

1934.

Kenya.

No. 23288/1.

SUBJECT

C0533/451

Financial Position 1934.

Financial Appreciations.

Previous

*main file
23019/34 (estimated)*

Subsequent

28155/35.

09.
Financial
Position.

Dr J. Byrne (10) / 27 Aug 34.

States that he has arranged for the preparation of periodical financial appreciation & sends copy of the latest & states that others will follow as usual.

para 3. At the end of May there was a Cash shortage of £156,151. but improvement was anticipated with the closing of the June accounts. It was necessary to have recourse to loan funds to meet the shortage.

para 5. During the first 5 months of 1934 actual expenditure exceeded actual revenue by £63,244.

para 6. Compared with the first 5 months of 1933 there was a net decrease in revenue of £11,388.

It will be seen from paragraph 25, however, that the forecast for the Year shows an apparent deficit of £59,683 for which Departmental Savings will have to be deducted. We have yet to see the revised estimate of expenditure for 1934 which will be made in the next financial appreciation. If the present forecast is normally correct the position is not serious. Departmental Savings should considerably reduce, or even wipe out the deficit.

Recd. for Sir C Bottomley's Signature, saying that we shall look

look forward to receiving copies
of the subsequent financial
Appropriations.

A. G. Rowlands
9/17/34

Sir C. Bottomley has asked this s-o
in another connexion. P. L. H.

B. H. H.
29/10
+ Rowlands
21

2. Sir J. Byrnie (s.o) _____ 4 Oct 34

Encls. acty of Financial Appropriation No 6 of 1934

Revenue for the first half of 1934 shows
an increase of £14,971 over the amount
collected in the same period of 1933.

This is largely due to the collection of
the Income Tax in June 1934.

But the revised estimate of
Revenue for the whole year shows
a net decrease of £14,000 on
the sanctioned estimate.

The principal revenues are
Customs, Excise (£11,000) & Duties,
Tobacco, Passes etc £6,500

Expenditure is likely to exceed
the sanctioned estimate by £9,893.

The estimated deficit ^{at 31/12/34} is £23,893.

The excess of assets over liabilities
at 30 June was £215,656, as
compared with £205,445 on the
31st December last.

A. G. Rowlands
6/11/34

The outlook is not good.

P. L. H.

15/11

SIR C. BOTTOMLEY.

You have already seen this, but may perhaps
care to send it on. Kenya's position is still such
as to give great cause for anxiety. It is true
that the first part of the year, added by a
surprisingly large surplus in June, ^{showed} an increase of
assets over liabilities of £10,000, but the position
is rather worse than it looks, because among their
assets are included £106,000 advance to the Central
Agricultural Advances Board and £117,000 as loans
to maize, wheat and barley, which are, to say the
least of it, rather precarious assets.

It is not worth while trying to generalise
during one month or even during six months, but the
second production of the estimates of revenue is
giving us a decrease of £14,031, while the actual
expenditure for the first six months shows an
increase over the corresponding figures for 1933
of £17,585. The recurrent expenditure, however,
by itself shows an increase of £22,000 odd, so they
have to ^{make} up by saving nearly £7,000 on their
non-recurrent expenditure - agriculture,
miscellaneous services, and public works ageing
the main decrease. Miscellaneous services' decrease
is due to a re-allocation of expenditure under
other heads.

From chance remarks which I have heard, it
seems likely that the Governor, as he said in a
recent telegram, will be able to balance his estimates
for 1934, but they only just balance and there
will certainly be no room for Kenya to go in for
any

that would be
the same point.

any fancy expenditure or, I fear, to remit
any taxation.

J. E. W. Ford
15.11

Sir J. Campbell.

Sir J. Moffat
I'm pleased see. The

Estimates session begins
next week and we can do
nothing but wait. It is likely
to be stormy.

W.E.S. 15.11.34

W.E.S.
14/11/34

J.M.
10.11.34

G. at meal
19/11/34.

3. Sir J. Byrne (3-0) _____ 2nd November '34
Encls. Financial Appreciation No 6 of 1934.

On the figures for January to July,
the revised estimates of
revenue and expenditure for
the full year are:-

Revenue	£3,177,595.
Expenditure	£3,222,483
Estimated deficit	44,888

We have seen from recent press
reports regarding the
introduction of the 1935 draft
Estimates that the deficit
for 1934 is likely to be
£54,000.

The forecast of revenue from
Customs & Excise for the year
(with No. 3) anticipates a shortfall
of about £35,000. It
is likely that poundage receipts
will be seriously below the
estimate.

? Put by
C. J. Forsythe
3.11.34

(A. Smith
1/11)
We have known that the
1935 Estimates have been introduced on
the basis of a small surplus

Put by W.E.S.
6.12.34

at once

4. Sir J. Byrne (3-0) _____ 13th Nov. '34
Encls. Financial Appreciation No 4 of 1934

During the first 8 months of 1934
actual expenditure exceeded actual
revenue by £86,197.

At the end of August the colony's
Treasury balances stood at £189,298
with a cash shortage of £106,236.

The following figures are of interest
as regards Revenue & Expenditure
for the year 1935.

Revenue	Estimated Total	Revised Total
	3,198,913.	3,157,575.
Revenue (Noting that S.L. Tax)		
Estimated	1st Revised Estimate	2nd Revised Estimate
571,257.	529,045.	529,045.

Customs & Excise.

Estimated	Revised Estimate
647,500.	622,500.

Expenditure.

Original Estimate.	3,188,041
Revised Provision	3,246,573
Additional Commitments in respect of pensions & commuted pensions.	7,058
	<u>3,253,631</u>
Settled Savings.	41,500
	<u>3,212,131</u>

The revised estimated deficit
for the year is £50,536.

? Put by
C. J. ...
17.12.34
J. E. O. ...
12.12.
10.12.34

11/13

5. Sir J. Byrne (S.O.) _____ 20th December 35.
Encls. Financial Appreciation Nos. 8.
6. Sir J. Byrne (S.O.) _____ 25th January 35.
Encls. Financial Appreciation No. 9.
7. Sir J. Byrne (S.O.) _____ 20th February 35.
Encls. Financial Appreciation No. 10.

As received from
Mr. Trustees Room 4/3

Nov. 5-7. It was presided over in Appreciation
Nos. 8, 9 & 10 that the deficit
for 1935 would not be so
high as the amount suggested
in Appreciation No. 7. We
have since learnt that
instead of a deficit there will
be a surplus of roughly
£4000.

It seems that the surplus
is the result of increased
savings on departmental
votes and additional
Customs revenue in December.
The Appreciation for December
will provide the details.

X
(not yet
received)

? Put by
C. J. ...
15/3/35.
15/3/35

BM

The following figures are ^{Annual} interest
as regards Revenue & Expenditure
for the year 1934.
Estimated Total.
3,198,913.

Revenue (Notice that Poll Tax.
Estimated. 1st Revised Estimate 2nd Revised Estimate
571,257. 549,045. 529,045.

Customs & Excise.
Estimated 647,500. Revised Estimate 622,500.)

Expenditure.
Original Estimate. 3,188,041
Revised Provision 3,246,873
Additional Commitments
in respect of
Pensions & Committed
Pensions. 7,000
3,253,681
Deduct
Savings. 41,500
3,212,181

The revised estimated deficit
for the year is £50,536.

? Put by
C. J. G. 17.12.34
J. E. G. 17.12.

W. S. 24.12.34

11/13

5. Sir J. Byrnes (S.O.) _____ 20th December 35.
Encls. Financial Appreciation Nos. 8.
Received from
Mr. Treasurer Room 4/3

6. Sir J. Byrnes (S.O.) _____ 25th January 35.
Encls. Financial Appreciation No. 9.

4. Sir J. Byrnes (S.O.) _____ 20th February 35.
Encls. Financial Appreciation No. 10.

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X
(not yet
received)

? Put by
C. J. G. 17.12.34
W. S. 15.12.

BM

8. Sir J. Byne (20)

14th Mar. 55.

Encls. Financial Appreciation No. 11.

The savings anticipated amount to £20,000 in the aggregate. Of this amount, over £15,000 is in respect of recurrent expenditure. It was fortunate that Customs receipts were abnormally high in December.

The comparison of notes that place the receipts for 1933 & 1934, on page 5, is unpleasant. Still, as the Memo says, it is satisfying that 1934 shows a surplus.

! Publy. C. P. Ross with.
15/4/55.

H. Hunter
11/6 etc.

BM

8⁶
1
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

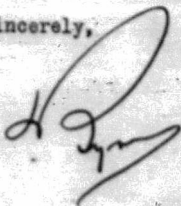
14th March, 1935.

RECEIVED
- 9 APR 1935

My dear Bottomley,

Herewith Financial Appreciation No. 11.
It is very gratifying to hope that after all the
abuse that has been thrown at us, we can actually
show a surplus in 1934.

Yours sincerely,



SIR CECIL BOTTOMLEY, K.C.M.G., C.B., O.B.E.,
COLONIAL OFFICE,
DOWNING STREET, S.W.1.
LONDON.

7

FINANCIAL APPRECIATION NO. 11 OF 1954
COVERING THE DECEMBER BUT NOT THE ANNUAL ACCOUNT.

8

FINANCIAL APPRECIATION NO. 11 of 1964 COVERING
THE DECEMBER BUT NOT THE ANNUAL ACCOUNT

This Appreciation, which will be the last issued in respect of the year 1964, covers operations to the end of December but does not include certain inter-territorial and other adjustments which will be made in the "Annual Account". It must therefore be clearly understood that although any very material alteration in the difference between total revenue and total expenditure need not be anticipated on the inclusion of the Annual Account, the figures in this Appreciation are not final.

December figures. 2. December figures were as follows:-

Revenue	£264,910
Expenditure	<u>£255,086</u>
Surplus	£ 51,824

3. The figures for December, 1965, are not comparable as certain Journal Entries which were included in the Annual Account in 1965 have been included in the December Account in 1964. Nor can an accurate comparison be obtained by comparing the December and Annual Accounts for 1965 with the December Account for 1964. It may however be mentioned that in 1965 the December and Annual Accounts combined showed a revenue of £210,712 and an expenditure of £255,719, giving a net deficit of £25,007.

4. Up to the end of the December Account, actual revenue in 1964 exceeded actual expenditure by £5,936.

5. The Colony's Surplus Balances at the close of the December Account stood at a figure of £209,451.

6. In the following table the revenue for 1964 up to and including the December Account, but excluding the Annual Account, is compared Head by Head with the total revenue for 1965. It is emphasized that the 1964 figures given in this and subsequent paragraphs are not the final

figures for the year, and that the adjustments to be made in the Annual Account may lead to either increases or decreases though, as previously stated, the net effect on the surplus and deficit account is unlikely to be considerable.

Revised Estimates for 1954 exceed (+) or fall short of (-) 1953 Revenue by: - £	Head of Revenue	Jan.-Dec. Account. 1954. £	Total Revenue. 1953. £	Increase £	Decrease. £
- 22,085.	Customs & Excise	682,505	600,417	32,088	-
- 1,289.	Licences, Taxes, etc.	951,848	940,469	-	8,621
- 7,069.	Fees, etc.	115,960	117,266	-	3,306
+ 4,020.	Posts & Telegraphs	175,812	170,024	5,788	-
+ 4,982	Earnings of Government Departments.	75,776	67,851	6,125	-
+ 1,661.	Revenue from Government Property	85,040	78,408	4,632	-
+ 157.	Sale of Government Property	18,011	17,342	669	-
+ 11,804.	Miscellaneous Receipts	29,598	11,342	18,056	-
+ 2,342.	Forest Department Revenue	28,234	25,158	3,076	-
+ 2,767.	Interest.	55,736	31,377	4,359	-
- 1,149	Reimbursements	1,056,097	1,057,855	-	1,738
- 1,285.	Land Sales	17,052	18,776	-	1,724
+ 2,625.	Colonial Development Fund	5,054	5,451	-	397
-241,669		£5,180,501	5,121,496	74,791	15,786

Net increase £59,005.

7. The Revised Estimates referred to in the left-hand column of the above table are those given in paragraph 15 of Financial Appreciation No. 8 covering the period ending the 30th September, 1954, which totalled £5,163,165. The revenue up to and including the December Account exceeds that figure by £17,53g, the principal excesses being:-

-5-

Customs & Excise	£10,003
Miscellaneous Receipts	6,252
Fees etc.	3,763
Revenue from Government Property	2,971

and the principal shortfalls:-

Licences, Taxes, etc.	£ 7,332
Colonial Development Fund	3,020

Of the Heads not mentioned, all except Reimbursements and Land Sales show excesses over the Revised Estimates.

Customs
and
Excise.

8. As stated in Financial Appreciation No. 9 the December receipts from Customs duties were exceptionally high. The amount taken to revenue in the December Account totals £74,840, which is £4,214 more than the December figure given in paragraph 6 of Financial Appreciation No. 10. The total Customs revenue up to and including the December account amounts to £612,599. Excise Revenue over the same period amounts to £19,904 against an estimate for the year of £20,000.

Licences,
Taxes, etc.

9. The shortfall under the Head Licences, Taxes, etc., is due principally to a shortfall in Native Hut and Poll Tax receipts. The following table shows the revenue for 1934 up to and including the December Account (but excluding the Annual Account) and the total revenue for 1935 in respect of the principal items under this Head:-

Revised Estimates for 1934 exceed (+) or fall short of (-) 1933 Revenue by:- £	Item.	Jan.-Dec. Account, 1934. £	Total revenue 1933. £	Increase. £	Decrease. £
- 1,148	Game Licences	6,704	8,648	-	1,944
- 725	Liquor Licences	9,241	10,725	-	1,484
+ 408	Miscellaneous Licences	4,842	4,392	450	-
- 695	Registration of Documents	3,157	3,895	-	738
+ 657	Traffic Ordinance	51,255	49,345	1,912	-
+ 8,481	Stamp Duties	57,053	43,519	13,534	-
- 28,746	Native Hut & Poll Tax	514,562	557,791	-	43,229
+ 2,257	Non-Native Poll Tax	68,201	64,243	3,958	-
- 1,128	Fines & Forfeitures	15,274	13,872	1,402	-
- 2,610	Estate Duty	16,942	19,610	-	2,668
+ 6,651	Trade etc. Licences	33,117	26,349	6,768	-
+ 3,948	Petrol Tax	55,651	53,052	2,579	-
+ 8,320	Package Tax	8,995	656	8,339	-
+ 691	European Education Tax	11,248	10,309	939	-
+ 1,523	Asiatic Education Tax	11,384	9,677	1,707	-
- 2,677	Levy on Salaries	47,288	49,177	-	1,889
- 603	Entertainment Tax	5,847	4,597	1,250	-
- 645	All other items	11,107	10,614	493	-
- 1,289	Total	£931,848	940,469	43,331	51,962

Net decrease £3,621.

