioners of H.M. Treasury, I conveyed to you my approval of the Estimates of Revenue and Expenditure for the year 1934 as passed by the Legislative Council.

(12)
 Henry & Hogg

2. The prospects revealed by the Estimates of a slight ^(though none to be real) improvement in the Colony's financial position during 1934 are a cause for considerable satisfaction, and I wish here to record my view that this improvement is attributable

FURTHER ACTION.

Cms to Pys. LP

attributable in no small measure to the incessant efforts of yourself and your advisers to eliminate all unessential items of expenditure. I desire to express my high appreciation of these efforts and of the success that has attended them,

and I think you will agree that a debt of gratitude is due to the unoffical members who have collaborated in the task of reduction.

3. I observe that in view of the measures adopted in August last for increasing revenue, no additional taxation has been imposed or is contemplated in the Estimates. Satisfactory as it is that, as a result of the strict economies that have been effected, a surplus of £10,932 should be anticipated ^{as} ~~as a result of~~ the current year's working. I cannot feel that the ^{(state of Mr. (Lionel's) finances)} ~~Estimates~~ shows any real cause ^{for hope} ~~for hope~~ that it may be possible to remove, in the course of 1935, the emergency taxation ^{which} ~~that~~ has been imposed, unless indeed the financial situation should show an improvement much more marked than appears likely at the present time. My attitude is confirmed ^{one of the main objects to be borne in mind in future planning by my conviction that the primary object of the Treasury of the Colony's future budgets must be the establishment of adequate surplus balances,} and in this connection

C. O.

- Mr. Parkinson.
- Mr. Tomlinson.
- Mr. C. Bellamy.
- Mr. J. Stamborough.
- Agent U.S. of S.
- Party U.S. of S.
- Secretary of State.

DRAFT.

See No. 6 on 17222/31 (a Conf. desp.)

ACTION.

you should know that the Lords Commissioners of the Treasury, in ^{accepting my proposal to} ~~conceiving their sanction for the~~ approval ^{of the Estimates, ^{as they stand}} ~~recognised~~ that it ^{may} ~~might~~ prove impossible to build up surplus balances to £1,000,000 by the end of 1937, as had originally been aimed at. At the same time, however, they expressed the hope that the general improvement in trade conditions, together with your efforts to effect economies, ^{will} ~~might~~ result in a larger surplus in the current and subsequent years than can at present be anticipated; and they stated that they regard it as essential that Government should concentrate on building up an adequate surplus balance. I fully share ^{their} ~~their~~ ^{views in this matter.}

4. The net local revenue for 1934 (after deducting reimbursements and

and cross entries) is placed at £2,122,497. ~~A net~~
 increase of £157,457 ~~in~~ 1933. This is largely
 due to the increased customs revenue from the
 revised duties on cheap textiles, to the increased
 yield from native hut and poll tax and to the new
 graduated non-native poll tax. It would be true
 to say, I suppose, that the increased customs duties
 will ^{fall in part on} be paid mainly by the native population; and,
 if so, it is clear that the gap between Revenue
 and Expenditure is being bridged almost ~~as much~~
 by native ^{as well as} as by non-native contributions. This
 is a point which should not, I think, be
 overlooked.

5. If Lord Moyne's proposals for the
 establishment of a Native Betterment Fund had
 already been put into effect, strict accounting
 would presumably demand that the fund should be
 credited with about £37,000 in respect of arrears
 accrued during the two years 1933 and 1934. In
 round figures this would convert the deficit on 1933
 from £286,000 to £104,000, while the surplus
 on 1934 would be turned into a deficit of £20,000.

C. G.

Secretary of State
 for the Colonies
 and
 the
 Eastern
 Africa
 and
 India
 Office
 11, Downing Street
 London, W.C.2

DRAFT.

and the surplus balances at the end
 of the latter year would become
 £141,000 instead of £177,000. In
 view of the considerations mentioned
 in paragraph 3 above and of the fact
 that it does not seem imperative
 to establish the Native Betterment
 Fund with retrospective effect, I do
 not intend to raise any objection
 to the way the Estimates have been
 framed in this respect. At the same
 time I wish to emphasise my view (with
 which I am sure that you will agree)
 that the force of the arguments for
 the building up of adequate surplus
 balances should not be allowed to
 lead to the indefinite postponement
 of the establishment of the Fund.

5. With the Estimates framed
 as they are on the lines of the most
 rigid economy, there can be few matters
 of detail that call for comment, and
 there

of Ordinance No. LXVI of 1933, entitled An
Ordinance to Apply a Sum of Money for the
Service of the Year ending the Thirty-
First Day of December, 1934.

I have, etc.,

(Sgd.) P. GUNLIFFE-LISTER.

2309/34
Kemp

Colonial
9.5.34
10

C	7
E	10 1A1
D	70

№ 52 you let 7 March 54
received o. Estimata affron
disputa follow
SECON.

Any reply to this letter should be addressed to—
THE SECRETARY,

TREASURY,

WHITEHALL, LONDON, S.W.1.

and the following number quoted

S.37849/01/34.



TREASURY CHAMBERS.

March, 1934.

Sir,

I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Flood's letter of the 30th January 1934 (23019/34.) with enclosures, transmitting the Kenya Estimates of Revenue and Expenditure for 1934.

In reply I am to request you to inform Secretary Sir Philip Cunliffe-Lister that My Lords concur in his proposal to convey to the Governor his approval of the draft Estimates on the following basis:—

Revenue	£ 2,122,497
Expenditure	<u>2,111,565</u>
Surplus	<u>10,932</u>

My Lords note that in view of the measures adopted in August last for increasing revenue no additional taxation has been imposed or is contemplated, but that the strictest economies have been effected under the Heads of Expenditure.

The Under Secretary of State,
Colonial Office.

Expenditure in order that a balanced budget might be secured.

As regards the necessity of so framing the Colony's future budget as to lead to the establishment of adequate surplus balances, My Lords agreed, in Treasury Letter of the 8th July 1931 (S.32902/03/5) that the plan of building up to a figure of £1,000,000 by 1936 might be postponed until the end of 1937.

Whilst the improvement revealed by the 1934 Estimates is comparatively slight, They trust that the general improvement in trade conditions, together with the Governor's efforts to effect economies, may result in a larger surplus in the current and subsequent years than can at present be anticipated. They regard it as essential that the Colony should concentrate on building up an adequate surplus balance, but They recognise that it may not be possible to attain the total referred to above by the end of 1937.

My Lords will be glad to be furnished in due course with a statement of the final outturn for the year

year 1933 and to be informed of such conclusions as to the general financial position of the Colony at which the Secretary of State may have arrived as the result of his discussions with the Governor.

I am,

Sir,

Your obedient Servant,

F Phillips

No 4 on
14222/31
Kya

COPY FOR REGISTRATION

7-MAR-1934

C. O. REGY

8

Telegram from the Governor of Kenya to the Secretary of State for the Colonies.

Dated 7th March, 1934.

Received 2.57.p.m.7th March.

No.54. Reserved.

Kenya despatch No 707 Reserved of December 29th.

As it is desired to release full amount provided under relative vote for purchase of stores through the Crown Agents grateful if I could be informed by telegram of your instructions concerning 1934 Estimates.

Amad. (10)

23m 9/14

19



KENYA.
No. 65
RESERVED.

GOVERNMENT HOUSE
NAIROBI.
KENYA
5th February, 1934.

RECEIVED
- 5 MAR 1934
C. O. REGY

Wol.

Am...

Sir,
I have the honour to refer to my Air Mail despatch No. 707 (Reserved) of the 29th December, 1933, under cover of which I transmitted the Estimates for 1934, as passed by the Legislative Council.

2. You will observe that on page 117, under Head XXX, item 20, of the Estimates, provision is made for the appointment of a Deputy Registrar of Domestic Servants. This item should have been included in the Schedule of New Posts which accompanied my despatch, but was inadvertently omitted. The "1" in the second column of page 117, indicating that the post had been approved in 1933, is a clerical error and should not appear. It will be seen that the post of European clerk (Grade A) under Head XXX has been abolished.

As explained in paragraph 27 of my despatch, it is proposed that the Registration of Domestic Servants Ordinance shall be applied to Nakuru, Kitale, and Eldoret Townships. I trust that the creation of the post of Deputy Registrar of Domestic Servants will receive your attention.

I have the honour to be,

Sir,

Your most obedient, humble servant,

BRIGADIER-GENERAL.
GOVERNOR.

THE RT. HON.
MAJOR SIR PHILIP GUNLIFFE-LISTER, P.C., C.B.E., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET, LONDON, S.W.



Colony and Protectorate of Kenya.

IN THE TWENTY-FOURTH YEAR OF THE REIGN OF
HIS MAJESTY KING GEORGE V.
JOSEPH ALOYSIUS BYRNE, K.C.M.G., K.B.E., C.B.,
Governor.

Assented to in His Majesty's
name this 30th day of December,
1933.

J. BYRNE.
Governor.

**AN ORDINANCE TO APPLY A SUM OF MONEY
FOR THE SERVICE OF THE YEAR ENDING THE
THIRTY-FIRST DAY OF DECEMBER, 1934**

22

ORDINANCE No. LXVI of 1933

An Ordinance to Apply a Sum of Money for the Service of the Year ending the Thirty-first day of December, 1934.

ENACTED by the Governor of the Colony of Kenya, with the advice and consent of the Legislative Council thereof, as follows:—

1. This Ordinance may be cited as "the 1934 Appropriation Ordinance, 1933." Short title.

2. The Public Revenue for the year 1934, and other funds of the Colony and Protectorate of Kenya are hereby charged towards the service of the year ending the 31st day of December, one thousand nine hundred and thirty-four, with the sum of three millions, one hundred and eighty-eight thousand, and forty-one pounds. Public Revenue.

3. The money granted by this Ordinance shall be applied for the purposes and services expressed in the Schedule annexed hereto. Application of money granted.

4. The Treasurer of the Colony and Protectorate of Kenya is hereby authorized and required from time to time upon the warrant or order of the Governor to pay out of the Revenue and other funds of the Colony and Protectorate of Kenya, for the several services specified in the Schedule, the said sum of three millions, one hundred and eighty-eight thousand and forty-one pounds which will come in course of payment during the year ending on the 31st day of December, one thousand nine hundred and thirty-four. Treasurer's authority for payment.

SCHEDULE.

No. of Head		£
I.	His Excellency the Governor	15,188
II.	Administration	228,349
IIa.	Administration Extraordinary	850
III.	Agriculture	126,799
IIIa.	Agriculture Extraordinary	600
IV.	Audit	19,570
V.	Coast Agency	5,593
Va.	Coast Agency Extraordinary	250
VI.	Conference of East African Governors	956
VII.	Customs	47,071
VIII.	Education	178,965
IX.	Forest	31,910
X.	Game	8,769
XI.	Interest	624
XII.	Judicial	34,886
XIII.	Legal	8,539
XIIIa.	Legal Extraordinary	110
XIV.	Local Government, Lands Settlement and Mines	45,380
XV.	Local Government Contributions to Local Authorities	85,862
XVI.	Medical	201,286
XVIa.	Medical Extraordinary	590
XVII.	Military	136,732
XVIIa.	Military Extraordinary	270
XVIII.	Miscellaneous Services	71,599
XVIIIa.	Miscellaneous Services Extraordinary	1,100
XIX.	Pensions and Gratuities	171,800
XX.	Police	132,729
XXa.	Police Extraordinary	20
XXI.	Post Office and Telegraphs	218,417
XXIa.	Post Office and Telegraphs Extraordinary	5,838
XXII.	Printing and Stationery	27,996
XXIII.	Prisons	46,977
XXIV.	Public Debt Funded	1,026,252
XXV.	Public Works Department	84,348
XXVI.	Public Works Recurrent	120,052
XXVII.	Registrar General's Department	5,835
XXVIII.	Rent and Interest to His Highness the Sultan of Zanzibar	16,000
XXIX.	Secretariat, Legislative Council and Native Affairs	24,599
XXX.	Statistical Departments	11,709
XXXI.	Trade and Information Office	4,700
XXXII.	Treasury	20,089
XXXIII.	Public Works Extraordinary	8,888
XXXIV.	Colonial Development Fund	5,566
	Total Expenditure	£3,188,041

Passed in the Legislative Council the twenty-first day of December, in the year of Our Lord one thousand nine hundred and thirty-three.

This printed impression has been carefully compared by me with the Bill which passed the Legislative Council and is presented for authentication and assent as a true and correct copy of the said Bill.

J. F. G. TROUGHTON

Acting Clerk of the Legislative Council

KENYA.
No. 12



RECEIVED
6 FEB 1934
C. O. REGY

5⁷⁴
GOVERNMENT HOUSE,
NAIROBI,
KENYA.
6th January, 1934.

Sir,

I have the honour to transmit herewith two authenticated copies of "An Ordinance to Apply a Sum of Money for the Service of the Year ending the Thirty-First Day of December, 1934" No. LXVI. of 1933, together with two copies of the Legal Report by the Attorney General.

Recd

2. This Ordinance passed its third reading in the Legislative Council on the 21st of December, 1933, and I assented to it in the name of His Majesty on the 30th of December, 1933.

3. Twelve printed copies of the Ordinance are also enclosed.

Not returned

I have the honour to be,

Sir,

Your most obedient, humble servant,

BRIGADIER-GENERAL.
GOVERNOR.

THE RT. HON.
MAJOR SIR PHILIP GUNLING-LISTER, P.C., G.B.E., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET, LONDON, S.W.1.

LEGAL REPORT.

THE 1934 APPROPRIATION ORDINANCE, 1935.

In my opinion, His Excellency the Governor may properly assent to this Bill in the name and on behalf of His Majesty.

Nairobi,

W. H. C. ...
ACTING ATTORNEY GENERAL.

21st December,
1935.

3
7/2

C. O.

Mr. Davies

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Buttley.

Sir J. Shackburgh.

Permt. U.S. of S.

Party. U.S. of S.

Secretary of State.

C.D.
R 27 JAN
D 28

30 JANUARY, 1934.

Sir,

I am directed to transmit

to you, to be laid before the Lords
Commissioners of the Treasury, a copy
of the Estimates of Revenue and
Expenditure for 1934²⁰ passed by the
Legislative Council of Kenya Colony and
Protectorate, together with copies of a
memorandum on the draft Estimates of
Expenditure, ^a ~~of the~~ Report ^{b7} ~~of~~ the Select
Committee on the draft Estimates, and ~~of~~
the Governor's despatch under cover of
which these ^{documents} papers were forwarded ~~by the~~
Governor.

DRAFT.

THE SECRETARY,

TREASURY.

*Amnd
9
[Signature]*
*To Mr. [unclear]
M. I. W. [unclear]*

FURTHER ACTION.

2. ^{to show} ~~to show~~ Their Lordships will be ^{in a position to} ~~in a position to~~ ^{show} ~~show~~ considerable satisfaction at the prospects ^{revealed} ~~revealed~~ by the Estimates of a slight improvement in the Colony's financial position in 1954; ^{and will agree that these prospects} ~~and will agree that these prospects~~ ^{improvement} ~~improvement~~ are attributable in no small measure to the incessant efforts of the Government of Kenya to eliminate all unessential items of expenditure.

3. Their Lordships sanction is now sought for the conveyance of the Secretary of State's approval of these draft Estimates to the Governor. ^{As the same time} ~~As the same time~~ ^{is being} ~~is being~~ it is proposed ^{to stress the necessity of so framing the} ~~to stress the necessity of so framing the~~ Colony's future budgets as to lead to the establishment of adequate surplus balances. ^{Improvement by having to have better clear} ~~Improvement by having to have better clear~~ What, in the absence of a further recovery in the Colony's finances, of a more marked character than at present ^{will} ~~will~~ seems likely, it ^{will} ~~will~~ be impossible to build up surplus balances by the end of 1956 ^{to £1,000,000, as was originally} ~~to £1,000,000, as was originally~~ hoped.

By,
 Mr. Parkinson.
 Mr. Tomlinson.
 Sir C. Denny.
 Sir J. Stothborough.
 Perm. U.S. of S.
 Perm. U.S. of S.
 Secretary of State.

DRAFT.

4. As ^{their} ~~their~~ Lordships are aware, Sir Philip Cunliffe-Lister is ^{himself} ~~himself~~ at present in Nairobi, and he will doubtless have taken the opportunity to discuss Kenya's general financial position with the Governor, there.

I am, etc.,

Signed J. E. W. FLOOD

AIR MAIL

KENYA

No. 707

RECORDED.



GOVERNMENT HOUSE

NAIROBI

KENYA

RECEIVED
28 JAN 1934
C. O. REGD

29th December, 1933.

Sir,

I have the honour to confirm my telegram No. 244

of 20th December, 1933, which reads:-

"No. 244. Reference my telegram No. 2000.