10. It will be seen that, as compared with the Revised Estimates the principal excesses were:-

Stamp Duties	£5,055
Non-Native Poll Tax	1,701
Traffic Ordinance	1,255

and the principal shortfalls:-

Native Hut and Poll Tax £ 14,483
 Petrol Tax 1,369.

Native Hut and Poll Tax.

11. Native Hut and Poll Tax receipts up to and including the December Account were as shown in the following table:-

Revised Estimates for 1934 exceed (+) or fall short of (-) 1933 revenue by:- £	Province or District.	Jan.-Dec. Account 1934. £	Total revenue 1933. £	Increase. £	Decrease. £
- 15,845	Nyanza	211,477	230,845	-	19,368
+ 1,427	Kiift Valley	43,613	38,861	4,762	-
- 4,317	Central	214,595	227,375	-	12,780
- 5,344	Coast	27,565	39,526	-	11,961
+ 2,207	Turkana	5,545	3,243	2,302	-
- 6,500	Masai	4,008	11,377	-	7,369
- 374	Northern Frontier	7,759	6,574	1,185	-
-£28,746.	Total:-	514,562	557,791	8,249	51,478

Net decrease £43,229.

Fees, etc. 12. The excess under the Head Fees, etc., is due to an increase in revenue from Veterinary Inoculations unanticipated when the Revised Estimates were prepared. The revenue from this source exceeded the Revised Estimate by £3,503.

Revenue from Government Property. 13. The excess under the Head Revenue from Government Property is due to a number of relatively small excesses the most important of which are £1,793 from Mining Fees and £759 from Rents of Lands.

Miscellaneous Receipts. 14. Miscellaneous Receipts have been affected by the recent rise in the value of securities. The appreciation in value of investments including the investments held on account of the Stamp Duty Reserve Fund (vide paragraph 17(b) of Financial Appreciation No.6) has brought in a revenue of £21,986 against a revised estimate of £15,670.

Colonial Development Fund. 15. The shortfall under the Head Colonial Development Fund is due to delay in payment of the approved grant in respect of Pyrethrum Experiments and to an overestimate of the funds required for Tsetse Fly Control in 1934.

EXPENDITURE.

16. Some indication of the possibility of additional savings had been gained from the October and November accounts and reference to this was made in the last two financial appreciations. But the December account gives evidence of savings greater than had been anticipated on examination of the October and November accounts. The last Revised Estimate of Expenditure, incorporated in financial appreciation No. 8, showed a total of £3,215,678. The Colony's accounts to the end of December, but excluding the Annual Account, give a total expenditure of £3,176,565 - nearly £40,000 less than the Revised Estimate and more than £11,000 less than the original Sanctioned Estimate for the year, which totalled £3,188,041. It is not anticipated that the Annual Account will alter to any substantial extent the figures as at the end of December.

17. The Revised Estimate of £3,215,678 was based on the anticipation of savings amounting to £4,355 as compared with the sanctioned provision. It seems probable from examination of the December Account that savings will aggregate about £80,000.

18. The following table shows, head by head, the expenditure position as reflected to the end of the December Account:-

EXPENDITURE.

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17. The Revised Estimate of £3,215,678 was based on the anticipation of savings amounting to £44,355 as compared with the sanctioned provision. It seems probable from examination of the December Account that savings will aggregate about £80,000.

18. The following table shows, head by head, the expenditure position as reflected to the end of the December Account:-

RECURRENT EXPENDITURE.

Revised provision for 1934 exceeds (+) or falls short of (-) 1933 expenditure by	Head of Recurrent Expenditure	Jan-Dec Account 1934	Actual Expenditure 1933	Increase	Decrease
£		£	£	£	£
- 358	A.B. the Governor	14,886	15,526	-	1,141
+ 7,080	Administration	214,665	219,709	-	5,044
+ 5,265	Agriculture	124,487	123,741	746	-
+ 462	Audit	19,471	19,108	363	-
+ 265	Coast Agency	4,883	5,328	-	445
- 1,648	Conference of U.A. Governors	1,279	2,693	-	1,324
+ 1,993	Customs	45,873	45,078	795	-
+ 12,309	Education	170,202	166,608	3,594	-
+ 1,308	Forest	30,278	30,602	-	324
- 215	Game	8,980	9,234	-	254
- 1,074	Income Tax Admin.	-	1,074	-	1,074
+ 2,256	Interest	2,685	430	2,255	-
+ 1,274	Judicial	31,755	30,584	1,171	-
+ 189	Legal	8,177	8,350	-	173
- 2,269	Local Govt. & Survey	34,076	37,753	-	3,677
+ 1,875	Local Govt. Contributions	84,150	83,987	163	-
+ 3,833	Medical	197,954	199,568	-	1,614
+ 6,816	Military	127,176	126,876	300	-
+ 2,625	Mining & Geological	9,633	7,728	1,905	-
+ 4,364	Misc. Services.	66,916	67,329	-	413
+ 3,455	Pensions & Gratuities	196,211	193,045	3,166	-
+ 4,389	Police	128,305	128,340	-	2,035
+ 269	Post Office & Telegraphs	209,065	216,096	-	9,013
+ 1,587	Printing & Stationery	27,730	27,984	-	254
+ 4,946	Prisons	50,448	44,701	5,747	-
+ 20,756	Public Debt Funded	1,026,246	995,494	30,752	-
+ 3,049	Public Works Dept.	82,647	81,588	1,059	-
- 655	Public Works Recurrent	111,705	120,062	-	8,377
+ 604	Registrar General & etc. to Lanzibar	5,661	5,231	430	-
-	Secretary etc.	16,000	16,000	-	-
+ 7,176	Statistical	24,334	17,423	6,911	-
- 7,641	Trade & Information Office	11,907	19,350	-	7,443
+ 1,857	Treasury	4,708	2,743	1,965	-
+ 5,426		27,874	25,538	4,336	-
+ 104,550	Total Recurrent Expenditure	£ 3,117,691	3,094,833	65,668	42,605

Net increase £25,058

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NON-RECURRENT EXPENDITURE.

Revised provision for 1934 exceeds or falls short of (-) 1933 expenditure by	Head of recurrent expenditure	Jan-Dec Account 1934	Actual Expenditure 1933	Increase	Decrease
£		£	£	£	£
- 635	H.H. the Governor Administration	-	635	-	635
+ 9,511	Agriculture	9,505	1,419	8,466	-
+ 2,162	Coast Agency	4,258	2,316	1,942	-
+ 850	Education	-	223	-	-
- 84	Game	-	84	-	84
+ 54	Income Tax Admn.	54	-	54	-
- 59	Legal	-	59	-	59
+ 318	Medical	300	-	300	-
+ 575	Military	644	50	594	-
- 2,487	Misc. Services	306	2,757	-	2,451
- 22,154	Police	19,168	39,320	-	20,152
+ 20	Post Office & Telegraphs	25	-	25	-
- 108	Treasury	5,539	5,693	-	154
- 506	Public works	-	506	-	506
- 5,639	Extraordinary Colonial Development Fund	10,517	14,595	-	4,078
+ 4,210		7,735	5,768	1,967	-
- 12,552	Total non-recurrent expenditure	58,674	73,202	13,591	28,119

Net decrease £14,528.

+104,560	Total recurrent expenditure	3,117,891	3,094,833	23,058	-
- 12,552	Total non-recurrent expenditure	58,674	73,202	-	14,528
+91,998	Total Expenditure	3,176,565	3,168,035	8,530	-

Net increase £8,530.Savings.

19. Examination of the table of recurrent expenditure shows that, subject to adjustments appearing in the annual account, savings of over £12,000 may be anticipated under the Head Administration, of over £9,000 under Military and Post Office and telegraphs, of over £8,000

under Education, over £7,000 under Public Works Recurrent, over £6,000 under Police, over £5,000 under Medical, over £4,000 under Miscellaneous Services and Agriculture, and between £1,000 and £2,000 under Customs, Forest, Local Government and Survey, Local Government Contributions, Printing and Stationery, Public Works Department and Treasury. Excesses are indicated on four Heads of Recurrent Expenditure viz:-

Prisons	£801
Conference of East African Governors	324
Statistical Departments	198
Trade & Information office	<u>8</u>
	£1,331.

Pensions and Gratuities. 20. The position in regard to the Head Pensions and Gratuities. Gratuities up to and including the December Account is as follows:-

	Actual Expenditure 1955. £	Expenditure 1954 to Dec. Account. £	Provision. £	Excess. £	Savings £
1. Pensions and Gratuities.	144,985	158,478	158,800	-	322
2. Computed Pensions.	45,122	54,551	54,200	351	-
3. Widows' & Orphans' Pension Scheme.	<u>2,856</u>	<u>3,182</u>	<u>3,500</u>	-	318
Total	£ 193,045	196,211	196,500	-	289

Summary of 1954 Position.

21. The Annual Account will not be closed until towards the end of March or early in April and it is not possible at this stage to forecast the effect on the 1954 revenue and expenditure of the numerous debits and credits which have to be adjusted in that Account.

As at present foreseen, the net result of the various adjustments which will require to be made before the Annual Balance Sheet of the Colony can be finally submitted, is not likely to be very considerable, and it appears probable on the information now available that the accounts for the year when closed will show a small surplus.

M/17

GOVERNMENT HOUSE,
NAIROBI,
KENYA.

20th February, 1935.

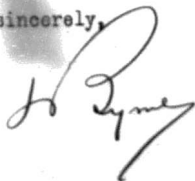
My dear Bottomley,

RECEIVED
13 MAR 1935
C.O. 10

Herewith Financial Appreciation No. 10.

Had we not had drought and locusts we should certainly have shown a substantial surplus.

Yours sincerely,



SIR CECIL BOTTOMLEY, K.C.M.G., C.B., O.B.E.,
COLONIAL OFFICE,
DOWNING STREET, S.W.1.
L O N D O N.

FINANCIAL APPRECIATION NO. 10 OF 1934
COVERING THE PERIOD ENDING THE 30TH OF NOVEMBER, 1934.

FINANCIAL APPRECIATION NO. 10. OF 1934
COVERING THE PERIOD ENDING THE 30TH OF NOVEMBER, 1934.

November figures.

1. November figures were as follows:-

Revenue	£265,828
Expenditure	<u>£262,566.</u>
<u>Surplus.....</u>	<u>£ 3,262.</u>

2. In November, 1933, there was a deficit of £24,053. The returns for November, 1934, therefore, showed an improvement of £27,315. Revenue was £622 higher and expenditure was £26,693 lower.

3. During the first eleven months of 1934, actual expenditure exceeded actual revenue by £27,886.

Cash position.

4. At the end of November, 1934, the Colony's Surplus Balances stood at a figure of £177,607 as compared with £228,502 and £211,395 at the corresponding dates in 1933 and 1932 respectively. The composition of these Surplus Balances, as shown in the Appendix to this Appreciation, indicates a cash shortage of £112,058. This figure was £15,123 more than the excess of deposits over advances and it was necessary to have recourse to loan funds to that extent to meet the shortage.

Revenue.

5. Head by Head the revenue for the first eleven months of 1934 compares as follows with that for the first eleven months of 1933:-

19

FINANCIAL APPRECIATION NO. 10. OF 1934
COVERING THE PERIOD ENDING THE 30TH OF NOVEMBER, 1934.

November
figures.

1. November figures were as follows:-

Revenue	£265,828
Expenditure	£262,566.
<u>Surplus.....</u>	<u>£ 3,262.</u>

2. In November, 1933, there was a deficit of £24,053. The returns for November, 1934, therefore, showed an improvement of £27,315. Revenue was £622 higher and expenditure was £26,693 lower.

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Cash
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4. At the end of November, 1934, the Colony's Surplus Balances stood at a figure of £177,607 as compared with £228,502 and £211,395 at the corresponding dates in 1933 and 1932 respectively. The composition of these Surplus Balances, as shown in the Appendix to this Appreciation, indicates a cash shortage of £112,058. This figure was £15,123 more than the excess of deposits over advances and it was necessary to have recourse to loan funds to that extent to meet the shortage.

Revenue.

5. Head by Head the revenue for the first eleven months of 1934 compares as follows with that for the first eleven months of 1933:-

Revised Estimates for full year exceed (+) or fall short of (-) 1933 Revenue by: - £	Head of Revenue.	Jan. Nov. 1934.	Jan.-Nov. 1933.	Increase.	Decrease.
		£	£	£	£
+ 22,083.	Customs & Excise	555,688.	561,162.	-	5,474.
- 1,289.	Licences, Taxes, etc	861,651.	875,511.	-	13,860.
- 7,069.	Fees, etc.	105,848.	108,385.	-	2,537.
+ 4,020.	Posts & Telegraphs	157,269.	152,615.	4,654.	-
+ 4,982.	Earnings of Government Departments	67,928.	61,297.	6,631.	-
+ 1,661.	Revenue from Government Property	77,421.	71,735.	5,686.	-
+ 157.	Sale of Government Property	13,912.	9,653.	4,279.	-
+ 11,804.	Miscellaneous Receipts	6,819.	7,023.	-	204.
+ 2,342.	Forest Department Revenue	25,155.	21,784.	3,371.	-
+ 2,787.	Interest	17,827.	15,173.	2,654.	-
- 1,149.	Reimbursements	1,004,954.	1,004,154.	800.	-
- 1,283.	Land Sales	2,894,172.	2,888,172.	-	1,065.
		16,239.	17,294.	-	
+ 2,623.	Colonial Development Fund	4,860.	5,019.	-	139.
<u>+41,669.</u>	<u>Total:-</u>	<u>2,915,591.</u>	<u>2,910,785.</u>	<u>28,075.</u>	<u>23,569.</u>

Net Increase:- £4,806.

Customs Revenue.

6. Returns of Customs revenue are as follows:-

	1934.	1933.	Increase.	Decrease.
	£	£	£	£
January-June	298,906.	306,822.	-	6,916.
July	52,112.	56,365.	-	4,253.
August	42,131.	47,840.	-	5,709.
September	43,747.	45,562.	-	1,815.
October	46,429.	38,591.	7,838.	-
November	54,404.	49,823.	4,581.	-
December	x 70,628.	37,769.	32,857.	-
<u>Total for twelve months:-</u>	<u>£ 608,385.</u>	<u>581,770.</u>	<u>26,615.</u>	<u>-</u>

x Estimated.

The Commissioner of Customs states that the work of allocating revenue due to Uganda for the month of December has not yet been completed and the tentative figure for 1934 is subject to later adjustment. That figure exceeds the final revised estimate for Customs revenue by £5,885.

Domestic exports.

7. Exports of domestic produce for the year 1934 are valued as follows:-

	1934.	1933.	Increase	Decrease
	£	£	£	£
Kenya Produce (approx.)	1,911,011.	2,246,999.	-	335,988.
Uganda Produce (approx.)	3,773,786.	3,464,610.	309,156.	
Combined Kenya & Uganda (approx.)	£ 5,684,780.	5,711,609.	-	26,829.

Native Hut and Poll Tax.

8. Native Hut and Poll Tax receipts for the first eleven months of the year compare as follows with the corresponding figures for 1933:-

Revised estimates for 1934 exceed (+) or fall short of (-) 1933 revenue by £	Province or District.	Collections.		Increase	Decrease.
		January to November. 1934.	1933.		
		£	£	£	£
- 15,845.	Nyanza.	191,457.	215,597.	-	24,140.
+ 1,427.	Rift Valley.	37,583.	32,447.	5,136.	-
- 4,317.	Central.	201,739.	215,060.	-	13,321.
- 5,544.	Coast	21,112.	34,152.	-	15,040.
+ 2,207.	Turkana	5,151.	3,027.	2,124.	-
- 6,500.	Masai	3,807.	10,516.	-	6,909.
- 374.	Northern Frontier	6,954.	5,984.	970.	-
- £28,746.	Total:-	467,603.	516,783.	8,250.	57,410.

Net decrease:- £49,180.

December returns indicate some increase in collections as compared with December, 1933, but actual receipts for the year are expected to have been about £15,000 below the revised estimate.

9. The "Final Revised Estimates" of revenue given in Financial Appreciation No. 8 have been carefully examined in the light of November returns and the later information available. This examination shows that, in spite of the substantial shortfall from Native Hut and Poll Tax, the revised estimate of £3,163,165 should be fully attained.

Expenditure.

10. Recurrent expenditure in November, 1934, was £24,628 less than recurrent expenditure in November, 1933. Nearly half of this difference occurred under the Head Local Government Contributions, partly owing to certain grants paid in November, 1933 having been paid in earlier months in 1934, and partly owing to delay in completing the 1934 grants to Mombasa Municipality. November expenditure under the Heads, Medical, Pensions and Gratuities, Post Office and Telegraphs, and Public Works Recurrent, was more than £2,000 less in 1934 than in 1933, and under the Heads, Administration, Education and Military, more than £1,000 less.

11. Detailed schedules are not included in this Appreciation, but in view of the fact that substantial additional funds have had to be voted during the course of the year for Pensions and Gratuities, the following information is given as to the position under this head as at the end of November:-

Item.	Expenditure for first eleven months.		Last month.		Total	
	1934.	1933.	Provision 1934.	Actual Expenditure. 1933.	Provision 1934.	Actual Expenditure. 1933.
	£	£	£	£	£	£
1. Pensions and Gratuities.	144,709.	134,548.	14,091.	10,437.	158,800.	144,985.
2. Commuted Pensions.	33,524.	44,011.	676.	1,111.	34,200.	45,124.
3. Widows' and Orphans' Pension Scheme.	3,059.	2,841.	441.	97.	3,500.	2,938.
Total:	181,292.	181,400.	15,208.	11,645.	196,500.	193,045.

SUMMARY OF 1934 POSITION.

12. The revised estimates given in paragraph 21 of Financial Appreciation No. 8 were:-

Revenue	£3,163,165.
Expenditure	3,215,678.
<u>Estimated Deficit:-</u>	<u>£ 52,513.</u>

Indications from the November returns and later information tend to confirm the opinion recorded last month that the revised estimates of revenue should fully materialise. On the expenditure side, November returns point to the probability of savings accruing on departmental votes in excess of those previously estimated. The position as at present seen is, therefore, that the deficit on the year may be considerably less than the estimate given above.

G. WALSH,
TREASURER.

Nairobi,
13th February, 1935.

STATEMENT OF SURPLUS BALANCES.
ON 30TH NOVEMBER, 1934.

Surplus

£177,606.18.71.

Working Balance £100,000.

Unallocated Stores..... 95,000.

Civil Servants' Housing Scheme..... 44,000.

Central Agricultural Advances Board..... 100,000.

Loan to Maize Industry)

Loan to Wheat Industry) 117,000.

Loan to Barley Industry)

£ 47,703.13.24.

19,921. 6.46.

105,949.14.25.

111,459.19.95.

4,204. 9.30.

125. 9.05.

289,861.12.25.

112,057.13.54.

Deduct Cash Shortage:-

£177,606.18.71.

£177,606.18.71.

Gross Cash
Less Excess of Cash
Deposits over Advances

£320,045.14.14.

98,934. 5.95.

£223,111.10.21.

Loan Cash

335,169. 5.75.

Loan Funds Unspent Balances

£570,169. 3.75.

Less Cash lent to Joint Colonial Fund

235,000. 0.00.

£ 112,057.13.54.

335,169. 3.75.

APPENDIX

23285/1/34

Kenya GOVERNMENT HOUSE,
NAIROBI,
KENYA.

6

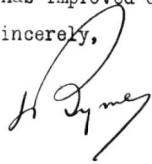
RECEIVED
2-MAR-1935
C. O. DECY

28th January, 1935.

My Dear Bottomley,

Herewith Financial Appreciation No. 9. You will see that the position has improved during December.

Yours sincerely,



SIR CECIL BOTTOMLEY, K.C.M.G., C.B., O.B.E.,
COLONIAL OFFICE,
DOWNING STREET, S.W.1.
L O N D O N.

FINANCIAL APPRECIATION NO. 9 OF 1954
COVERING THE PERIOD ENDING THE 31ST OCTOBER, 1954.

at the end of the year
Appreciation

at the end of the year

FINANCIAL APPRECIATION NO. 9 OF 1934
COVERING THE PERIOD ENDING THE 31ST OCTOBER, 1934.

October
figures.

1. The revenue for October, 1934 was £195,184.
The expenditure for October, 1934, was £181,908.
There was therefore a surplus on the month
of £ 13,276.

2. As compared with October, 1933, when there
was a deficit of £8,152, the returns for October, 1934,
showed an improvement of £21,428. Revenue was £8,805
higher and expenditure was £12,623 lower.

Previous
years.

3. October accounts for recent years have shown
surpluses and deficits as follows:-

	<u>Surplus.</u>	<u>Deficit.</u>
	£	£
1929	-	11,680.
1930	15,928.	-
1931	57,996.	-
1932	15,131.	-
1933	-	8,152.
1934	13,276.	-

Cash
position.

4. At the end of October, 1934, the Colony's
Surplus Balances stood at a figure of £174,345 as
compared with £252,565, and £202,363 at the corresponding
dates in 1933 and 1932 respectively. The composition
of these Surplus Balances, as shown in Appendix I to this
Appreciation, indicates a cash shortage of £117,495. This
figure was £21,223 more than the excess of deposits over
advances and it was necessary to have recourse to loan
funds to that extent to meet the shortage.

Surplus and Deficit Account.

5. Revenue and expenditure for the first ten months of the year are compared in the following table. 1933 figures are shown in the left-hand columns.

Surplus
Balances
at end
of month.
£
205,495.

Surplus Balance as at 31st December, 1933

1933			1934				
Revenue.	Expenditure.	Surplus or Deficit.		Revenue.	Expenditure.	Surplus or Deficit.	
£	£	£		£	£	£	
405,086	395,786	+ 7,300.	Jan.	404,028	388,683	+15,345.	220,840.
174,176	169,040	+ 5,136.	Feb.	155,496	182,687	-27,091.	193,749.
327,755	351,404	-23,671.	Mar.	326,699	349,091	-22,392.	171,557.
167,537	166,778	- 9,441.	Apr.	171,040	177,627	- 6,587.	164,770.
261,798	270,757	- 8,959.	May	255,479	277,998	-22,519.	142,251.
220,551	177,741	+42,610.	June	246,710	173,105	+73,605.	215,856.
405,640	406,917	- 3,277.	July	412,715	426,941	-14,226.	201,630.
176,461	166,497	+ 9,964.	Aug.	168,749	181,081	-12,332.	189,298.
334,618	345,607	-10,989.	Sept.	313,663	341,892	-28,229.	161,069.
186,579	194,551	- 8,152.	Oct.	195,184	181,908	+13,276.	174,345.

During the first ten months of 1934 actual expenditure exceeded actual revenue by £31,150.

Revenue.

6. In the following table the revenue for the first ten months of 1934 is compared with the revenue for the first ten months of 1933:-

	<u>1934.</u> £	<u>1933.</u> £	<u>Increase.</u> £	<u>Decrease.</u> £
<u>January.</u>	404,028.	403,086.	942.	-
<u>February.</u>	155,496.	174,176.	-	18,680.
<u>March.</u>	326,699.	327,733.	-	1,034.
<u>April.</u>	171,040.	157,337.	13,703.	-
<u>May.</u>	255,479.	261,798.	-	6,319.
<u>June.</u>	246,710.	220,351.	26,359.	-
<u>July.</u>	412,715.	403,640.	9,075.	-
<u>August.</u>	168,749.	176,461.	-	7,712.
<u>September.</u>	313,663.	334,618.	-	20,955.
<u>October.</u>	195,184.	186,379.	8,805.	*
<u>Total for ten months.</u>	2,849,763.	2,645,579.	4,184.	-

7. There was a net increase of £8,805 in the October revenue as compared with 1933 in spite of the fact that Graduated Poll Tax and Trade and Professional Licence revenue in 1933 exceeded the 1934 receipts by £16,184 and a reimbursement of £7,172 was received from the Kenya and Uganda Railways and Harbours in October, 1933 in respect of rates at Mombasa, the corresponding payment in 1934 having been made in May. The items principally responsible for the larger October returns were increases from Native Hut and Poll Tax of £10,018, from Customs and Excise of £8,140, and from Estate Duty of £6,911. The returns under other Heads of revenue were, generally speaking, in excess of those for October, 1933.

Revenue for first ten months.

8. Head by Head the revenue for the first ten months of 1934 compares as follows with that for the first ten months of 1933:-

Revenue.

First Revised Estimates for full year exceed (+) or fall short of (-) 1933 Revenue by:- £	Head of Revenue	Jan. to	Jan. to	Increase.	Decrease.
		Oct. 1934.	Oct. 1933.		
		£	£	£	£
+ 22,083.	Customs & Excise..	499,703.	509,251.	-	9,548.
- 1,289.	Licences, Duties, Taxes, etc.....	782,488.	793,501.	-	11,013.
- 7,069.	Fees, etc.....	95,950.	99,415.	-	3,465.
+ 4,020.	Posts & Telegraphs	143,644.	139,386.	4,258.	-
+ 4,982.	Earnings of Govt. Departments....	61,969.	55,311.	6,658.	-
+ 1,661.	Revenue from Govt. Properties and Royalties.....	73,305.	68,008.	5,297.	-
+ 157.	Sale of Govt. Property.....	13,392.	3,163.	4,229.	-
+ 11,804.	Miscellaneous Receipts.....	6,671.	6,605.	66.	-
+ 2,342.	Forest Department Revenue.....	22,856.	19,283.	3,573.	-
+ 2,787.	Interest.....	17,667.	15,099.	2,568.	-
- 1,149.	Reimbursements ...	912,567.	910,076.	2,491.	-
		2,630,212.	2,625,098.	-	5,114.
- 1,283.	Land Sales.....	14,671.	16,213.	-	1,542.
+ 2,623.	Colonial Development Fund.....	4,880.	4,268.	612.	-
+ £41,669.		2,649,763.	2,645,579.	29,752.	25,568.
		Net Increase:- £4,184.			

9. Customs and Excise.

Revised Estimates exceed (+) or fall short of (-) 1933 revenue by:- £	Item.	Jan. to Oct. 1934.	Jan. to Oct. 1933.	Increase.	Decrease.
		£	£	£	£
8 20,730.	Customs.	483,355.	494,178.	-	10,823.
+ 1,353.	Excise.	16,348.	15,073.	1,275.	-
+ 22,083.	Total:-	499,703.	509,251.	-	9,548.

10. Returns of Customs revenue to date are as follows:-

	<u>1931.</u>	<u>1933.</u>	<u>Increase.</u>	<u>Decrease.</u>
	£	£	£	£
<u>January -</u>				
<u>June</u>	298,906.	305,822.	-	6,916.
<u>July</u>	52,142.	56,363.	-	4,221.
<u>August</u>	42,151.	47,840.	-	5,709.
<u>September</u>	45,747.	45,562.	-	1,815.
<u>October</u>	46,429.	38,591.	7,838.	-
<u>November</u>	55,950. ^x	49,823.	4,127.	-
<u>December</u>	69,465. ^x	37,769.	31,696.	-
<u>Total for</u> <u>twelve</u> <u>months:-</u>	606,770.	581,770.	25,000.	-

^xEstimated.

11. Exports of domestic produce for the eleven months ending the 30th of November were valued as follows:-

	<u>1931.</u>	<u>1933.</u>	<u>Increase.</u>	<u>Decrease.</u>
	£	£	£	£
Kenya Produce (approx.)	1,687,816.	2,087,111.	-	399,295.
Uganda Produce (approx.)	5,650,250.	5,391,561.	258,689.	-
	£ 5,338,066.	5,478,672.	-	140,606.

12. In commenting on the position as at the end of December the Commissioner of Customs writes as follows:-

"In spite of the failure of export business to improve its position, the revenue figures for November and December appear to reflect an expansion of trading activity. The December collection of £123,000 is the highest monthly collection made since April, 1930 and the year's collection of £1,027,000 the highest since the year 1930."

31

"The task of approximating the allocations of Customs revenue due to Kenya and Uganda in respect of receipts brought to account during the last few weeks has been complicated by the abnormally heavy movement of goods to Uganda. The approximate allocations arrived at viz. £806,000 to Kenya and £368,000 to Uganda represent increases over the revised estimates of £6,000 and £28,000 respectively".