Estimates for 1934 approved by Legislative Council today show:-

Estimated gross Revenue		£3,198,973
Estimated gross Expenditure		
Recurrent	£3,169,628	
Non-Recurrent	18,213	
Total		3,188,041
Estimated Surplus		10,932
Estimated Excess of Assets over Liabilities on 31.12.34		177,094

Appropriation Bill providing for estimated Expenditure as above will be passed tomorrow, and Estimates will be forwarded by Air Mail for your approval when printed. Governor."

and to forward for your consideration

- (a) the Estimates of Revenue and Expenditure for the year 1934, as passed by the Legislative Council; (a further 13 copies are being forwarded by sea mail);
- (b) a Memorandum on the Draft Estimates of Expenditure for the year 1934, as presented to the Legislative Council;

(c)/

No 3
3349/33

No 1
3363/33

Annul. Let. (10)
Fair - (11)

Copy of annul. to Henry. (3)

THE RT. HON.

MAJOR SIR PHILIP SURLIFF-LISTER, P.C., G.B.E., M.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON, S.W.1.

(c) the Report of the Select Committee on the Draft Estimates for 1934.

2. The Budget was debated on 6th and 7th December, and was, on the latter date, referred by resolution to the Honorary Select Committee consisting of the Colonial Secretary, the Acting Treasurer, the Chief Native Commissioner, the Acting Commissioner for Local Government, Lands, Settlement and Mines, and all Unofficial Members of Council. The Report of the Select Committee was adopted by Legislative Council on the 20th December, and the recommendations of the Select Committee are reflected in the Estimates of Revenue and Expenditure for the year 1934, which are now submitted for your consideration and approval.

3. In compiling the Estimates for 1934 the essential need for securing a balanced budget has been kept prominently in view. In view of the revenue measures introduced in August last, it was clearly out of the question both on economic and political grounds to contemplate any further taxation. The object in view had therefore to be achieved by the only possible alternative, namely, by the most rigid curtailment of expenditure under every Head of Estimates. It was where it was found possible to reduce estimated expenditure within the limits of a conservative estimate of revenue and to present to the Legislative Council draft Estimates of Revenue and Expenditure which reflected the following figures:-

Estimated Revenue	23,181,000
Estimated Expenditure	23,181,000
	—————

You will observe that the estimated surplus of £4,440 is slightly larger than that indicated provisionally in my telegram No. 226 of 18th November, 1933. As a result of the recommendations of the Select Committee which have been adopted, the Estimates which are now submitted for your consideration and approval reflect the following figures:-

Estimated gross Revenue 1934	£3,198,973
Estimated gross Expenditure 1934	<u>3,188,041</u>
Estimated Surplus	<u>£ 10,932.</u>

REVENUE.

4. The original draft Estimates of Revenue compiled in the Treasury were carefully examined by the Standing Finance Committee at a meeting on the 3rd November, and were considered by that Committee to be sound, and to have been drawn up on conservative lines. In the interval between that date and the presentation of the Draft Estimates to the Legislative Council, the Revenue Estimates were kept under close and continual review, and it was found necessary to amend them in certain particulars, the most notable being the reduction from £53,000 to £40,000 in the estimated yield from the Traders and Professional Licences Ordinance, to which I shall refer in greater detail at a later stage. On the other hand, certain minor increases under various items were found to be justifiable, with the result that the Draft Estimates of Revenue presented to Council fell short of the Estimates endorsed early in November by the Standing Finance Committee, by some £4,500. I may add that the modifications to which I have referred were submitted to, and approved by, the members of the Standing Finance Committee.

Before turning to the Expenditure side of the Budget I shall comment on such items in the Revenue Estimates as

appear to call for special mention.

HEAD I. CUSTOMS:

An estimate of £625,000 in respect of Import Duties (items 1-13) was accepted by the Standing Finance Committee and by the Select Committee on the Estimates as a sound and conservative figure. It shows an increase of £25,000 as compared with the corresponding figure for 1933, this increase being justified partly by reason of the facts that the Colony's balance of trade has shown marked improvement during 1933 and that there has been some hardening of commodity prices; and partly by the improvement anticipated as a result of the recent tariff alteration, under which Customs Duties on certain articles were "pegged".

HEAD II. LICENCES, DUTIES, TAXES, etc.

The estimates for Native Hut and Poll Tax were considered at the meeting of the Provincial Commissioners held early in November. They are regarded as a reasonable estimate of receipts from this source in 1934 on the assumption that 1934 will be a normal year.

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Item 14 - Levy on Official Salaries. The estimate shows a decrease of £9,500. Of this decrease, £6,500 is due to the reduction in the rate of levy on the salaries of officials drawing less than £1,000 per annum, which was approved by Executive Council on 29th September, 1933, and the remaining £3,000 is due to the fact that actual receipts during 1933 show that the original figure of £56,000 in 1933 was an over-estimate.

New Revenue Measures. The new revenue measures recently introduced fall to be considered under this Head. They affect items 9, 12, 15 and 16.

Item 15 - Non-Native Poll Tax. The Alternative Revenue Proposals Committee estimated the yield from their proposals.

Net. 3349/33

You will observe that the estimated surplus of £4,449 is slightly larger than that indicated provisionally in my telegram No. 228 of 18th November, 1933. As a result of the recommendations of the Select Committee which have been adopted, the Estimates which are now submitted for your consideration and approval reflect the following figures:-

Estimated gross Revenue 1934	£3,198,973
Estimated gross Expenditure 1934	<u>3,188,041</u>
Estimated Surplus	<u>£ 10,932.</u>

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P. 40

Item 1. Levy on Official Salaries. The estimate shows a decrease of £9,500. Of this decrease, £6,500 is due to the reduction in the rate of levy on the salaries of officials drawing less than £1,000 per annum, which was approved by Executive Council on 29th September, 1933, and the remaining £3,000 is due to the fact that actual receipts during 1933 show that the original figure of £56,000 in 1933 was an over-estimate.

New Revenue Measures. The new revenue measures recently introduced fall to be considered under this Head. They affect items 9, 12, 15 and 18.

Item 12 - Non-Native Poll Tax. The Alternative Revenue Proposals Committee estimated the yield from their proposals.

proposals for a graduated Poll Tax at £70,000 in a full year, or £38,000 more than the estimated revenue for 1933 under the old Non-Native Poll Tax Ordinance. Certain amendments were made during the passage of the Bill through Legislative Council, the most important of which was a reduction in the minimum rate of tax from Shs.40/- to Shs.30/- to persons having a chargeable income of £100 per annum or less. Certain other amendments tended to increase the yield, but, taking the amendments as a whole, it was calculated that the gross yield in a full year from the Ordinance as finally passed would be £66,000.

A yield of additional revenue, amounting to £30,000, was anticipated in 1933. That figure has been exceeded. Up to the 20th of December the yield has been £31,515. 19,595 persons have submitted declarations of income under the new Ordinance. In the light of these figures it is considered that the estimate of £66,000 should be retained for 1934.

Item 15. Traders' and Professional Licenses.

The estimate adopted by the majority of the Alternative Revenue Proposals Committee in the Supplementary Report dated the 27th of April, 1933, was £50,000. Amendments introduced during the passage of the Bill through Legislative Council tended to increase the yield and led to a preliminary estimate of £23,000 in a full year. Receipts during 1933 have been disappointing. Against an estimated yield in 1933 (when half the fees only were payable) of £18,500, additional to the amount received under the old Traders' Licensing Ordinance, (Chapter 56) receipts have totalled some £7,000 only. This shortfall shows indicate that the original estimate was in any case too high; further, on the introduction of a new form of taxation and on this, it may be expected that those affected will

require some time to accustom themselves to the altered conditions, particularly as it must be admitted that many points in the Ordinance are somewhat obscure. The actual yield in 1933 after the Ordinance had been in force for some three months only cannot therefore be regarded as a conclusive guide to the yield which may be expected in 1934. The figure of £40,000 which has been included in the 1934 Estimates in respect of revenue from this source is regarded as a reasonable estimate of revenue which will accrue when further experience of the working of the Ordinance has been gained.

Item 18. Package Tax. This tax was introduced on the 1st of December, 1933, and there has therefore been too little experience of the working of the measure to check the estimate of revenue. The estimate of £10,000 is based on material prepared by the Commissioner of Customs.

Item 9. Stamp Duties. Actual receipts in respect of the tax on the registration of Companies during the first three months after this tax was imposed amounted to approximately £400. The probable revenue in a full year is difficult to estimate. It is considered not unreasonable to anticipate that, over a number of years the average might work out at £5,000 per annum. But, for 1934, a smaller estimate may be expected, and the estimate for Stamp Duties as a whole assumes that £3,000 will be derived from this tax.

The other amendment to the Stamp Ordinance which deals with Bills of Exchange and Promissory Notes is estimated to have produced about £150 during the first three months after the amendment became law. The yield for 1934 has been estimated at £1,000.