15. Licences, Duties, Taxes, etc.

The following table shows the principal items under this Head of Revenue:-

First Revised Estimates for full year exceed (+) or fall short of (-) 1935 Revenue by:-	Item.	Jan. to Oct. 1934.	Jan. to Oct. 1933.	Increase.	Decrease.
£		£	£	£	£
- 1,148.	Game Licences	5,884.	7,355.	-	1,449.
- 725.	Liquor Licences...	8,145.	8,900.	-	755.
+ 406.	Miscellaneous Licences...	4,304.	3,939.	365.	-
- 695.	Registration of Documents...	2,582.	3,251.	-	669.
+ 657.	Traffic Ordinance...	49,724.	48,102.	1,622.	-
+ 8,181.	Stamp Duties...	40,117.	35,214.	4,905.	-
- 28,748.	Native Hut and Poll Tax...	414,589.	469,594.	-	55,005.
+ 2,257.	Non-Native Poll Tax.....	65,006.	45,195.	19,815.	-
+ 1,128.	Fines and Forfeitures	12,972.	11,410.	1,562.	-
- 2,610.	Estate Duty....	16,125.	15,064.	1,061.	-
+ 8,651.	Trade etc. Licences...	32,627.	25,567.	7,060.	-
+ 3,948.	Petrol Tax...	47,479.	44,141.	3,338.	-
+ 8,522.	Package Tax...	7,019.	-	7,019.	-
+ 891.	European Education Tax.....	10,874.	9,832.	1,042.	-
+ 1,525.	Asiatic Education Tax.....	10,871.	9,371.	1,500.	-
- 2,677.	Levy on Salaries...	39,175.	45,145.	-	3,968.
+ 605.	Entertainment Tax.....	4,820.	3,564.	1,256.	-
+ 643.	All other items.....	10,575.	10,085.	490.	-
- 13,359.		782,188.	795,501.	50,835.	61,846.

Net Decrease:- £11,015.

Native Hut and Poll Tax.

14. Native Hut and Poll Tax for the first ten months compares as follows with the corresponding figures for 1933:-

Revised estimates for 1934 exceed (+) or fall short of (-) 1933 revenue by:- £	Province or District.	Collections.		Increase. £	Decrease. £
		January to Oct. 1934. £	1933. £		
- 15,845.	Nyanza	171,495.	195,469.	-	23,974.
+ 1,427.	Rift Valley	31,920.	28,340.	3,580.	-
- 4,317.	Central	180,580.	199,273.	-	18,693.
- 5,344.	Coast	16,395.	28,733.	-	12,338.
+ 2,207.	Turkana	4,685.	2,903.	1,780.	-
- 6,500.	Masai	3,102.	9,182.	-	6,080.
- 374.	Northern Frontier	6,214.	5,494.	720.	-
- £28,746.	Total:-	414,389.	469,394.	6,080.	21,085.

Net Decrease:- £55,005.

Revised estimates of revenue.

15. No further revision of the estimates of revenue is being submitted, but the "Final Revised Estimates" given in Financial Appreciation No. 6 have been carefully examined in detail in the light of October returns and the later information available. This examination shows that the revised estimate of £3,163,165 should be fully attained.

Expenditure.

16. In the following table the expenditure for the first ten months of 1934 is compared with the expenditure for the first ten months of 1933:-

	1934. £	1933. £	Increase. £	Decrease. £
January	388,683	395,786	-	7,103
February	182,587	169,040	13,547	-
March	349,091	351,404	-	2,313
April	177,627	166,778	10,849	-
May	277,998	270,757	7,241	-
June	173,105	177,741	-	4,636
July	426,941	406,917	20,024	-
August	181,081	166,497	14,584	-
September	341,892	345,607	-	3,715
October	181,907	194,531	-	12,624
Total for ten months	2,680,912	2,645,058	35,854	-

Special Warrants.

17. Appendix II gives details of Special Warrants approved or applied for between the 6th of December and the end of the year. The effect of all Special Warrants to that date may be summarized as follows:-

Additional provision made up to 8th November (vide para.17 of Financial Appreciation No.8) ...	£ 69,137
Special Warrants not covered by savings from 6th to 31st December, 1934	<u>2,855</u>
Total additional provision to 31st December, 1934	71,992
Provision made in Sanctioned Estimates, 1934	<u>£ 3,188,041</u>
Revised Provision for 1934	£ 3,260,033

divided as follows:-

Actual Expenditure 1933.		Sanctioned Estimates.	Special Warrants.	Total.
£		£	£	£
3,094,833	Recurrent	3,164,262	35,121	3,199,383
73,202	Non-Recurrent	23,779	36,871	60,650
£ 3,168,035	Total:-	£ 3,188,041	£ 71,992	£ 3,260,033

Expenditure Head by Head. 18. In the following table, the expenditure for the first ten months of 1934 is compared with that for the first ten months of 1933. The left-hand column of the table shows how the revised provision for 1934 compares, under all Heads of Estimates, with the expenditure actually incurred in 1933.

Recurrent Expenditure.

Revised Provision for 1934 exceeds (+) or falls short of (-) 1933 expenditure by	Head of Recurrent Expenditure.	Jan. to Oct. 1934	Jan. to Oct. 1933	Increase.	Decrease
£		£	£	£	£
- 338	H. E. The Governor	11,983	12,242	-	259
+ 7,090	Administration	176,119	178,673	-	2,554
+ 5,265	Agriculture	100,458	100,067	391	-
+ 462	Audit	16,402	16,119	283	-
+ 265	Coast Agency	4,022	4,456	-	434
- 1,648	Conference of East African Governors	698	1,901	-	1,203
+ 1,993	Customs	38,283	37,683	600	-
+ 12,309	Education	136,860	130,431	6,429	-
+ 1,308	Forest	25,052	25,129	-	77
- 215	Game	7,303	7,337	-	34
- 1,074	Income Tax Admn.	-	985	-	986
+ 2,256	Interest	2,648	417	2,231	-
+ 1,274	Judicial	25,943	24,733	1,210	-
+ 189	Legal	6,898	6,406	492	-
- 2,229	Local Govt. and Survey	28,197	31,079	-	2,882
+ 1,875	Local Government Contributions	67,630	60,376	7,254	-
+ 3,833	Medical	164,572	163,237	1,335	-
+ 9,816	Military	105,310	104,854	456	-
+ 2,625	Mining & Geological Department	7,690	5,871	1,819	-
+ 4,384	Miscellaneous Services	40,165	42,122	-	1,957
+ 3,455	Pensions & Gratuities	167,213	164,525	2,688	-
+ 4,389	Police	104,651	106,322	-	1,671
+ 269	Post Office and Telegraphs	171,891	171,800	-	2,909
+ 1,587	Printing & Stationery	24,283	22,824	1,459	-
+ 2,246	Prisons	31,876	29,718	2,158	-
+ 30,758	Public Debt Funded	929,395	899,344	30,051	-
+ 3,049	Public Works Dept.	67,910	66,870	1,040	-
+ 855	P. W. Recurrent	91,887	93,206	-	1,399
+ 604	Registrar General	4,637	4,333	304	-
-	Rents, etc. to Zambar	16,000	16,000	-	-
	Carried forward:-	2586,670	2539,885	46,785	16,365

Revised Provision for 1934 exceeds (+) or falls short of (-) 1933 expenditure by £	Head of Recurrent Expenditure.	Jan. to Oct. 1934 £	Jan. to Oct. 1933 £	Increase £	Decrease £
	Brought Forward:-	2,586,670	2,539,885	63,150	16,365
+ 7,176	Secretariat etc.	13,784	14,193	5,591	-
- 7,641	Statistical	10,327	16,505	-	6,178
+ 1,957	Trade & Information Office	3,551	1,575	1,976	-
- 5,426	Treasury	23,056	19,077	3,981	-
+ 104,550		2,543,390	2,591,235	74,698	22,543

Net Increase £52,155.

Non-Recurrent Expenditure.					
1934 Estimate for full year exceeds (+) or falls short of (-) 1933 expenditure by £	Head of Non-Recurrent Expenditure	Jan. to Oct. 1934 £	Jan. to Oct. 1933 £	Increase £	Decrease £
+ 633	H. E. The Governor	-	-	-	-
+ 9,511	Administration	9,324	942	8,382	-
+ 2,162	Agriculture	3,628	1,590	2,038	-
+ 250	Coast Agency	223	-	223	-
+ 84	Education	-	84	-	84
+ 54	Game	54	-	54	-
+ 59	Income Tax Admn.	-	59	-	59
+ 318	Legal	300	-	300	-
+ 575	Medical	584	50	534	-
- 2,487	Military	182	2,425	-	2,243
- 22,134	Miscellaneous Services	6,814	31,202	-	24,388
+ 20	Police	6	-	6	-
- 108	Post Office and Telegraphs	3,133	3,916	-	783
- 508	Treasury	-	292	-	292
- 3,639	Public Works Dept.	7,391	8,712	-	1,321
+ 4,210	Colonial Development Fund	5,884	4,551	1,333	-
- 12,552		37,523	53,823	12,870	29,170

Net Decrease £16,300.

- 104,550	Total Recurrent Expenditure	2,643,390	2,591,235	52,155	-
- 12,552	Total Non-Recurrent Expenditure	37,523	53,823	-	16,300
+ 91,998		2,680,913	2,645,058	35,855	-

Net Increase £. 35,855

Pensions and
Gratuities.

19. The position in regard to this Head of
Estimates at the end of October was as follows:-

Item.	Expenditure for first ten months.		Last two months. Provision Actual 1934. Expenditure.		Provision, 1934.	Total Actual Expenditure
	1934. £	1933. £	£	1933 £	£	1933 £
1. Pensions and Gratuities.	132,563	122,951	26,237	22,034	158,000	144,965.
2. Committed Pensions.	31,802	38,904	2,398	6,218	34,200	45,122.
3. Widows' and Orphans' Pension Scheme.	2,848	2,670	652	268	3,500	2,938
Total:-	167,213	164,525	29,287	28,520	196,500	193,045.

Summary of 1934 Position.

20. The revised estimates given in paragraph 21 of
Financial Appreciation No. 8 were:-

Revenue	£3,163,166
Expenditure	<u>3,215,678</u>
Estimated Deficit	£ 52,513

Indications from the October returns and later
information are that these revised estimates of revenue
should fully materialize. On the expenditure side,
October returns point to the possibility of savings
accruing on departmental votes in excess of those previously
estimated. The position as at present seen is, therefore,
that the deficit on the year will be somewhat less than
the estimate given above.

G. WALSH
TREASURER.

Nairobi.
11th January, 1935.

STATEMENT OF SURPLUS BALANCES ON 31st OCTOBER, 1934.

Surplus	£174,344.13.94	Working Balance	£100,000	-----
		Unallocated Stores	95,000	£. 49,734. 7. 59
		Civil Servants Housing Scheme	44,000	20,065.17. 56
		Central Agricultural Advances Board	100,000	105,949.14. 25
		Loan to Maize Industry	} 117,000	111,459.19. 95
		Loan to Wheat Industry		4,204. 9. 30
		Loan to Barley Industry		425. 9. 05
				<u>£. 291,839.17. 70</u>
		Deduct Cash Shortage		<u>117,495. 3. 76</u>
				<u>£. 174,344.13. 94</u>
	<u>£174,344.13.94</u>			
Gross Cash	£.471,743.15.57	Loan Funds Unspent Balances		£. 585,966.17. 03
Less - Excess of Cash		Less - Cash lent to Joint Colonial Fund		<u>93,000. 0. 00</u>
Deposits over Advances	96,272. 2.30			<u>£. 492,966.17. 03</u>
	£. 575,471.13.27	Loan Cash on hand		
Loan Cash	<u>492,966.17.03</u>			
Cash Shortage	<u>£. 117,495. 3.76</u>			

Appendix I

APPENDIX II.

LIST OF 1934 SPECIAL WARRANTS APPROVED OR APPLIED FOR SINCE THE PREPARATION OF FINANCIAL APPRECIATION No. 8 of 1934.

Recurrent Heads	Wrt. No.	Covered by savings £	Not covered by savings £	Remarks
Administration General Staff Expenses & transport of H.B.M.'s Consul for S. Abyssinia	183	117		Underestimated
African Tropical Services Course	185	1,034		Expenditure in respect of the recently appointed 11 cadets not previously foreseen
Kabete Reformatory Bonus and Rewards	161	3		Underestimated
Agricultural Dept. Non-Native Services Division of Animal Industry Administrative Carriage of Goods	177		110	Transport of Virus makers etc. required in connection with anti-rinderpest serum Will be covered by additional revenue under Head V,
Native Services Division of Animal Industry Carriage of Goods	178		75	- do -
Division of Plant Industry Travelling Allowance	180	30		Underestimated
Customs Local Transport & Travelling	163	100		Underestimated
Education Dept. African Education Carriage of Goods	166	200		Provision inadequate
Forest Department Protection & upkeep of Boundaries	178	50		Owing to drought heavier expenditure necessary in the protection of forests from fire.
Game Department Ivory & Confiscated Trophies	179	250		Elephant control in the Coastal & Laikipia District Areas
Carried forward		1,784	185	

Recurrent Heads	Wrt. No.	Covered by Savings £	Not Covered by savings £	Remarks
Brought forward		1,784	185	
Medical Department Non-Native Services Administrative Divn. Personal Emoluments	170	450		Leave salaries of officers provided under Native Services. 1933 salaries of officers on leave paid in 1934 not balanced by salaries of officers on leave in 1934.
Medical Division Personal Emoluments	171	750		- do -
Native Services Local Travelling	172	900		Increased travelling & transport due to the smallpox epidemic etc.
Carriage of Goods	173	350		
Miscellaneous Services Payment in respect of Burials of Destitute persons	164	186		More burials than anticipated and also payments due to Nakuru Municipal Board for 1931 not claimed before Vote inadequate
Telegrams	184	80		
Police - Port Police Personal Emoluments	162	43		Salaries of 6 constables doing duty as water police. Will be reimbursed by Railway
Printing and Stationery Transport & Travelling Contingencies	174 175	53 10		Underestimated "
Prisons Personal Emoluments	181		1,620	Staff for temporary prison camps, established to relieve congestion in Prisons. About £1,186 of this provision will be reimbursed by the Railway Administration, etc.
Prisoners' & Detainees' Food	167		500	Abnormal increase in prison population
Prisoners' & Detainees' Clothing etc.	168		50	
Local Travelling	169		500	
Carried forward:		£4,586	£2,855	

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Recurrent Heads	Wrt. No.	Covered by Savings £	Not Covered by savings £	Remarks
Brought forward		4,586	2,855	
Public Works Recurrent Non-Native Services Furniture - Upkeep & Repairs of, etc. 159		50		Vote for issue of furniture from Unallocated Stores
Secretariat, Legislative Council etc. Secretariat Passages 186		14		
Legislative Council Allowance etc. to Unofficial Members of Executive and Legislative Councils 187		400		Underestimated
Treasury Passages 160		100		Underestimated
Total Recurrent		<u>£ 5,150</u>	<u>£ 2,855</u>	
Non-Recurrent Heads.				
Military Extraordinary Kenya Royal Naval Volunteer Reserve Purchase of Equip- ment 165		101		Mine-sweeping equipment and a safe
Miscellaneous Services Extraordinary Loss of Government Stock, Masai cattle 182		21		
Total Non-Recurrent		<u>£ 122</u>	-	
Grand Total		<u>£ 5,272</u>	<u>£ 2,855</u>	

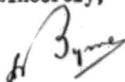
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GOVERNMENT HOUSE,
NAIROBI,
KENYA.

20th December, 1934.