Of the increase of £7,000 shown in respect of

Stamp

Stamp Duties, therefore, some 24,000 is attributable to the new revenue measures affecting Stamp Duties.

The amount included in Revenue Estimates in respect of the new revenue measures is therefore some £65,600, made up as follows:-

Non-Native Poll Tax	£31,000
Traders' and Professional Licences.....	£20,600
Packaging Tax	£10,000
Stamp Duties.....	£ 4,000
Total,	<u>£65,600</u>

The remaining Heads and items of Revenue call for no comments other than those contained in the Report of the Select Committee.

5. I now turn to the Expenditure Estimates.

HEAD II. ADMINISTRATION.

You will observe from pages 27 and 29 of the Estimates that, in accordance with the recommendation contained in paragraph 370 of the Expenditure Advisory Committee's Report, the Native Department headquarters and Local Government, Lands and Settlement section have been excluded from the Administration Head of Estimates. The former has been combined with the Secretariat, under Head XXIX, while the latter has been incorporated in the combined Department of Local Government, Lands Settlement and Mines, under Head XIV.

The Provincial Administration has been rearranged on lines which have been under consideration for some time and which were definitely recommended in paragraph 126 of the Report of the Expenditure Advisory Committee. You have been addressed separately in regard to the geographical divisions of the Colony into four Provinces and three extra-Provincial Districts which it is proposed to adopt.

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SECRET. You will observe that, under items

1 and 2 of Head II, provision is made for four Provincial Commissioners, 1st class, at £1,350 per annum, and for five Senior District Commissioners at £1,200 per annum, while the five posts of Provincial Commissioners, 2nd class, have been deleted from the Estimates.

Both during the debate on the Draft Estimates, and in Select Committee, the proposal to create five new posts of Senior District Commissioners occasioned adverse comments from Elected Members, and you will observe that in paragraphs 49-50 of the Select Committee's Report they have recorded their opposition to the proposal, and that I have undertaken to discuss the matter with you during your forthcoming visit to the Colony. Provision is made in the Estimates for

- 4 Provincial Commissioners
- 5 Senior District Commissioners
- 108 District Officers
- 112 Officers.

It is anticipated that, as a result of retirements which will take place during the course of 1934, the establishment of District Officers will have been reduced by the end of the year to 106. The total establishment of the Administration will then have been reduced to 114 officers which is the number recommended by the Expenditure Advisory Committee in paragraph 174 of their Report.

Section 2. Land Assistants. You will observe that the number of these posts has been reduced from 4 to 3. One officer has been transferred to the department of Local Government, Lands Settlement and Mines (Head XIV) as an "Office Assistant".

LABOUR OFFICER.

Class III. Principal Labour Inspector. The holder of this post is a qualified medical Officer. Previously provision for his salary was made under the item "Senior Medical Officers" under the Medical Department Head

of Estimates. In accordance with the recommendation in paragraph 186 of the Expenditure Advisory Committee's Report, provision has now been made for the salary of this officer under the "Administration" Head of Estimates.

Provincial Administration.

Rift Valley Province. Item 64 - Superintendents of Inland Revenue and Conservancy.

In paragraph 127 of the Expenditure Advisory Committee's Report the opinion is expressed that, if the Laikipia and North Nyari Districts were included in the same Province, a reduction of one Administrative officer would be possible. The combination of these two Districts has not been considered to be desirable. On the other hand, it has been found possible, temporarily, at anyrate, to withdraw the District Commissioner from Naivasha, and to arrange for the administration of the Naivasha District from Nakuru. The reduction of one Administrative officer envisaged by the Expenditure Advisory Committee has thereby been effected in another way. It is, however, undesirable to leave Naivasha without supervision, and for this reason provision has been made for a post of Superintendent of Inland Revenue and Conservancy at Naivasha at a consolidated salary of £300.

Item 65. Township Overseer. In your despatch No. 850

No. 2 3337/53 of 9th November, 1933, you conveyed your approval of the temporary appointment of an officer to superintend the conservancy at Kitale Township. It is considered that the retention of this officer is essential and for this reason provision has been made for his salary at the rate of £300 consolidated during 1934. The duties performed by this officer are dissimilar from those of the Superintendents of Inland Revenue and Conservancy at Kisumu, Nakuru and Naivasha, and for this reason the title of the post has been

shown as "Township Overseer".

Item 205-206: Asian and African Housing, (Nairobi).

Although the administration of this service is in the hands of the District Commissioner, Nairobi, provision for its cost has previously appeared under the Public Works Department Head of Estimates. It is thought to be more appropriate to include the cost of the service under the "Administration" Head, as has been done in the Estimates for 1934.

Item 208-210. Fisheries Protection, Lake Victoria.

Provision for this service appeared as Extraordinary Expenditure in the Estimates for 1933.

6. HEAD III. AGRICULTURAL DEPARTMENT.

With the exception mentioned under Head VIII, Education, the estimates under this Head and the other three "Native Betterment" Heads (namely, Education, Medical, and Public Works Recurrent) have been drawn up in the same manner as that which was adopted in regard to the 1933 Estimates and provision for the "Non-Native" and for "Native" Services has been shown separately. You will observe that whereas the 1934 Estimates for "Non-Native" services in the Agricultural Department reflect a reduction of £10,521 on the Sanctioned Estimates for 1933, the Estimates for 1934 for "Native Services" show an increase on corresponding Estimates for 1933 of £1,195. The net reduction as compared with the Sanctioned Estimates for 1933 is therefore £9,326.

In compiling the Estimates for this Department its importance from the point of view of productive development has been borne in mind, and an attempt has been made, as far as possible, to confine the reductions in expenditure with the general financial situation of the Colony and rendered unavoidable, to such items as it net

have an immediate bearing on development services in the field.

Assistant to the Director. A saving of £220 has been effected by abolishing the post of Assistant to the Director which fell vacant on the transfer of Mr. Blunt to Cyprus as Director of Agriculture (vide your despatch No. 546 of 24th July).

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Cyprus.

Item 5. Office Superintendent. Provision is made for 6 months salary to the holder of this post, who will retire at the completion of his leave. It is considered possible, in the interests of economy, to dispense with this post.

Item 42. Entomologists. One post will be vacant during 1934 as a result of the retirement of its present holder. You will observe that it is proposed, in the interests of economy, to hold this post in abeyance during 1934.

Items 62-71. Grading and Inspection - Grain Conditioning and Cool Stores Services.

A reduction of £2,000 approximately has been effected under these items as a result of an estimated decrease in the amount of surplus grain available for export. A corresponding reduction has been made under item 25 of Head III, Revenue. The diminution of the estimated amount of grain available for export is accounted for to some extent by anticipated increased consumption by labourers employed in the gold mining areas and on sisal estates.

Item 77 - 2 Senior Veterinary Officers. In accordance with your telegram No. 202 of the 23rd September, 1933, the post of Assistant Chief Veterinary Officer has been abolished, and the present holder of that post transferred to the Field Staff as a Senior Veterinary Officer, with a salary

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have an immediate bearing on development services in the field.

Assistant to the Director. A saving of £920 has been effected by abolishing the post of Assistant to the Director which fell vacant on the transfer of Mr. Elunt to Cyprus as Director of Agriculture (vide your despatch No. 548 of 24th July).

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salary personal to himself of £1,000.

Item 80. Three posts of Assistant Stock Inspectors have been abolished in the interests of economy.

Item 92. Assistant Chief Veterinary Research Officer.

In order to avoid any increase in the establishment either of the field, or of the research staff, and to provide an adequate number of officers for research work, on the absorption of the Assistant Chief Veterinary Officer in the Field Staff, one officer has been transferred from the Field to the Research Staff, and provision has been made for his salary under item ⁴¹ 90 (Assistant Chief Veterinary Research Officer). This post has remained unfilled during 1933, and it is not proposed to fill it substantively during 1934.

Item 104. 4 Laboratory Students.

You will observe that an increase of 2 in the establishment of Laboratory students is reflected in the Estimates. Provision for 4 Laboratory students was made in the Estimates for 1933, under item 123, Head III, but owing to an oversight the increase in the establishment from 2 to 4 was not reflected. It is considered that this increase is necessary for the proper efficiency of the Department and that the post of laboratory student is one which can be filled with advantage by local youths.

Items 127 and 128. Stock Inspectors and Assistant Stock Inspectors.

The division between Stock Inspectors and Assistant Stock Inspectors, which was not shown in the 1933 Estimates, has been indicated in the Estimates for 1934.

7. HEAD IV. AUDIT DEPARTMENT.

Item 4. Assistant Auditors; and Item 5. Examiners of Accounts.

Provision is made for an increase of 1 in the establishment.

establishment of Assistant Auditors and a reduction of 2 in the establishment of Examiners of Accounts. It is proposed gradually to replace Examiners of Accounts by Assistant Auditors.

Item 8. Head Clerk. This post is being held temporarily in abeyance until such time as a decision is reached on the general question of the number of special grade posts in the Asian branch of the Service which is appropriate.

Items 9 and 10. 42 clerks. An increase of 2 in the establishment of clerks is reflected in the Estimates. Of this increase one is to replace the Head Clerk until a decision is reached on the general question referred to above, while the second clerk is required in connection with the audit of the accounts of the amalgamated Post Office and Telegraphs Department. The cost of his salary will be reimbursed from Tanganyika Territory.

8. HEAD V. COAST AGENCY.

Item 3 - 11 Clerks. A reduction of one in the establishment has been made in the interests of economy.

9. HEAD VII. CUSTOMS.

Item 4. The Estimates for 1933 made provision for 2 Collectors of Customs and 4 Assistant Collectors. It is proposed to discontinue the differentiation between "Collectors" and "Assistant Collectors" as the various posts filled by these officers are interchangeable and both classes of officers are on the same rates of salary. Moreover, certain powers are specifically vested in Collectors under the Customs Management Ordinance, 1926, and it is considered advisable on this account also to abandon the title of "Assistant Collector".

Item 5. Specially Officers.

The one remaining

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 addet in the Customs Department having completed his period of probation, vide Mr. Moore's despatch No. 608 of 27th October, 1933, the question of his absorption into the establishment of Examining Officers will arise next year. Pending a decision on the question of the new terms of service for the Local Civil Service a post of Junior Examining Officer has not been reflected in Estimates, but the establishment of Examining Officers has been increased by one.

10. HEAD VIII. EDUCATION DEPARTMENT.

Item 10. 2 African Clerks. It has been found necessary to increase the establishment of African Clerks to 2 to enable the work in the Head Office of the Department to be efficiently performed.

European Education.

Item 19. 58 Education Officers. A reduction of 1 in the establishment of Education Officers has been rendered possible by the closing of the Concordia School in the Laikipia District.

Overseas Scholarship Scheme. In paragraphs 59 and 60 of their Report the Select Committee on the Estimates recommend the inauguration of an Overseas Scholarship Scheme in order to enable Kenya youths to complete their education at one of the Universities. It is intended to give this proposal examination in the near future, and provision of £20 has been included in the Estimates on the assumption that it may be possible to enable scholars to be appointed before the commencement of the 1934-1935 academic year in October, 1934. I shall address you further on this subject at a later date.

Teachers and Non-Teachers.

Education Officers. You will observe from the Estimates that a net increase of 120 teachers and 1 non-teacher in the Education Department is proposed for the year 1934-1935. The Advisory Council on Indian

Indian Education recommended that two Assistant Masters (European) engaged in Indian education should be replaced by 2 Indians, and a modification of the basis for the payment of grants-in-aid of Indian education. The primary object of these recommendations was to enable the cost of Indian education to be reduced to the level of the revenue derived from the Indian community for the special purpose of providing educational facilities for that community.

After considering all the circumstances of these proposals, and bearing in mind that it would be undesirable to accept one without the other, Mr. Moore considered it expedient to accept them and to reflect them in the Estimates for 1934, and I concur with his views on the matter.

You will observe that, in consequence, a reduction in expenditure has been effected, under item 48, and that it has been possible to avoid increasing provision which would otherwise have been necessary under item 58 "Grants-in-aid of Indian Education".

"Arab" and "African" Education. The modification in the form of the Estimates under these two sub-divisions is explained on page 13 of the Memorandum.

Education.

Item 80. Education Officers. You will observe that an increase of 5 in the establishment of Education Officers for African education is reflected in the Estimates. This increase is made for the purpose of providing teachers for new schools proposed to be opened during 1934 at Kisii and Pumwani, and to provide one additional teacher at each of the schools at Lcitekitek, Machakos and Nyeri.

Item 20. Leading Artisans. The present economic depression has caused a falling-off in the demand for native articles and for this reason it is considered prudent to

reduce the number of native artisans in training. In addition, it has been found that the results obtained in short courses of training elsewhere than in the Native Industrial Training Depot have not proved to be entirely satisfactory. For this reason it is proposed to concentrate the training of native artisans in the Training Depot at Ebebe, and it is considered that an establishment of 14 leading artisans should be sufficient for the purpose.

Item 21. Grants-in-Aid to Missions. In previous years provision for the "grant to the Alliance High School" and for the "Domestic Training of African Women" has been shown under separate items. It is considered desirable that these two grants should be included under the item "Grants-in-Aid to Missions", and this has been done in the Estimates for 1934.

11. HEAD IX. FOREST DEPARTMENT.

Item 2. Assistant Conservators of Forests.

It has been decided, in the interests of economy, to abolish one of these posts. For the same reason the establishment of clerks, under item 8, has been reduced by

1.

Item 3. Interest.

It is considered by the Acting Treasurer that the deterioration of the Colony's financial position has been arrested renders it unlikely that recourse will be had, to any marked degree, during 1934, to borrowing for the purpose of meeting the current cash requirements. It has accordingly been possible to reduce the Estimates from 1933 to 1934 to 2500.

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13. HEAD XII. JUDICIAL DEPARTMENT.

Item 1. Chief Justice. In accordance with the decision conveyed in your despatch No. 876 of 20th November, 1933, provision has been made under this item on the assumption that the new Chief Justice will be appointed at a salary of £2,300 per annum. It has been necessary to make provision for the salary of Sir Jacob Barth at the rate of £2,400 per annum during the period which will intervene before his retirement becomes effective.

Item 8. Relief Process Server. It has been necessary to provide for the salary of a relief Process Server during the absence on leave of the substantive holder of the post.

Item 12. The reason why it is proposed to ~~continue~~ ^{discontinue} the distinction between clerical interpreters and clerks is explained on page 15 of the Memorandum.

14. HEAD XIV. DEPARTMENT OF LOCAL GOVERNMENT, LANDS
REGISTRATION AND MINES.

In accordance with the recommendations in paragraph 397 et seq of the Report of the Expenditure Advisory Committee the Survey and Registration Department and the Local Government, Lands and Settlement section of the Secretariat have been combined, together with the Mines section, to form this Department. The superior organisation recommended by the Expenditure Advisory Committee is indicated diagrammatically in paragraph 398 of their Report. The recommendations of the Expenditure Advisory Committee in this respect have had to be slightly modified principally because they envisaged the Local Government Inspector acting in both an executive and an advisory capacity. This is incompatible with his statutory duties and it has therefore, been necessary to arrange for this officer to retain his independent advisory capacity.

The Expenditure Advisory Committee recommended that there should be a post of Personal Assistant to the Commissioner. It is considered possible to dispense with this post, for the present at any rate, and, in order to compensate for the loss of the services in an executive capacity of the Local Government Inspector, a post of "Office Assistant" in the combined Department has been included. As you will have observed, under Head II - Administration, above, one of the holders of the post of "Land Assistant" is to be transferred to the post of Office Assistant.

It is realized that the whole organization of this Department must be regarded as tentative for the present, and subject to review in the light of mining developments during the next few months. In this connection I would refer to your despatch No. 786 of 28th September, 1935, and invite your attention to paragraphs 75-77 of the Report of the Select Committee on the Draft Estimates.

No. 3267/33

Mining Section. You will observe that the Select Committee on the Estimates has recommended the inclusion, under this section, of a post of Assistant Geologist, and the provision of sufficient funds under "Other Charges" items to enable such an officer to operate effectively. I am satisfied that the creation of this post is in the best interests of the Colony, and I regard it as a matter of the utmost importance that we should press forward with the work of investigating the geological resources of the Colony. It is impossible for this work to proceed as rapidly as is necessary and desirable unless the Geologist and Mining Engineer is assisted by a qualified officer.

In regard to the Survey and Registration section, provision has been made to retain the Surveyor-General; the present holder of the post of Assistant Surveyor-General will be included in the establishment of District

Surveyors.

In regard to this section, also, it is necessary that the organization reflected in the Estimates for 1934 should be given a trial before it is possible to say whether it is the most suitable in present circumstances. It may be found necessary, during the course of the year, to fill the post of Staff Surveyor which is shown as in abeyance in the Estimates.

15. HEAD XV. LOCAL GOVERNMENT CONTRIBUTIONS TO LOCAL ADMINISTRATION.**Item 1. Contribution to Nairobi Municipality in lieu of rates.**

The Nairobi Municipality proposes to increase the rate on unimproved site values during 1934 from 1½% to 1¾%. If the latter rate is eventually established it will be necessary for the Government to contribute an additional sum of £1,896 in lieu of rates, of which £337 will be reimbursed by the Railway Administration. Provision has been made accordingly in the Estimates.