My dear Bottomley,

Herewith Financial Appreciation No. 8.

Yours sincerely,



SIR CECIL BOTTOMLEY, K.C.M.G., C.B., O.B.E.,
COLONIAL OFFICE,
DOWNING STREET, S.W.1.
LONDON.

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FINANCIAL APPRECIATION NO. 8 OF 1934
COVERING THE PERIOD ENDING THE 30TH SEPTEMBER, 1934.

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FINANCIAL APPRECIATION NO. 8 OF 1934,
COVERING THE PERIOD ENDING THE 30TH SEPTEMBER, 1934

September
figures.

1. The revenue for September, 1934, was £513,663. The expenditure for September, 1934, was £541,992. There was therefore a deficit on the month of £ 28,229.

2. A deficit in September accounts is normal. The second half-yearly payment of interest and sinking fund on the 1921 £5,000,000 Loan is made in September of each year, the net charge falling on the Colony on this account amounting to £26,412. As compared with September, 1933, when there was a deficit of £10,989, the returns for September, 1934, showed a deterioration of £17,240. Revenue was £20,955 lower (vide paragraph 7) and expenditure was £3,715 lower.

Previous
years.

3. September accounts for recent years have shown deficits as follows:-

	£
1929	62,276.
1930	34,529.
1931	36,884.
1932	37,089.
1933	10,989.
1934	28,229.

Cash
position.

4. At the end of September, 1934, the Colony's Surplus Balances stood at a figure of £161,069 as compared with £260,707, and £187,232 at the corresponding dates in 1933 and 1932 respectively. The composition of these Surplus Balances, as shown in Appendix I to this Appreciation, indicates a cash shortage of £130,362. This figure was £26,515 more than the excess of deposits over advances and it was necessary to have recourse to loan funds to that extent to meet the shortage.

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Surplus and Deficit Account.

5. Revenue and expenditure for the first nine months of the year are compared in the following table. 1933 figures are shown in the left-hand columns.

Surplus
Balances
at end of
month..

£
205,495.

Surplus Balance as at 31st December, 1933

1933.

1934.

Revenue.	Expenditure.	Surplus or Deficit.	Revenue.	Expenditure.	Surplus or Deficit.	
£	£	£	£	£	£	£
403,086.	395,786.	-7,300.	404,028.	388,683.	+15,345.	220,840.
174,176.	169,040.	+ 5,136.	155,496.	182,587.	-27,091.	193,749.
327,733.	351,404.	-23,671.	326,699.	349,091.	-22,392.	171,357.
157,337.	166,778.	- 9,441.	171,040.	177,627.	- 6,587.	184,770.
261,798.	270,757.	- 8,959.	255,479.	277,998.	-22,519.	142,251.
220,351.	177,741.	+42,610.	246,710.	173,105.	+73,605.	215,856.
403,640.	406,917.	- 3,277.	412,715.	426,941.	-14,226.	201,630.
176,461.	166,497.	+ 9,964.	168,749.	181,081.	-12,332.	189,298.
334,618.	345,607.	-10,989.	313,663.	341,892.	-28,229.	161,069.

During the first nine months of 1934 actual expenditure exceeded actual revenue by £44,426.

Revenue.

6. In the following table the revenue for the first nine months of 1934 is compared with the revenue for the first nine months of 1933:-

	<u>1934.</u> £	<u>1933.</u> £	<u>Increase.</u> £	<u>Decrease.</u> £
<u>January.</u>	404,028.	403,086.	942.	-
<u>February.</u>	155,496.	174,176.	-	18,680.
<u>March.</u>	326,699.	327,733.	-	1,034.
<u>April.</u>	171,040.	157,337.	13,703.	-
<u>May.</u>	255,479.	261,798.	-	6,319.
<u>June.</u>	246,710.	220,351.	26,359.	-
<u>July.</u>	412,715.	403,640.	9,075.	-
<u>August.</u>	168,749.	176,461.	-	7,712.
<u>September.</u>	513,663.	334,618.	-	20,955.
<u>Total for nine months.</u>	£2,454,579.	2,459,200.	-	4,621.

7. There was a net decrease of £20,955 in the September revenue as compared with 1933. The items mainly responsible for this decrease were a fall of £16,989 in the revenue from Native Hut and Pell Tax, September collections having fallen from £66,205 in 1933 to £49,216 in 1934. There was also a decrease of £2,529 in the revenue from the Petrol Tax and one of £1,741 in the revenue from Trade and Professional Licences, collections under the new Ordinance having begun in September, 1933.

Revenue for
first nine
months.

8. Head by Head the revenue for the first nine months of 1934 compares as follows with that for the first nine months of 1933:-

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REVENUE.

Revised Estimates for full year exceed (+) or fall short of (-) 1935 Revenue by:-	Head of Revenue.	January to Sept:		Increase	Decrease.
		1934.	1935.		
£		£	£	£	£
+ 22,083.	Customs and Excise	451,595.	469,285.	-	17,688.
- 8,489.	Licences, Duties, Taxes, etc.	690,169.	704,339.	-	14,170.
- 7,939.	Fees, etc.	85,460.	90,508.	-	5,048.
+ 4,020.	Posts & Telegraphs	131,216.	127,701.	3,515.	-
+ 4,982.	Earnings of Government Departments	55,424.	49,814.	5,610.	-
+ 661.	Revenue from Government Property and Royalties	69,117.	65,213.	3,904.	-
+ 1,157.	Sale of Government Property	12,508.	8,720.	3,788.	-
+ 11,804.	Miscellaneous Receipts	6,505.	6,401.	104.	-
+ 2,342.	Forest Department Revenue	20,350.	17,586.	2,944.	-
+ 2,787.	Interest	15,425.	15,165.	2,262.	-
+ 1,851.	Reimbursements	898,269.	887,155.	11,114.	-
- 1,783.	Land Sales	14,461.	15,355.	-	874.
+ 2,623.	Colonial Development Fund	4,100.	4,182.	-	82.
+ £56,099.		2,454,579.	2,459,200.	33,241.	37,862.

Net Decrease:- £4,621.

9. Customs and Excise.

Revised Estimate exceeds (+) or falls short of (-) 1935 revenue by:-	Item.	January to Sept:		Increase.	Decrease.
		1934.	1935.		
£		£	£	£	£
+ 20,730.	Customs.	436,926.	455,587.	-	18,661.
+ 1,355.	Excise.	14,669.	13,696.	973.	-
+ 22,085.	Total:-	451,595.	469,285.	-	17,688.

10. Returns of Customs revenue to date are as follows:-

	<u>1934.</u> £	<u>1935.</u> £	<u>Increase.</u> £	<u>Decrease.</u> £
<u>January - June</u>	298,906.	305,822.	-	6,916.
<u>July</u>	52,142.	56,363.	-	4,221.
<u>August</u>	42,131.	47,840.	-	5,709.
<u>September</u>	43,747.	45,562.	-	1,815.
<u>October</u>	43,650. ^x	38,591.	5,059.	-
<u>November</u>	58,120. ^x	49,823.	8,297.	-
<u>Total for eleven months:-</u>	£ 538,696. ^x	544,001.	-	5,305.

^x Estimated.

11. Exports of domestic produce for the ten months ending the 31st October were valued as follows:-

	<u>1934.</u> £	<u>1935.</u> £	<u>Increase.</u> £	<u>Decrease.</u> £
Kenya Produce (apprex.)	1,539,689.	1,942,403.	-	402,714.
Uganda Produce (apprx.)	3,519,033.	3,339,526.	179,507.	-
	£ 5,058,722.	5,281,929.	-	223,207.

12. In commenting on the position as at the end of November the Commissioner of Customs writes as follows:-

"Combined collections for November exceed the figure for the corresponding month last year by £11,406. The approximate Kenya and Uganda allocations for the first 11 months of the year i.e. £538,000 and £314,000 respectively, point to the close realization of the revised estimates, as December importations are normally heavy and trading conditions at the moment appear to be reasonably satisfactory.

13. LICENCES, DUTIES, TAXES, ETC.

The following table shows the principal items under this Head of Revenue:-

Revised Estimates for full year exceed (+) or fall short of (-) 1935 Revenue by:-	£	Item.	Jan: to Sept:		Increase.	Decrease.
			1934	1935		
			£	£	£	£
-	648.	Game Licences	5,604.	6,964	-	1,360.
-	725	Liquor Licences...	8,038.	8,814	-	776.
+	408	Miscellaneous Licences...	4,122.	5,737	385.	-
-	695	Registration of Documents	2,355.	2,958	-	603.
+	657	Traffic Ordinance...	11,984.	13,816	1,168.	-
+	5,481.	Stamp Duties	36,561.	31,968	4,593.	-
-	28,746	Native Hut and Poll Tax	352,918.	417,941	-	65,023.
+	1,757	Non-Native Poll Tax	63,400.	51,530	31,870.	-
+	1,128.	Fines and Forfeitures	11,688.	10,351	1,337.	-
-	6,610	Estate Duty	9,060.	14,910	-	5,850.
+	6,651	Trade, etc., Licences	52,223.	21,056	31,167.	-
+	6,948	Petrol Tax	42,217.	38,232	3,985.	-
+	8,320	Package Tax	6,335.	-	6,335.	-
+	101	European Education Tax	10,645.	9,695	950.	-
+	823	Asiatic Education Tax	10,690.	9,278	1,412.	-
-	2,677	Levy on Salaries...	35,195.	40,208	-	5,013.
+	603	Entertainment Tax	4,160.	3,222	938.	-
+	645	All other Items	9,074.	9,659	315.	-
-	8,489.		690,189.	704,339	64,455.	78,625.

Net Decrease:- £14,170.

Native Hut
and Poll Tax.

14. Native Hut and Poll Tax revenue for the first
nine months compares as follows with the corresponding
figures for 1933:-

Revised estimate for 1934 exceeds (+) or falls short of (-) 1933 revenue by: - £	Province or District.	Collections January to Sept. 1934. 1933.		Increase £	Decrease £
		£	£		
- 15,845.	Nyanza	146,720.	168,475.	-	21,755.
+ 1,427.	Rift Valley	27,052.	23,198.	3,854.	-
- 4,317.	Central	155,574.	186,589.	-	31,015.
- 5,344.	Coast	11,452.	23,445.	-	11,993.
+ 2,207.	Turkana	4,296.	2,835.	1,461.	-
- 6,500.	Massi.	2,336.	8,566.	-	6,230.
- 374.	Northern Frontier	5,488.	4,833.	655.	-
- £28,746.	<u>Total:-</u>	£352,918.	417,941.	5,970.	70,993.

Net decrease:- £65,023.

Revised estimates
of revenue.

15. The revised estimates of revenue under
all Heads have been reviewed in the light of the
returns to the end of September and of later
information received regarding certain items of
revenue. As a result of this review, the revised
estimates of revenue for 1934 now total £3,163,165
as shown in the following statement regarding the
Revenue Estimates which was prepared for the
Standing Finance Committee on the 6th of December.
As compared with the table given in paragraph 16 of
Financial Appreciation No. 7, the "Final Revised
Estimates" shown in this statement reflect the
following increases and decreases:-

<u>Head II. Licences, Duties, Taxes, etc.</u>	<u>Increases.</u>	<u>Decreases.</u>
Item 2. Game Licences	-	500.
9. Stamp Duties	5,000.	-
12. Non-Native Poll Tax	500.	-
14. Estate Duty	4,000.	-
16. Petrol Tax	-	3,000.
19. European Education Tax	500.	-
20. Asiatic Education Tax	700.	-
Net increase - Head II.	£ 7,209.	-

<u>Head III. Fees, etc.</u>		
Item 8. Veterinary Inoculation Fees	750.	-
20. Geological Assays	120.	-
Increase - Head III.	£ 870.	-

<u>Head VI. Revenue from Government Property.</u>		
Item 3(a) Mining Royalties	-	1,500.
3(b) Mining Fees	2,500.	-
Net increase - Head VI.	£ 1,000.	-

<u>Head VII. Sale of Government Property.</u>		
Item 5. Ivory and Trophies	-	1,000.
Decrease - Head VII.	£ -	1,000.

<u>Head XI. Reimbursements.</u>		
Item 9. Uganda Government on account of K.A.R. Northern Brigade	£ -	5,000.
Decrease - Head XI.	£ -	5,000.

<u>Head XII. Land Sales.</u>		
Item 2. Stand Premis for Town Plots	500.	-
Increase - Head XII.	£ 500.	-
Net increase on all Heads	£ 5,570.	-
Previous revised estimate	£2157,595.	
"Final revised estimate"	£2,163,165.	

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Statement regarding Revenue Estimates prepared for
Standing Finance Committee.

Heads of Revenue Estimates.

Head.	Actual Revenue	Actual Revenue		Final Revised	Revised
	1933 £	Jan: to Sept: 1933 £	1934 £	Estimates 1934 £	Drift Estimates 1935 £
I. Customs & Excise.	600,417	469,283	451,595	622,500	652,500
II. Licences, Duties, Taxes.	940,469	704,339	690,169	939,180	981,279
III. Fees, etc.	117,266	90,508	85,460	110,197	115,915
IV. Posts & Telegraphs.	170,024	127,701	131,216	174,044	184,525
V. Earnings of Govern- ment Departments.	67,651	49,014	55,424	72,633	73,176
VI. Revenue from Govern- ment Property.	78,408	65,213	69,117	80,069	88,696
VII. Sale of Government Property.	17,342	8,720	12,509	17,499	16,375
VIII. Miscellaneous Receipts.	11,342	6,401	6,505	23,146	9,330
IX. Forest Department Revenue.	25,158	17,386	20,330	27,500	28,450
X. Interest.	31,377	13,163	15,425	34,164	31,556
XI. Reimbursements.	1,037,835	887,155	898,265	1,036,686	1,050,820
XII. Land Sales.	18,776	15,335	14,461	17,493	16,500
XIII. Colonial Develop- ment Fund.	5,431	4,182	4,100	6,054	4,409
Total	£3,121,496	2,459,200	2,454,579	3,163,165	3,253,531.

Some Sub-Heads of Revenue Estimates.