16. HEAD XVI. MEDICAL DEPARTMENT.

You will observe that although the Estimates of this Department have been reduced by £14,057 as compared with the revised Estimates for 1933, the estimated expenditure on Native Services in 1934 slightly exceeds the corresponding estimate of 1933.

Items 1 and 2. Director and Deputy Director of Medical and Sanitary Services.

General.
You will observe that in accordance with the instructions conveyed in your Circular despatch of the 25th September, 1933, the titles of these officers have been changed in order to bring them into general conformity with the scheme for the unification of the Colonial Medical Services.

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Head of Estimates I have referred to the transfer of provision for one Senior Medical Officer to Item 26 of the Administration Head of Estimates.

Item 14. Provision is made in the Estimates for a post of Junior Surgical Specialist, and a reduction of one has been made in the establishment of Medical Officers, under item 15, to compensate for the creation of this post.

Item 38. Sanitary Inspectors. It has been found necessary, in the interests of economy, to abolish two posts of Sanitary Inspectors.

Item 43. Deputy Director of Laboratory Services.

While provision has been made under this item for the leave salary of Dr. Kauntze in 1934, the post is shown as being in abeyance. You will observe, from paragraph 88 of the Report of the Select Committee, that representations have been received from the Director of Medical and Sanitary Services that it is desirable that this post should be filled if a suitable candidate can be found, and I may have occasion to address you further in this connection.

I should add that it is not considered necessary in the present financial circumstances that the establishment under items 43 to 45 should exceed a total of 4.

Item 51. A reduction of 1 in the establishment of laboratory assistants has been effected.

Item 89. You will observe, from paragraphs 91 and 92 of the Report of the Select Committee on the Estimates, it is recommended that Government should explore the possibility of providing sufficient money from Loan funds for the construction of a 50-bed Native hospital at Kitale. The erection of such a hospital is a matter of considerable urgency and I am actively exploring the possibility of providing funds for the purpose. On the assumption that

it will be possible to build the hospital during the course of 1934, provision has been made under item 89 for 1 Nursing Sister, and under item 103 for one African clerk for duty in this hospital during the second half of 1934. In addition, the provision indicated in paragraph 92 of the Report of the Select Committee has been made under the items specified for the maintenance of the hospital during that period.

Item 84. Asiatic Clerks. One post has been abolished in the interests of economy.

Item 103. In accordance with the general policy of replacing Asians by Africans, when such a course is possible, provision is made for 4 new posts of African Clerks to replace Asian clerks who have been retrenched. Six additional posts of African Clerks have been created for the purpose of providing clerical assistance in Native hospitals in which such assistance has been previously lacking. I have explained above the reasons for the remaining addition to the establishment of African Clerks.

Other Charges. It has been necessary, on financial grounds, to effect a rigid curtailment of provision under all "Other Charges" items.

17. HEAD XVII. MILITARY - NORTHERN BRIGADE

Classes of Buildings.

Items 84 and 134. Interest and Maintenance of Military Buildings.

As a result of the correspondence with the Government of Uganda, it has been decided that the cost of upkeep of buildings which serve one or other of the two Territories, such as the military buildings at Kajir and Karu, shall be a charge against the funds of the Territory in which the building is situated, and not a charge against the votes of the Northern Brigade as heretofore. For this reason,

Provision for the upkeep of such buildings (£576) has been deleted from the Estimate, and the estimated cost of maintenance of such buildings in Kenya (£352) has been added to item 2 of Head XXVI, Public Works Recurrent. In addition, it has been decided that interest on the cost of construction and the cost of maintenance of buildings which serve the two Territories jointly (which have been classified for the purpose) shall be charged to the joint Military votes. In consequence, two new items appear in the Estimate on this account, viz., items 84 and 134.

Item 102. ~~General~~ Supply and Transport Corps.

Provision has been made on the assumption that this post will be filled substantively with effect from 1st January, 1934, in accordance with the decision conveyed in your despatch No. 76, King's African Rifles, of 14th November, 1933.

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Kenya Royal Naval Volunteer Reserve. Provision was inserted in the Draft Estimate for recurrent expenditure in connection with this service, amounting to £695, and for non-recurrent expenditure amounting to the same figure. As a result of the recommendations contained in paragraphs 88 and 89 of the Select Committee's Report, provision has been reduced to £300 to be allocated in the manner shown under items 162-165 of the Sanctioned Estimates.

18. HEAD XXV. PENSIONS AND GRATUITIES.

The difficulties which were experienced in preparing a close estimate under this Head were explained to you in my despatch No. 472 of 1st December. Provision has been made, under item 1, for the amount of pensions which are known to be due for payment in 1934, and a margin of £12,000 approximately has been allowed to cover the cost of

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pensions and gratuities which may be granted during 1934.

Under item 2, Committed Pensions, the sum of £13,000 has been inserted, but for the reasons which I have explained in the despatch referred to above, this figure is largely in the nature of an arbitrary estimate.

10. HEAD VI. POLICE.

It has been necessary to make provision in 1934 for the following additional police in mining areas:-

	1 Assistant Inspector, 2nd grade.	
	1 African Constable, 1st "	
	1 African Constable, 2nd "	
	3 African Constables, 3rd "	
Algerien Area.	1 African Constable, 1st "	
	1 African Constable, 2nd "	
	4 African Constables, 3rd "	

On the other hand, it has been found possible to effect small reductions in the Police establishment in certain districts. The net result of these additions and reductions are the following increased in establishments:-

		<u>Increase</u>	<u>Reduction</u>
Item 10.	Asst. Inspector, 2nd grade	1	
Item 11.	Asst. Inspector, 3rd grade	1	
Item 12.	Sergeants		2
Item 27.	1st grade Constables(African)	6	
Item 28.	2nd " Constables(African)	8	
Item 29.	3rd " Constables(African)	5	

A recrudescence of inter-tribal stock thefts between the Kikoi and Lumbwa has necessitated the stationing of a patrol of 50 men on the border between the two tribes.

You will observe, from paragraph 104 of their Report, that the Select Committee was satisfied that recent offences which have been committed against persons and property cannot be attributed to an undue reduction of police personnel.

Generally, in framing the Estimates under this Head, the necessity for maintaining a force sufficient to maintain

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law and order has been borne in mind. For this reason it has been found impossible to reduce the estimates to the level recommended by the Expenditure Advisory Committee.

20. HEAD III. POST OFFICE AND TELEGRAPHS.

Item 18. Electrical Inspector. In the Estimates for 1933 a post of Electrician was shown and provision was made for the payment of an allowance of £200 per annum to this officer in consideration of his performing the duties of Electrical Engineer and Inspector. It has been felt that this arrangement was not entirely satisfactory because the duties of Electrical Engineer and Inspector require for their proper performance the possession of high technical qualifications, which were, incidentally, only possessed by the officer holding the post of Electrician. It was considered that the emoluments of the Electrician were incommensurate with the duties this officer is required to perform, and for this reason it is proposed to create a post of Electrical Inspector with a salary of £600 by £30 to £720 by £30 to £840. In addition, it is felt that the essential nature of this post and its importance warrant its being accorded pensionable status, and you will observe that in paragraph 109 of their Report, the Select Committee recommend that the post should be made pensionable. In the circumstances, I trust that you will approve both of the creation of the post and its being accorded pensionable status.

21. HEAD VIII. PRINTING AND STATIONERY.

During 1932 the demands of the Railway Administration for printing to be performed by this Department were at a very low ebb and for that reason it was possible to effect a considerable reduction in the cost of the Department, which reduction was, of course, largely counterbalanced

by a diminution of the revenue earned by the department. During the current year, demands for printing by the Railway Administration have shown a considerable increase and the indications are that this increase will be maintained during 1934. For this reason it has not been possible to reduce the Estimates of the Department to the figure recommended by the Expenditure Advisory Committee. You will observe, however, that item 1 of Head V. of the Revenue Estimates (Gazette, Printing and Stationery) reflects an increase of £4,000 on the Sanctioned Estimates for 1933.

22. HEAD VIII. PRISONS DEPARTMENT.

Item 2. 1 Master Tailor. The reason for the inclusion of a post of European Master-Tailor in the 1934 Estimates is explained on page 23 of the Memorandum on the Draft Estimates. It is considered that the increased output from the Nairobi Prisons which will result from the employment of this officer will more than compensate for the amount by which his salary exceeds that of one of the two Indian master-tailors previously employed.

Item 3. Temporary Carpentry and Masonry Instructors.

In 1933 the number of carpentry and masonry instructors was reduced from 3 to 2 in the interests of economy and in addition an Indian Master Mason was retrenched. As the permanent Carpentry and Masonry Instructors are due to go on leave during 1934, and it is considered necessary to provide for a relief for them during the period of their absence.

23. HEAD IX. PUBLIC WORKS DEPARTMENT.

You will observe that the form of the Estimates under this Head is different from that of previous years. The reasons for this change are set out on page 24 of the Memorandum.

Memorandum on the Draft Estimates, and it is felt that whereas there may have been good reasons for the old method during the time in which the Department employed a large staff under its various branches, those reasons are no longer valid when the establishment of the Department has been considerably reduced.

Item 23. 2 Inspectors of Water Supplies.

In the Estimates for 1933 provision was made, under item 74, for an Inspector of the Kisumu Water Supply, and under item 104 for an Inspector of the Kitale Water Supply. In practice the duties of these officers were not confined to particular water supplies, and it has been felt that it would be more appropriate to create two general posts of Inspectors of Water Supplies on the grounds that the officers holding these posts will be available for duty in any part of the Colony to which it is considered desirable to send them. For this reason provision for 2 Inspectors of Water Supplies has been made, under item 23, in the Estimates for 1934, and the posts of Inspectors at Kisumu and Kitale have been abolished. It is proposed that one of the officers occupying these posts should devote his time particularly to inspection and maintenance of the various water supplies which have been established in the Native Reserves.

Items 90-98. Central Workshops and Timber-Seasoning Branch.

The Expenditure Advisory Committee recommended that this branch of the department should be closed down as soon as the furniture for the new Law Courts was completed. It has been decided that when that work is completed the establishment of this section should be reduced to 1 European Foreman and 1 Asian Clerk, and to absorb the European Kiln-Seasoning Operator into the department as a Staff Foreman. If he is available to operate the kilns should it be necessary

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at any time to do so. Owing to unavoidable delays which have occurred in seasoning timber and completing the furniture for the Law Courts it has not been possible to reflect this decision in the Estimates for 1934.

24. HEAD XXVI. PUBLIC WORKS REQUIREMENT.

You will observe that general reductions in expenditure, in comparison with the Estimates for 1933, have been effected both under Native and Non-Native services. These reductions have been rendered imperative by the general financial position.

Items 1 and 10. Maintenance and Improvement of Roads and Bridges, £57,000.

reflect a reduction on the Estimates for 1933 of £7,000. It is felt that the reduced estimate of expenditure should suffice for the needs of the forthcoming year provided no unforeseen circumstances, such as abnormally heavy rains, occur, and provided that expenditure is confined mainly to maintenance, and little or no money is spent in increasing the road system of the Colony.

25. HEAD XXVII. REGISTRAR-GENERAL'S DEPARTMENT.

The Expenditure Advisory Committee, in paragraph 141 of their Report, recommended the amalgamation of this Department with the Legal Department. This recommendation has been carefully examined but it has not been found to be altogether acceptable, nor has it been found that all the economies envisaged by the Expenditure Advisory Committee could be effected in practice. For these reasons the recommendation has not been reflected in the Estimates for 1934.

Items 4 and 5. An increase of 1 Learner grade Clerk (Narypan) is reflected under item 4. It is proposed that this post should replace one post of Asian Clerk under item

Registration of Births, Deaths and Marriages.

Provision has been made for 2 clerks engaged on this service and their incidental expenses. As you are aware, this service has previously been performed by the Native Registration section of the Statistical Department. In view of the reorganization of those departments, which is reflected in the Estimates which are now before you, it has been considered desirable that the clerks engaged on the registration of births, deaths and marriages should be transferred to the Registrar-General's Department.

26. HEAD XXIX. SECRETARIAT, LEGISLATIVE COUNCIL, AND NATIVE AFFAIRS.

The staff of the combined Secretariat and Native Affairs section is in accordance with the proposal which received your approval but you will observe that it is intended, for reasons of economy, to hold the post of Assistant Colonial Secretary in abeyance during 1934. You will observe, in the Memorandum on the Draft Estimates (page 27), that particular stress is laid on the fact that it is not intended that the position of the Chief Native Commissioner as the Governor's principal adviser on Native Affairs should in any way be impaired by the inclusion of his post under the Secretariat Head of Estimates.

Item 9. European Clerks. 4 additional posts are included in the Estimates. Of these, 3 have been transferred from the Native Affairs Department headquarters while the fourth was included previously under the Local Government Lands and Settlement section of the Administration Head of Estimates.

Item 10. 1 Telephone Operator. This officer has been regarded previously as one of the clerical establishments. It is considered preferable that the telephone operator should be given a separate post, and you will observe that, as a result, the number of clerical establishments

actually employed has been reduced by 1, two posts having been shown in abeyance in the Estimates for 1933, as compared with three posts in the Estimates for 1934.

27. HEAD XXX. STATISTICAL DEPARTMENTS.

In paragraph 412 of their Report the majority of the Expenditure Advisory Committee recommended the suspension of the Statistical section, and in paragraphs 417 and 418 the majority of that Committee recommended the abolition of the Native Registration section and the Finger Print Bureau. These recommendations were carefully considered in May in connection with the Estimates for 1933, and in paragraph 159 of the Report of the Select Committee on the 1933 Estimates, it was recommended that Government should explore the possibility of providing in 1934 for some reorganization of the Native Registration and Finger Print Departments which would result in considerably less cost than the present organization. As a result of the recommendations, several possible alternatives have been considered, with the result that the organization reflected in the Estimates for 1934 has finally been decided upon as being the most satisfactory in all the circumstances. You will observe that the Estimates make provision for the retention of the statistical machines and staff to operate them.

Registration of Domestic Servants.

In paragraph 420 of their Report, the majority of the Expenditure Advisory Committee recommended the abolition of the Registration of Domestic Servants section. This recommendation was considered in connection with the Estimates for 1933, and in paragraph 140 of the Report of the Select Committee on these Estimates, Electoral Members

recommended that this service should only be continued or extended on the condition that it is made self-supporting. Opinion as to the necessity for the Registration of Domestic Servants appears to be sharply divided. Generally speaking, the population in the towns regard it as eminently desirable, if not essential, and the farming community consider it to be of little importance in so far as they are concerned. I may add that this service is of value to the employer as a protection against undesirable servants, and is highly prized by honest and reputable servants. Various alternative methods of complying with the recommendation of Elected Members referred to above have been considered, with the result that eventually it has been decided, on the recommendation of the Select Committee, to extend the service to Nakuru, Kitale, and Eldoret Townships, and to make no increase in the fees payable under the Ordinance. You will observe that although the estimated revenue in 1934 falls short of the estimated expenditure by £99, it is considered that in practice about one-third of the time of the Deputy Registrar of Domestic Servants will be occupied on work in connection with the modified Native Registration section. It may fairly be said, therefore, that the service will probably be self-supporting during 1934.

26. HEAD XXXI. TRAIN AND INFORMATION OFFICE.

You will observe that, in accordance with the advice of the Kenya Advisory Committee, the sum of £2,200 has been included under item 3 for the expenses of the Kenya section. In addition, for the reason explained in paragraph 132 of the Report of the Select Committee on the Estimates, a sum item "Temporary Clerical Assistance £380" has been included under this Head.

29. HEAD XXXII. TREASURY.Central Revenue Office.

No 11 526/33
 In paragraph 20 of Mr. Moore's despatch No. 533 of the 14th September, 1933, you were informed of the proposal to establish a Central Revenue Office as a branch of the Treasury. Provision is made under items 23-34 of this Head of Estimates for that Office. The Central Revenue Office performed very valuable services in connection with the collection of the Graduated Non-Native Poll Tax during the present year, and it is hoped that the gradual perfection of registers of tax-payers throughout the Colony which is being undertaken may result in an increase in the intensity of collection of the various taxes and dues sufficient to cover the cost of the service.

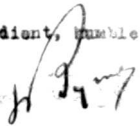
30. HEAD XXXIII. PUBLIC WORKS EXTRAORDINARY.

The present state of the Colony's finances has rendered it imperative to reduce expenditure under this Head to the lowest possible minimum.

I have the honour to be,

Sir,

Your most obedient, humble servant,


 BRIGADIER-GENERAL.
 GOVERNOR.

MEMORANDUM OF NEW POSTS.HEAD II. ADMINISTRATION.

Item 5. Senior District Commissioners: vide pages 6 and 7 of the Memorandum on the Draft Estimates, 1934, and paragraphs 49 and 50 of the Select Committee's Report.

Item 23. Provincial Labour Inspector.