HEAD.	Actual Revenue 1933.	Actual Revenue January-September.		Final Revised Estimates 1934.	Revised Draft Estimates 1935.
	£	1933.	1934.	£	£
Head II. Licences, Duties, Taxes, etc.					
2. Game Licences	8,848.	6,964.	5,604.	7,500.	9,000.
4. Liquor Licences	10,725.	8,814.	8,038.	10,000.	10,000.
8. Licences under Traffic Ord.	49,343.	43,816.	44,984.	50,000. (1)	50,000.
9. Stamp Duties	43,519.	31,938.	36,561.	52,000. (3)	55,000.
11. Native Hut and Poll Tax	557,791.	417,941.	352,918.	529,045.	562,979.
12. Non-Native Poll Tax	64,243.	31,530.	63,400.	66,500. (2)	66,000.
13. Fines and Forfeitures	13,872.	10,351.	11,688.	15,000. (3)	15,000.
14. Estate Duty.	19,610.	14,910.	9,060.	17,000. (3)	12,000.
15. Traders and Professional Licences	26,349.	21,056.	32,223.	33,000.	50,000.
16. Petrol Tax	53,052.	36,232.	42,217.	57,000.	57,000.
17. Cotton Tax	656.	637.	1,061.	1,460.	5,000.
19. European Education Tax	10,309.	9,695.	10,645.	11,000. (4)	10,000.
20. Asiatic Education Tax	9,677.	9,278.	10,690.	11,200. (5)	10,000.
21. Levy on Official Salaries	49,177.	40,208.	35,195.	46,500.	46,500.
22. Entertainment Tax	4,597.	3,222.	4,160.	5,200.	5,000.

Notes.

- (1). £5,494 collected on one document in October, 1934.
 (2). Actual collections reported to end of November, £66,062.
 (3). £7,259 collected in October and November.
 (4). £10,928 collected to end of November.
 (5). £21,181 collected to end of November.

Head III. Fees etc.					
1. Fees of Court	18,919.	14,393.	11,458.	16,000.	17,500.
8. Veterinary Inoculation Fees	10,168.	6,731.	7,556.	9,000.	8,000.
9. Hospital Fees	7,096.	5,494.	5,719.	7,300.	7,250.
15. Tuition Fees, European Schools	4,454.	3,998.	3,995.	4,700.	4,735.
16. do Indian Schools	5,515.	4,318.	5,074.	6,500.	6,700.
17. Boarding Fees, European Schools	12,624.	11,121.	9,522.	11,500.	11,810.
18. do Indian "	866.	660.	731.	975.	850.
25. Agricultural Produce, Grading etc.	1,026.	3,659.	1,537.	2,083.	5,500.
27. W. & O.P. Contrns.	24,376.	18,143.	17,962.	23,800.	24,000.
28. Aviation Housing & Landing Fees	1,890.	1,406.	1,956.	2,500.	3,000.
30. Fees for Geological Assays	751.	562.	297.	450.	450.

Head.	Actual Revenue 1933. £	Actual Revenue Jan: to Sept 1933 1934 £ £		Final Revised Estimates 1934 £	Revised Dragt Estimates 1935 £
<u>Head IV. Posts & Telegraphs.</u>					
1. Sale of Stamps.	82,254	59,749	61,811	86,084	88,350
8. Telegraph Revenue.	30,971	23,405	24,556	33,000	33,500
9. Telephone Revenue.	31,507	28,070	29,543	32,000	32,750
<u>Head V. Earnings of Government Departments.</u>					
1. Gazette, Printing etc.	13,025	9,611	11,505	15,500	15,000
2. Prison Industries.	6,895	5,200	6,190	8,000	11,000
4. Mombasa Water Supply.	33,999	25,159	26,629	35,500	35,000
<u>Head VI. Revenue from Government Property.</u>					
1. Rents of Lands.	62,175	55,297	54,856	60,000	60,000
3(a). Mining Royalties.	2,525	1,785	2,690	3,500	12,000
(b). Mining Fees.	8,241	6,328	10,087	12,000	13,000
<u>Head VII. Sale of Government Property.</u>					
5. Ivory & Confiscated Trophies.	7,408	3,411	4,164	10,000	10,000
<u>Head II. Forest Department Revenue.</u>					
2. Timber Sales and Royalties.	10,876	7,663	8,625	11,500	11,550
3. Fuel Sales and Royalties.	9,241	6,309	7,774	11,000	11,000
<u>Head I. Interest.</u>					
5. Land Bank.	11,642	5,404	7,401	16,500	20,000
<u>Head II. Reimbursements.</u>					
9. Uganda Government On account of K.A.R. Northern Brigade.	46,711	34,766	35,028	47,271	47,606
<u>Head III. Land Sales.</u>					
1. Stand Fees for Farms.	12,781	10,375	8,117	10,227	13,000
2. Stand Fees for Town Plots.	5,995	4,961	6,345	8,576	7,500

Expenditure.

16. In the following table the expenditure for the first nine months of 1934 is compared with the expenditure for the first nine months of 1933:-

	1934.	1933.	Increase.	Decrease.
	£	£	£	£
January	388,683.	395,786.	-	7,103.
February	182,587.	169,040.	13,547.	-
March	349,091.	351,404.	-	2,313.
April	177,627.	166,778.	10,849.	-
May	277,998.	270,757.	7,241.	-
June	173,105.	177,741.	-	4,636.
July	426,941.	406,917.	20,024.	-
August	181,061.	166,497.	14,564.	-
September	341,892.	345,607.	-	3,715.
Total for NINE MONTHS.	2,499,005.	2,450,527.	48,478.	-

Special Warrants.

17. Appendix II gives details of Special Warrants approved or applied for between the 8th of November and the 8th of December, 1934. The effect of all Special Warrants to date may be summarized as follows:-

Additional provision made up to 15th October (vide para. 18 of Financial Appreciation No. 7).....	£ 58,532.
Special Warrants not covered by savings from 8th November to 8th December, 1934.....	10,605. (1)
Total additional provision to 6th December, 1934.....	69,137.
Provision made in Sanctioned Estimates, 1934.....	£ 5,186,041.
Revised Provision for 1934 divided as follows:-	£ 5,255,178.

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(1) Includes £10,000 for Pensions and Gratuities, vide paragraph 19.

Actual Expenditure 1933.		Sanctioned Estimates.	Special Warrants.	Total.
£		£	£	£
8,061,835	Recurrent	3,170,882	32,200.	3,196,528.
75,202.	Non-Recurrent	23,779.	33,871.	60,650.
£8,138,036.	Total:-	£3,198,041.	£ 69,157.	£3,257,178.

Expenditure Head by Head.

18. In the following table, the expenditure for the first nine months of 1934 is compared with that for the first nine months of 1933. The left-hand column of the table shows how the revised provision for 1934 compares, under all heads of estimates, with the expenditure actually incurred in 1933.

Revised Provision for 1934 exceeds (+) or falls short of (-) 1933 expenditure by	Head of Recurrent Expenditure.	Actual Expenditure 1933.	Jan. to Sept. 1934.	Increase.	Decrease.
£		£	£	£	£
- 338.	H.E. The Governor	10,762.	10,507.	-	124.
+ 7,080.	Administration	187,361.	160,826.	-	2,545.
+ 5,080.	Agriculture	97,321.	90,458.	1,047.	-
+ 482.	Audit	1,121.	14,520.	241.	-
+ 265.	Coast Agency	7,147.	7,894.	-	346.
- 1,648.	Conference of East African Governors	1,648.	1,785.	-	1,143.
+ 1,993.	Customs	1,703.	35,827.	881.	-
+12,309.	Education	12,123.	116,094.	4,159.	-
+ 1,508.	Forest	22,511.	22,645.	-	334.
- 215.	Game	1,018.	6,383.	236.	-
- 1,074.	Income Tax Adm.	1,074.	386.	-	986.
+ 2,256.	Interest	1,590.	412.	2,168.	-
+ 1,274.	Judicial	23,432.	23,242.	1,180.	-
+ 189.	Legal	6,326.	5,886.	452.	-
- 2,229.	Local Govt. Surveys, etc.	25,321.	27,691.	-	2,570.
+ 1,875.	Local Govt. Contributions	56,139.	48,894.	6,605.	-
+ 3,853.	Medical	149,208.	147,583.	1,625.	-
+ 9,816.	Military	95,303.	93,817.	1,486.	-
+ 2,625.	Mining & Geological Department	6,847.	5,245.	1,601.	-
+ 4,384.	Miscellaneous Services	33,413.	40,562.	-	2,119.
+ 3,455.	Pensions and Gratuities	147,462.	141,059.	6,403.	-
+ 4,389.	Police	94,169.	95,654.	-	1,485.
+ 260.	Post Office & Tels.	132,982.	134,371.	-	1,889.
+ 1,587.	Printing & Stationery	38,537.	21,115.	1,422.	-
+ 2,276.	Prisons	33,235.	35,558.	4,677.	-
+ 80,758.	Public Debt Funded	399,663.	699,244.	30,752.	-
+ 5,049.	Public Works Dept.	31,379.	60,245.	1,034.	-
- 855.	P.W. Recurrent	35,303.	35,798.	-	490.
+ 604.	Registrar General	4,396.	3,916.	280.	-
	Carried Forward	4700,714.	4548,516.	66,229.	14,031.

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Recurrent Expenditure (Contd.)

Revised Provision for 1934 exceeds (+) or falls short of (-) 1933 expenditure by £	Head of Recurrent Expenditure.	Jan. to	Jan. to	Increase.	Decrease.
		Sept. 1934.	Sept. 1933.	£	£
	Brought Forward:-	2,400,711	2,348,518	52,229	14,031.
-	Rents, etc. to Zanzibar	12,000	12,000	-	-
+ 7,176.	Secretary, etc.	17,950	12,018	5,932	-
- 7,611.	Statistical Dept.	9,464	15,013	-	5,549.
+ 1,957.	Trade & Information Office	3,094	1,490	1,604	-
+ 5,428.	Treasury	20,875	16,796	3,889	-
<u>4101,695.</u>		<u>2,483,897</u>	<u>2,406,823</u>	<u>77,654</u>	<u>19,580.</u>
	Net Increase:-		458,074.		

Revised Provision for 1934 exceeds (+) or falls short of (-) 1933 expenditure by £	Head of Non-Recurrent Expenditure.	£	£	£	£
- 635.	H.E. The Governor Administration	8,990.	863.	8,127.	-
+ 9,511.	Agriculture	3,599.	1,464.	2,135.	-
+ 2,162.	Coast Agency	223.	-	223.	-
+ 250.	Education	-	84.	-	84.
- 84.	Game	50.	-	50.	-
+ 54.	Income Tax Adm.	-	59.	-	59.
- 59.	Legal	300.	-	300.	-
+ 318.	Medical	172.	50.	122.	-
+ 575.	Military	172.	432.	-	260.
- 2,487.	Miscellaneous Services	6,779.	26,492.	-	19,713.
- 22,134.	Police	6.	-	6.	-
+ 20.	Post Office and Telegraphs	2,899.	2,891.	8.	-
- 108.	Treasury	-	205.	-	205.
- 508.	Public Works	6,198.	7,877.	-	1,679.
+ 3,639.	Colonial Development Fund	5,720.	4,287.	1,433.	-
+ 4,210.		<u>35,108.</u>	<u>41,704.</u>	<u>12,404.</u>	<u>22,000.</u>
<u>- 12,562.</u>					
	Net Decrease:-		49,596.		

+101,695.	Total Recurrent Expenditure	2,483,897	2,406,823	58,074	-
- 12,562.	Total Non-Recurrent Expenditure	55,108	41,704	-	9,596.
<u>+ 89,133.</u>	Total Expenditure	<u>2,438,005</u>	<u>2,448,527</u>	<u>48,478</u>	

Net increase:- 48,478.

Pensions and Gratuities.

19. Up to the end of November the known excess over the authorized provision in respect of Commuted Pensions amounted to £5,494 and an excess estimated at £2,611 was tentatively anticipated in respect of Pensions and Gratuities. A Special Warrant for £10,000 has accordingly been submitted asking for further provision of £3,000 for Pensions and Gratuities and £7,000 for Commuted Pensions. The position in regard to this Head of Estimates is now as follows:-

Item.	Expenditure for first nine months.		Last three months.		Total.	
	1934.	1933.	Provision	Actual Expenditure	Provision	Actual Expenditure
	£	£	1934. £	1933. £	1934. £	1933. £
1. Pensions and Gratuities	115,202.	106,185.	43,598.	38,800.	158,800.	144,985.
2. Commuted Pensions	29,783.	32,517.	4,417.	12,605.	34,200.	45,122.
3. Widows' and Orphans Pension Scheme	2,477.	2,357.	1,023.	581.	3,500.	2,938.
Total:-	147,462.	141,059.	49,038.	51,986.	196,500.	193,045.

Revised Estimates of Expenditure

20. Examination of actual figures of expenditure for the first nine months of the year discloses no cause for varying the tentative figure of £15,000 given in paragraph 26 of Financial Appreciation No. 7 for net savings which may be anticipated on sanctioned votes in excess of those estimated by Departments. The expenditure position for 1934 as at present estimated is therefore as follows:-

Original Expenditure Estimate	£3,188,041.
Special Warrants not covered by savings.....	<u>69,137.</u>
Revised provision for 1934.....	£3,257,178.

Deduct.

Departmental estimate of savings.....	£26,500.
Tentative estimate of further net savings....	<u>15,000.</u>

	£ 41,500.
Revised estimate of Expenditure, 1934	<u>£ 3,215,678.</u>

Summary of 1934 Position.

21. Revised estimate of revenue (paragraph 15).....	£ 3,163,165.
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Revised estimate of expenditure (paragraph 20).....	<u>£ 3,215,678.</u>
Revised estimated deficit	<u>£ 52,513.</u>

Nairobi,
12th December, 1934.

G. WALSH.
TREASURER.

STATEMENT OF SURPLUS BALANCES
ON 30TH SEPTEMBER, 1934.

Surplus	£161,068. 6. 22.	Working Balance	£100,000.	
		Unallocated Stores	95,000.	£ 48,678. 3. 79
		Civil Servants' Housing Scheme	44,000.	20,212. 7. 40
		Central Agricultural Advances Board	100,000.	106,449. 14. 25.
		Loan to Maize Industry)		111,459. 19. 95.
		Loan to Wheat Industry)	117,000.	4,204. 9. 50.
		Loan to Barley Industry)		425. 9. 05.
				<hr/>
				£ 291,430. 3. 74.
				<u>150,361. 17. 52.</u>
				<hr/>
				£ 161,068. 6. 22.
				<hr/>
	<u>£161,068. 6. 22.</u>			
Gross cash	£412,105. 19. 52.			
Loss excess of cash		Loan Funds - Unspent Balances		£ 594,620. 19. 13.
Deposits over Advances	<u>103,846. 17. 91.</u>	Less Cash Lent to Joint Colonial Fund		<u>156,000. 0. 00.</u>
	308,259. 1. 61.			<hr/>
Loan cash	<u>458,620. 19. 13.</u>			£ 438,620. 19. 13.
		Loan cash on hand		<hr/>
Cash Shortage	<u>£ 150,361. 17. 52.</u>			

APPENDIX II.

LIST OF 1934 SPECIAL WARRANTS APPROVED OR APPLIED FOR SINCE THE PREPARATION OF FINANCIAL APPRECIATION NO. 7 OF 1934.

Recurrent Heads.	Warrant No.	Covered by Savings.	Not covered by Savings.	Remarks.
<u>Administration -</u>				
Provincial Administration Northern Frontier District				
Travelling Allowances	136.	41.	-	Underestimated.
<u>Agricultural Department -</u>				
Non-Native Services - Division of Animal Industry - Administrative Passages	156.	156.		1 officer proceeded on leave on medical grounds and 1 officer's appointment was terminated.
<u>Education -</u>				
Indian and Goan Education Maintenance and Purchase of Materials	141.	36.		One additional school at Mombasa and increased number of pupils at the Mombasa Girls' School.
Local Transport and Travelling	142.	45.		Underestimated.
<u>Game Department -</u>				
Passages	152.	11.		Underestimated.
<u>Local Government -</u>				
Contributions to Local Authorities - Mombasa Municipality				
Contributions in respect of Main Roads	145.	63.		Half costs of maintenance of roads.
Public Health Services	146.	176.		Half costs of public health services.
Traffic Revenue	147.	100.		Share of increased revenue receipts.
District Councils Vehicle Licence Fees	148.	218.		Share of increased revenue and share of 1933 revenue unpaid.
<u>Medical Department -</u>				
Native Services Epidemics	133.		200.	Small-pox campaign.
<u>Mining and Geological Department -</u>				
Travelling Allowances	134.	25.		Increased mining activities.
<u>Miscellaneous Services -</u>				
Commissions of Inquiry, Committees, etc.	137.	550.		Cost of "Bushe" Commission Reports and Economic Development Committee expenses.
<u>Carried Forward:-</u>		£ 1,129	700.	

Recurrent Heads.	Warrant No.	Covered by Savings.	Not covered by Savings.	Remarks.
<u>Brought Forward:-</u>		1,422.	200.	
<u>Miscellaneous Services -</u> (contd.)				
Repatriation	151.	375.		Provision inadequate.
<u>Pensions and Gratuities -</u>				
Pensions and Gratuities	153.		5,000.	Provision inadequate.
Commuted Pensions	153.		7,000.	Provision inadequate.
<u>Police -</u>				
Uniforms	140.	70.		Underestimated.
Expenses in connection with Criminal Investigations	143.	80.		Underestimated.
Railway warrants (Passenger)	144.	235.		Increased police activities in clearing vagrants out of townships and repatriating them, etc.
Maintenance and Upkeep of Motor Fleet	139.	250.		Provision inadequate.
<u>Post Office & Telegraphs -</u>				
Conveyance of Mails by Air	154.	950.		Increased volume of Air Mail postings covered by revenue.
Local Travelling	155.	150.		More frequent transfers owing to sickness, etc.
Expenditure common to Kenya, Uganda and Tanganyika				
Conveyance of Mails by Sea etc.	156.	950.		Payment of arrears from 1953 of International Mail Transit accounts - also due to liabilities which are calculated in gold francs being increased by the fall in value of sterling.
<u>Printing and Stationery -</u>				
Printing Paper and Sundries	138.	200.		Increased demand for printing.
<u>Public Works Recurrent -</u>				
Non-Native Services				
Loss and Depreciation of Stores	131.	576.		Write-off - result of recommendations of Boards of Survey.
<u>Registrar General's Dept. -</u>				
Passages	150.	80.		Underestimated.
<u>Statistical Departments -</u>				
Native Registration Section				
Local Transport & Travelling	132.	40.		Underestimated.
<u>Total Recurrent:-</u>		<u>£ 5,557.</u>	<u>10,200.</u>	

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Non-Recurrent Heads.	Warrant No.	Covered by Savings.	Not covered by Savings.	Remarks.
		£	£	
<u>Brought Forward:-</u>		5,387.	10,200.	
<u>Miscellaneous Services</u>				
<u>Extraordinary -</u> Compensation for Injury	149.		5.	Compensation paid to Public Works Department labourer.
<u>Post Office & Telegraphs</u>				
<u>Extraordinary -</u> Rural Telephone Development	155.	50.		Completion of Naivasha Rural Telephone system.
<u>Public Works Extraordinary -</u>				
Miscellaneous Minor Works	157.	100.		Temporary Station at Maralal - Samburu District.
<u>Colonial Development Fund -</u>				
Hydro-Electric Power Investigations	130.		400.	
<u>Total Non-Recurrent:-</u>	£	150.	405.	
<u>Grand Total:-</u>	£	5,487.	10,605.	

GOVERNMENT HOUSE,
NAIROBI,
KENYA.

4

13th November, 1934.

My dear Bottomley,

Herewith Financial Appreciation No. 7.

Yours sincerely,

H. J. King

SIR W. C. BOTTOMLEY, K.C.M.G., C.B., O.B.E.,
COLONIAL OFFICE,
DOWNING STREET, S.W.1.
L O N D O N.

FINANCIAL APPRECIATION NO. 7 OF 1934
COVERING THE PERIOD ENDING 31st AUGUST, 1934.

FINANCIAL APPRECIATION NO. 7 OF 1934
COVERING THE PERIOD ENDING THE 31st. AUGUST, 1934.

August figures. 1. The revenue for August 1934 was £168,749
 The expenditure for August 1934 was £181,081
 There was therefore a deficit on the month of £ 12,332.

2. August accounts have shown surpluses for the last two years. For 1929, 1930 and 1931 there were deficits. As compared with August, 1933, when there was a surplus of £9,964, the returns for August 1934 showed a deterioration of £22,296. Revenue was £7,712 lower (vide paragraph 7) while expenditure was £14,584 higher. The increase in expenditure may be attributed to the second half-yearly instalment of loan charges on the 1933 loan amounting to £6,876 and to the payment of contributions to Local Government Authorities exceeding those made in August 1933 by £8,430, the principal item being a payment of £7,000 to Nairobi Municipality on account of Traffic Revenue, the corresponding payment in 1933 having been made in November.

Previous years. 3. August accounts for recent years have shown surpluses and deficits as follows:-

	<u>Surplus</u>	<u>Deficit</u>
	£	£
1929	-	53,076
1930	-	14,224
1931	-	20,705
1932	1,879	-
1933	9,964	-
1934	-	12,332

Cash position. 4. At the end of August, the Colony's Surplus Balances stood at a figure of £189,298 as compared with £271,696 and £224,321 at the corresponding dates in 1933 and 1932 respectively. The composition of these

Surplus Balances, as shown in Appendix I to this Appropriation, indicates a cash shortage of £106,236. This figure was £20,801 more than the excess of deposits over advances and it was necessary to have recourse to loan funds to that extent to meet the shortage.

Surplus and Deficit Account.

5. Revenue and expenditure for the first eight months of the year are compared in the following table. 1933 figures are shown in the left-hand columns.

Surplus
Balances
at end of
month.
£
205,495

Surplus Balance as at 31st December, 1933.

1933			1934				
Revenue	Expenditure	Surplus or Deficit.		Revenue	Expenditure	Surplus or Deficit.	
£	£	£		£	£	£	
403,086	395,786	+7,300	Jan	404,028	388,683	+15,345	220,840
174,176	169,040	+5,136	Feb.	155,496	182,587	- 27,091	193,749
327,733	351,404	-23,671	Mar.	326,699	349,091	- 22,392	171,357
157,337	166,778	- 9,441	Apr.	171,040	177,627	- 6,587	164,770
261,796	270,757	- 8,959	May	255,479	277,998	- 22,519	142,251
220,351	177,741	+42,610	June	246,710	173,105	+ 73,605	215,855
403,640	406,917	- 3,277	July	412,715	426,941	- 14,226	201,630
176,461	166,497	+9,964	Aug.	168,749	181,081	- 12,332	189,298

During the first eight months of 1934 actual expenditure exceeded actual revenue by £16,197.

Revenue.

6. In the following table the revenue for the first eight months of 1934 is compared with the revenue for the first eight months of 1933:-

	<u>1934</u>	<u>1933</u>	<u>Increase</u>	<u>Decrease.</u>
	£	£	£	£
<u>January</u>	404,028	403,086	942	-
<u>February</u>	155,496	174,176	-	18,680
<u>March</u>	326,699	327,733	-	1,034
<u>April</u>	171,040	157,337	13,703	-
<u>May</u>	255,479	261,798	-	6,319
<u>June</u>	246,710	220,351	26,359	-
<u>July</u>	412,715	403,640	9,075	-
<u>August</u>	168,749	176,461	-	7,712
<u>Total for eight months.</u>	£2,140,916	2,124,582	16,334	-

7. There was a net decrease of £7,712 in the August revenue as compared with 1933. The items mainly responsible for this decrease were a fall of £5,722 in the revenue from Customs and Excise and of £3,357 in the revenue from Land Sales due to receipts from a sale of Town Plots in August, 1933. Revenue from Native Hut and Poll Tax was £3,916 less in August 1934 than in August 1933. There was an increase of £2,541 in the revenue from Stamp Duties.

Revenue for first eight months. 8. Head by Head the revenue for the first eight months of 1934 compares as follows with that for the first eight months of 1933:-

Revenue

Revised Estimates for full year exceed (+) or fall short of (-) 1933 Revenue by: £	Head of Revenue.	Jan:to August		Increase £	Decrease. £
		1934	1933		
		£	£		
+22,083	Customs and Excise.	405,933	422,511		16,578
-11,511	Licences, Duties, Taxes, etc.	622,714	615,219	7,495	
- 7,939	Fees etc.	73,962	79,302		5,340
+ 4,020	Post & Telegraphs	119,900	116,693	3,207	
+ 4,982	Earnings of Government Departments.	49,641	44,484	5,157	
+ 661	Revenue from Government Property and Royalties.	66,021	61,770	4,251	
+ 1,157	Sale of Government Property.	12,007	8,028	3,979	
-11,804	Miscellaneous Receipts.	6,441	5,990	451	
+ 2,342	Forest Department Revenue	18,400	15,817	2,583	
+ 2,787	Interest	14,995	14,026	969	
+ 1,851	Reimbursements	733,252	724,172	9,080	
- 1,783	Land Sales	13,550	13,150	400	
+ 2,623	Colonial Development Fund	4,100	3,420	680	
+256,099		2,140,916	2,124,582	38,252	21,918

Net Increase £16,334.

9. Customs and Excise.

Revised Estimate exceeds (+) or falls short of (-) 1933 revenue by: £	Item.	January to August		Increase £	Decrease £
		1934	1933		
		£	£		
+ 20,730	Customs	393,179	410,025	-	16,846
+ 1,353	Excise	12,754	12,486	268	-
+ 22,083	Total.	405,933	422,511	-	16,578.

10. Returns of Customs revenue to date are as follows:-

	1934	1933	Increase	Decrease
	£	£	£	£
Jan.-June	298,906	305,822	-	6,916
July	52,142	56,363	-	4,221
August	42,131	47,840	-	5,709
September	44,000 ^x	45,562	-	1,562
October	47,955 ^x	58,591	9,364	-
Total for ten months.	£485,134^x	494,178	-	9,044

^x Estimated.

11. Exports of domestic produce for the nine months ending the 30th September were valued as follows:-

	1934	1933	Increase	Decrease
	£	£	£	£
Kenya Produce (approx.)	1,395,682	1,767,109	-	371,427
Uganda Produce (approx.)	3,390,627	3,239,035	151,592	-
	£4,786,309	5,006,144	-	219,835

12. In commenting on the position as at the end of October, the Commissioner of Customs writes as follows:-

"So far as Kenya import duty receipts are concerned the revised estimate of £600,000 must be regarded as a maximum figure which may not be realized in the event of import business being dislocated on account of the probable discontinuation of the Package Tax. Uganda receipts, however, will not be greatly affected on this account.

"Kenya export figures show no signs of improvement and it seems probable that, for the first time since 1923, the total for the year will fall short of the £2,000,000 mark."

13. Licences, Duties, Taxes, etc.

The following table shows the principal items under
this Head of Revenue:-

REVISED Estimates for full year ex- ceed (+) or fall short of (-) 1933 Revenue by:- £	Item.	Jan: to August		Increase £	Decrease £
		1934 £	1933 £		
- 648	Game Licences	5,246	5,935		689
- 725	Liquor Licences	7,993	8,751		758
+ 408	Miscellaneous Licences	3,983	3,587	396	
- 696	Registration of Documents	2,069	2,685		616
+ 657	Traffic Ordinances	44,134	43,290	844	
- 3,481	Stamp Duties	33,288	28,326	4,962	
- 8,746	Native Hut and Poll Tax	303,702	351,736		48,034
+ 1,757	Non-Native Poll Tax	61,785	30,897	30,888	
- 1,128	Fines and Forfeitu- res	10,396	9,271	1,125	
- 6,610	Estate Duty	7,245	12,147		4,902
+ 6,651	Trade etc., Licences	31,678	18,770	12,908	
- 4,948	Petrol Tax	39,732	33,218	6,514	
- 8,320	Package Tax	6,012	-	6,012	
+ 191	European Education Tax	10,423	9,589	834	
- 828	Asiatic Education Tax	10,518	9,192	1,326	
- 2,677	Levy on Salaries	31,253	35,751		4,498
- 603	Entertainment Tax	3,709	2,872	837	
+ 645	All other items.	9,548	9,202	346	
- 11,511		622,714	615,219	66,992	59,497

Net Increase 27,495

Native Hut
and Poll
Tax.

14. Native Hut and Poll Tax revenue for the first eight months compares as follows with the corresponding figures for 1933:-

Revised estimate for 1934 exceeds (+) or falls short of (-) 1933 Revenue by:- £	Province or District.	Jan: to August		Increase	Decrease
		1934	1933		
		£	£	£	£
- 3,345	Nyanza	132,106	147,378		15,272
- 163	Rift Valley	22,573	18,746	3,827	
+ 109	Central	130,367	151,090		20,723
- 3,368	Coast	8,847	20,109		11,262
+ 3,407	Turkana	3,730	2,707	1,023	
- 4,412	Masai	1,350	7,759		6,409
- 974	Northern Frontier	4,729	3,947	782	
-£ 8,746		303,702	351,736	5,632	53,666

Net Decrease £48,034.

15. As a result of investigations carried out by the Chief Native Commissioner, a second revision has been made of the estimates of revenue from Native Hut and Poll Tax leading to a reduction of £20,000 as compared with the first revised estimates. The second revised estimates are as shown in the following table:-

First Revised Estimates 1934	Province or District.	Actual Collections Jan: - Aug.	Estimated Collections Sept:-Dec.	Second Revised Estimates 1934	Second Rev. Est. exceeds (+) or falls short of (-) First Rev. Est. by:-
£		£	£	£	£
227,500	Nyanza	132,106	82,894	215,000	- 12,500
38,688	Rift Valley	22,573	17,705	40,278	- 1,590
227,484	Central	130,367	92,691	223,058	- 4,426
36,158	Coast	8,847	25,335	34,182	- 1,976
6,650	Turkana	3,730	1,720	5,450	- 1,200
6,965	Masai	1,350	3,527	4,877	- 2,088
5,600	Northern Frontier	4,729	1,471	6,200	+ 600
£ 549,045	Total:-	303,702	225,343	529,045	- 20,000

Revised
Estimates
of Revenue.