Previously this post has not appeared in Estimates; its holder has been shown as a "Senior Medical Officer" - vide page 18 of the Memorandum.

Item 64. Superintendent of Inland Revenue and Conservancy.

Vide page 9 of the Memorandum.

Item 65. Tambaka Overseer.

Vide page 9 of the Memorandum, and your despatch No. 850 of the 9th November, 1933.

Item 188. African Clerk.

This officer has been shown previously as a Hut Counter, under item 188.

Item 202. Fisheries Inspector.

This officer is temporarily employed and his engagement was reported to you in the Quarterly Return for March, 1933, which accompanied Kenya Mem. No. 2/R. 43/1/3/VI/36 of the 1st of May last.

No. 3205/33.

Vide page 9 of the Memorandum on Estimates.

HEAD III. AGRICULTURAL DEPARTMENT.Item 24. Senior Veterinary Officer.

One officer has a salary personal to himself of £1,000 (vide page 10 of the Memorandum), and the second has a salary personal to himself of £800.

HEAD III. AGRICULTURAL DEPARTMENT (Contd.)

Item 100. 2 Laboratory Students (vide page 12 of this despatch).

HEAD IV. AUDIT DEPARTMENT.

Item 4. 1 Assistant Auditor.
Vide paragraph 7 of this despatch.

HEAD VII. CUSTOMS DEPARTMENT.

Item 4. 1 Collectors of Customs.
Vide paragraph 9 of this despatch.

Item 8. 1 Remaining Officer.
Vide paragraph 9 of this despatch.

HEAD VIII. EDUCATION DEPARTMENT.

Item 7. 1 European Clerk, Grade "A".

Item 10. 1 African Clerk.
Vide page 12 of the Memorandum on the Draft Estimates.

Indian and Gen Education.

Item 18. 2 Education Officers.

Vide page 13 of the Memorandum on the Draft Estimates.

African Education.

Item 20. 5 Education Officers, African Education.

Vide page 13 of the Memorandum on the Draft Estimates.

HEAD XII. JUDICIAL DEPARTMENT.

Item 15. 1 Public Process Server.

Item 20. 22 Clerical Assistants.

Vide page 15 of the Memorandum.

HEAD XVI. LOCAL GOVERNMENT, LANDS SETTLEMENT AND MINES.Item 4. 1 Office Assistant.

Vide page 16 of the Memorandum.

Item 5. 2 African Clerks, Grade II.

Provision for one of these posts was previously made under the above section, the other is a new appointment.

Item 55a. 2 Assistant Geologist.

Vide paragraph 78 of the Report of the Select Committee on the Estimates.

HEAD XVII. MEDICAL DEPARTMENT.Item 14. 1 Junior Surgical Specialist.

Vide page 18 of the Memorandum on the Draft Estimates.

Item 103. 10 African Clerks.

Vide page 21 of this despatch.

HEAD XVIII. MILITARY.Item 14. 1 Staff "F" Clerk.

Vide paragraph 19 of the Memorandum.

Item 51. 2 Privates at Shs. 25/- per month.Item 52. 2 Privates.

This increase is counterbalanced by a reduction of 3 Lance-Corporals, under item 54.

Items 25 and 26. 1 Captain and 4 Subalterns (K.A.R. RESERVE).

It is proposed to call up a larger number of officers for training than in 1938.

Item 103. 1 Native Road Inspector.

Vide paragraph 99 of the Select Committee's Report.

HEAD XXI. POLICE.

- Item 10. 1 Assistant Inspector.
- Item 20. 1 Sergeant, 3rd Grade.
- Item 21. 4 1st Grade African Constables.
- Item 22. 8 2nd Grade African Constables.
- Item 23. 5 3rd Grade African Constables.

Vide page 21 of the Memorandum on the Draft Estimates.

HEAD XXII. POST OFFICE AND TELEGRAPHS.

- Item 18. Electrical Inspector.

Vide page 22 of the Memorandum on the Draft Estimates, paragraph 109 of the Select Committee's Report, and paragraph 20 of this despatch.

HEAD XXIII. MILITARY ESTABLISHMENT.

- Item 8. 1 Master Sailor.

Vide page 23 of the Memorandum on the Draft Estimates.

- Item 9. Explosive Ordnance and Masonry Instructor.

Vide page 24 of the Memorandum on the Draft Estimates.

- Items 14 and 15. 1 Regiment Warior.

Reductions of 2 Corporal-Warior and 4 Lance-Corporal Warior appear under items 15 and 16 respectively.

HEAD XXIV. PUBLIC WORKS ESTABLISHMENT.

- Items 4, 7, and 13. 3 Civilian Engineer

Vide page 25 of the Memorandum.

- Item 11. 3 Inspectors of Water Supplies.

Vide paragraph 23 of this despatch.

HEAD XXV. MILITARY GENERAL'S ESTABLISHMENT.

Vide page 26 of the Memorandum.

HEAD XII. POLICE.

- Item 18. 1 Assistant Inspector.
- Item 19. 1 Sergeant, 3rd Grade.
- Item 20. 4 1st Grade African Constables.
- Item 21. 8 2nd Grade African Constables.
- Item 22. 5 3rd Grade African Constables.

Wide page 27 of the Memorandum on the Draft Estimates.

HEAD XIII. POST OFFICE AND TELEGRAPHS.

- Item 18. Electrical Inspector.

Wide page 22 of the Memorandum on the Draft Estimates, paragraph 109 of the Select Committee's Report, and paragraph 20 of this despatch.

HEAD XXII. PRISON DEPARTMENT.

- Item 8. 1 Master Tailor.

Wide page 22 of the Memorandum on the Draft Estimates.

- Item 9. Temporary Carpenter and Masonry Instructor.

Wide page 24 of the Memorandum on the Draft Estimates.

- Items 14 and 17. 1 Sergeant Warden.

Indications of 2 Corporal-warders and 4 Lance-Corporal Warders appear under items 15 and 16 respectively.

HEAD XXV. PUBLIC WORKS DEPARTMENT.

- Items 4, 7, and 15. 1 Assistant Engineer

Wide page 22 of the Memorandum.

- Item 11. 1 Inspector of Water Supplies.

Wide paragraph 23 of this despatch.

HEAD XXVI. MILITARY SURVEYOR'S DEPARTMENT.

HEAD XXII. SECRETARIAT, LEGISLATIVE COUNCIL, AND NATIVE AFFAIRS.Item 1. 1 Deputy Colonial Secretary.Item 2. 1 Assistant Colonial Secretary.

Vide page 27 of the Memorandum on the Draft Estimates.

Items 3 and 4. 2 Assistant Secretaries.

Vide page 27 of the Memorandum.

1-Head XXX

with no Deputy Registrar of Deeds Service

HEAD XXIII. TREASURY.Item 5. 1 Clerk, Grade "A".Central Revenue Office.Item 23. Officer in Charge.Item 24. 2 Assistant Revenue Officers.Item 25. 8 European Clerks.Item 26. 4 Asian Clerks.

Vide paragraph 29 of this despatch.

SCHEDULE OF ALTERATIONS IN TITLES AND PERSONAL REGULATIONS

HEAD II. ADMINISTRATION.

Item 3. Senior District Commissioners. (Vide also Schedule I).

Of the officers to fill these posts some were previously designated "Provincial Commanders, 2nd Grade", the Remainder "District Officers".

HEAD III. AGRICULTURAL DEPARTMENT.

Item 75. 2 Senior Veterinary Officers.

Vide Schedule I.

HEAD VII. CUSTOMS.

Item 4. Assistant Collectors of Customs.

Four posts previously designated as "Assistants" have now been added to the number of "Collectors of Customs - vide paragraph 9 of this despatch.

HEAD XIV. LOCAL GOVERNMENT, LANDS SETTLEMENT AND MINES.

Item 1. This post previously appeared as "Commissioner for Local Government, Lands and Settlement" under the appropriate section of Head II, Administration.

Item 2. Lands Secretary.

This post appeared separately as an "Assistant Secretary" under the above mentioned section of the Administration Head.

HEAD XV. MEDICAL DEPARTMENT.

Item 23. Government Analyst.

Item 24. Entomologist.

The Government Analyst and 1 Entomologist have been granted salaries of Rs. 2000-0-0 and Rs. 1500-0-0 respectively to them.

HEAD VIII. MILITARY.

Item 145. Staff officer.

The salary of this officer has been reduced from \$700 to \$400 - vide page 20 of the Memorandum on the Draft Estimates.

STANDARD
CORON

COLONY AND PROTECTORATE OF KENYA



Estimates
OF THE
Revenue and Expenditure
FOR THE
Year 1934

(As passed by the Legislative Council on the
20th December, 1933)

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