16. The revised estimates of revenue under all other items have been reviewed in the light of the returns to the end of August, which do not disclose any cause for amendment in the total estimate of revenue sufficient to warrant further detailed revision. Taking into account the alterations made in paragraph 16 of Financial Appropriation No. 6 and in the preceding paragraph of this Appropriation the Revised Estimates of Revenue for 1934 now stand at a figure of £3,157,595 as follows:-

Head.	Actual Collection Jan: - Aug. 1934. £	Estimated Collection Sept: - Dec. 1934. £	Revised Estimates 1934. £
I. Customs and Excise	405,933	216,567	622,500
II. Licenses, Duties, Taxes, etc.	622,714	309,266	931,980
III. Fees etc.	73,962	35,365	109,327
IV. Posts and Telegraphs	119,900	54,144	174,044
V. Earnings of Government Departments.	49,641	22,992	72,633
VI. Revenue from Government Property etc.	46,021	13,048	79,069
VII. Sale of Government Property	12,007	6,492	18,499
VIII. Miscellaneous Receipts	6,441	16,705	23,146
IX. Forest Department Revenue.	18,400	9,100	27,500
X. Interest	14,995	19,169	34,164
XI. Reimbursements	733,252	306,434	1,039,686
	<u>£2,123,266</u>	<u>1,009,282</u>	<u>3,132,548</u>
XII. Land Sales	13,550	3,443	16,993
XIII. Colonial Development Fund.	4,100	3,954	8,054
Total:-	<u>£2,140,916</u>	<u>1,016,679</u>	<u>3,157,595</u>

Expenditure.

17. In the following table the expenditure for the first eight months of 1934 is compared with the expenditure for the first eight months of 1933:-

	1934. £	1933. £	Increase. £	Decrease. £
January	388,685.	395,786.	-	7,103.
February	182,587.	169,040.	13,547.	-
March	349,091.	351,404.	-	2,313.
April	177,627.	186,778.	10,849.	-
May	277,998.	270,757.	7,241.	-
June	175,105.	177,741.	-	4,636.
July	426,941.	408,917.	20,024.	-
August	181,081.	186,497.	14,584.	-
Total for eight months.	2,157,115.	2,104,920.	52,195.	-

Special Warrants.

18. Appendix II gives details of Special Warrants approved or applied for between the 15th of October and the 8th of November, 1934. The effect of all Special Warrants to date may be summarized as follows:-

Additional provision made up to 15th October (vide para. 20 of Financial Appreciation No. 6)	£ 55,525.
Special Warrants not covered by savings from 15th October to 8th November, 1934	£ 3,007.
Total additional provision to 8th November, 1934	£ 58,532.
Provision made in Sanctioned Estimates, 1934	£ 3,188,041.
Revised Provision for 1934 divided as follows:-	£ 3,246,573.

Actual Expenditure 1934. £		Sanctioned Estimates. £	Special Warrants. £	Total. £
3,004,833.	Recurrent	3,181,162.	22,216.	3,183,178.
75,802.	Non-Recurrent	23,779.	36,316.	60,095.
£3,168,036.	Total:-	£3,188,041.	58,532.	3,246,573.

Expenditure
Head by
Head.

19. In the following table, the expenditure for the first eight months of 1934 is compared with that for the first eight months of 1933. The left-hand column of the table shows how the revised provision for 1934 compares, under all Heads of Estimates, with the expenditure actually incurred in 1933.

Revised Provision for 1934, exceeds (+) or falls short of (-) 1933 expenditure by: £	Head of Recurrent Expenditure.	Recurrent Expenditure.		Increase or Decrease.	
		Jan. to August, 1934. £	Jan. to August, 1933. £	£	£
- 558.	H.E. The Governor Administration	9,890.	9,507.	183.	-
+ 7,080.	Agriculture	140,194.	141,885.	-	1,691.
+ 5,080.	Audit	81,535.	80,605.	928.	-
+ 462.	Coast Agency	13,191.	12,909.	282.	-
+ 265.	Conference of East African Governors	3,249.	3,572.	-	323.
- 1,648.	Customs	597.	1,160.	-	563.
+ 1,995.	Education	30,510.	29,821.	689.	-
+ 12,509.	Forest	106,425.	102,564.	2,861.	-
+ 1,508.	Game	20,017.	20,248.	-	231.
- 215.	Income Tax Administration	5,921.	5,551.	370.	-
- 1,074.	Interest	-	986.	-	986.
+ 2,256.	Judicial	2,157.	486.	1,671.	-
+ 1,274.	Legal	21,007.	19,673.	1,334.	-
+ 189.	Local Government	5,705.	5,243.	462.	-
- 2,229.	Surveys, etc.	-	-	-	-
+ 1,875.	Local Government Contributions	22,594.	25,188.	-	2,594.
+ 5,635.	Medical	53,256.	45,046.	8,210.	-
+ 9,816.	Military	134,858.	132,511.	2,347.	-
+ 2,625.	Mining and Geological Department	81,805.	83,628.	-	1,823.
+ 4,384.	Miscellaneous Services	6,080.	4,372.	1,708.	-
- 6,545.	Pensions and Gratuities	32,741.	34,596.	-	1,855.
+ 4,389.	Police	155,990.	124,577.	9,413.	-
+ 519.	Post Office and Telegraphs	85,674.	85,176.	-	1,502.
+ 1,587.	Printing and Stationery	136,365.	136,851.	-	486.
+ 2,276.	Prisons	20,034.	18,751.	1,303.	-
+ 30,758.	Public Debt Funded	34,528.	30,067.	4,461.	-
+ 4,049.	Public Works Department	754,998.	724,246.	30,752.	-
- 755.	Public Works Department - Recurrent	54,849.	54,087.	762.	-
+ 604.	Registrar General	74,247.	74,314.	635.	-
		3,751.	3,522.	229.	-

Carried Forward: 2,087,665 2,011,102. 68,568. 12,034.

Recurrent Expenditure (Contd.)

Revised Provision for 1934 exceeds (+) or falls short of (-) 1933 expenditure by:-	Head of Recurrent Expenditure.	Jan. to	Jan. to	Increase	Decrease
		August, 1934.	August, 1933.		
£	£	£	£	£	£
-	Brought Forward:-	2,037,686.	2,011,102.	68,598.	12,034.
-	Rents, etc. to Zanzibar	12,000.	2,000.	-	-
+ 7,176.	Secretary, etc.	16,137.	10,526.	5,611.	-
- 7,641.	Statistical Dept.	8,485.	13,594.	-	5,109.
+ 1,957.	Trade and Information Office	2,981.	2,096.	1,885.	-
+ 5,426.	Treasury	18,355.	14,844.	3,511.	-
+ 91,645.		2,126,604.	2,033,522.	93,082.	17,113.
	Net Increase:-	£82,442.			
	Non-Recurrent Expenditure.				
1934 Estimate for full year exceeds (+) or falls short of (-) 1933 expenditure by:-	Head of Non-Recurrent Expenditure.				
£					
- 653.	H.E. The Governor Administration	8,162.	743.	7,419.	-
+ 9,511.	Agriculture	3,447.	1,299.	2,148.	-
+ 2,162.	Coast Agency	223.	-	223.	-
+ 250.	Education	-	84.	-	84.
- 84.	Game	50.	-	50.	-
+ 54.	Income Tax Administration	-	59.	-	59.
- 59.	Legal	298.	-	298.	-
+ 318.	Medical	50.	23.	27.	-
+ 575.	Military	172.	357.	-	179.
- 2,487.	Miscellaneous Services	6,084.	26,359.	-	20,275.
- 22,139.	Police	6.	-	6.	-
+ 20.	Post Office and Telegraphs	2,584.	2,533.	48.	-
- 158.	Treasury	-	169.	-	169.
+ 508.	Public Works	4,884.	7,156.	-	2,274.
- 3,739.	Colonial Development Fund	5,549.	2,982.	2,567.	-
+ 3,810.					
- 13,107.		31,509.	41,758.	12,732.	23,031.
	Net Decrease:-	£10,249.			
+ 91,645.	Total Recurrent Expenditure	2,126,604.	2,063,162.	63,442.	-
- 13,107.	Total Non-Recurrent Expenditure	31,509.	41,758.	-	10,249.
+ 78,538.	Total Expenditure	2,157,113.	2,104,920.	52,193.	-
	Net Increase:-	£52,193.			

Main increases.

20. The table for recurrent expenditure shows that the net increase in actual expenditure over the first eight months of the year exceeds the corresponding figure for 1933 by £82,442, the principal increases being:-

Public Debt Funded	£ 30,762.
Pensions and Gratuities	9,413.
Local Government Contributions Secretariat and Legislative Council	8,210.
Prisons	5,611.
Treasury	4,461.
Education Department	3,491.
Medical Department	2,861.
	2,347.

Public Debt Funded.

21. This increase covers the whole of the budgeted increase in respect of loan charges on the 1933 Loan and the first half-yearly sinking fund instalment of £17,000 for the 1930 Loan, paid in July, 1934.

Pensions and Gratuities.

22. The position in regard to this Head is as follows:-

Item.	Expenditure for first eight months.		Last four months.		Total.	
	1934.	1933.	Provision	Actual	Provision	Actual
	£	£	1934.	Expenditure	1934.	Expenditure
			1933.			1933.
			£	£	£	£
1. Pensions and Gratuities	104,888.	96,382.	50,912.	48,605.	155,800.	144,985.
2. Commuted Pensions	26,770.	25,945.	430.	12,177.	27,200.	45,122.
3. Widows' and Orphans' Pension Scheme	2,332.	2,250.	1,188.	688.	3,500.	2,936.
Total:-	133,990.	124,577.	52,510.	68,468.	186,500.	193,045.

23. As stated in paragraph 31 of Financial Appreciation No. 5 of 1934, additional provision will be required to meet charges in respect of commuted pensions but the submission of a further Special Warrant is being delayed until later in the year when the total amount involved can be more accurately gauged. Up to the end of October the known excess over present provision in respect of commuted pensions amounted to £5,170. An excess, at present estimated at £1,888, is also tentatively anticipated in respect of pensions and gratuities.

24. As stated in paragraph 2, a payment of £7,000 was made to the Nairobi Municipality on account of Traffic Revenue in August, 1934, the corresponding payment last year having been made in November.

25. There is nothing to add to the information regarding the other Heads concerned given in paragraphs 33 to 37 of Financial Appreciation No. 5.

Revised
Estimates
of
Expenditure.

26. Consideration of the figures of actual expenditure for the first eight months of the year tends to show that in 1934 as in previous years savings will accrue on sanctioned votes in excess of those estimated by Departments. The extent of these savings can only be guessed at and allowance must also be made for minor excesses on votes and further provision that may become necessary during the last two months of the year, but, as it is important in reviewing the financial position at this stage in the year to take such factors into consideration in order to arrive at a figure for the estimated surplus or deficit for inclusion in the volume of Draft Estimates for the ensuing year, a tentative figure for such net savings has been worked out. This amounts to £15,000, a figure which is in no sense final, but which, on analysis of the figures for the first eight months of the year, appears reasonable in

default of unforeseen circumstances. Taking this figure into account, the expenditure position for 1934 as at present estimated is as follows:-

Original Expenditure Estimate	£3,188,041.
Special Warrants not covered by savings	<u>58,582.</u>
Revised provision for 1934	£3,246,573.
Add additional commitments in respect of pensions and commuted pensions	<u>7,058.</u>
	£3,253,631.

Deduct:-

Departmental estimate of savings..... £26,500.

Tentative estimate of further net savings.. £15,000.

£ 41,500.

Revised estimate of Expenditure, 1934..... £ 3,212,131.

27. Summary of 1934 Position.

Revised estimate of revenue (para.16) £ 3,157,695.

Revised estimate of expenditure (para.26) £ 3,212,151.

Revised estimated deficit..... £ 54,536.

Nairobi,

10th November, 1934.

G. WALSH,

TREASURER.

STATEMENT OF SURPLUS BALANCES ON THE 31ST AUGUST, 1954.

			£.	s.	cts.
Surplus	£189,297. 13. 95.	Working Balance	£100,000.		
		Unallocated Stores	95,000.	51,410.	8. 91.
		Civil Servants' Housing Scheme.....	44,000.	21,583.	17. 80.
		Central Agricultural Advances Board.....	100,000.	106,449.	14. 25.
		Loan to Maize Industry}		111,459.	19. 95.
		Loan to Wheat Industry}	117,000.	4,204.	9. 80.
		Loan to Barley Industry}		425.	9. 06.
				<u>296,533.</u>	<u>19. 26.</u>
		Deduct Cash Shortage		<u>106,236.</u>	<u>5. 33.</u>
	<u>£189,297. 13. 95.</u>			<u>£189,297. 13. 95.</u>	
		Loan Funds, Unspent Balances		£818,194.	2. 77.
		Less Cash lent to the Joint Colonial Fund.....		<u>227,000.</u>	<u>0. 00.</u>
		Loan Cash on hand.....		<u>£891,194.</u>	<u>2. 77.</u>
Gross Cash	£370,592. 19. 17.				
Less excess of Cash Deposits over Advances	85,455. 1. 73.				
	<u>£285,137. 17. 44.</u>				
Loan Cash	<u>391,194. 2. 77.</u>				
Cash Shortage	<u>£106,236. 5. 33.</u>				

APPENDIX II.

List of 1934 Special Warrants approved or applied for since the preparation of Financial Appreciation No. 6 of 1934.

Recurrent Heads.	Wt. No.	Covered by Savings	Not Covered by Savings.	Remarks.
Agricultural Department Non-Native Services Administrative and general Grants to Kenya. Agricultural Society.	118.		250	Supplementary grant of a sum equal to the amounts received by the Society in subscriptions in 1934 over that received in 1933.
Division of Plant Industry Passages.	127	150		Alterations in leave movements, new appointments.
Native Services Division of Plant Industry. Expenses of Demonstration Plots.	126	63		Rent of land for Kibaraní Experiment Station and Seed farm.
Audit Department Passages	116	86		1 new appointment and 1 retirement.
Judicial Department Passages	111	150		Transfers
Local Transport and Travelling	112	300		Greater number of Sessions etc.
Medical Department Non-Native Services Medical and nursing attendance on Government Officials and others by Private Practitioners etc.	121		200	Heavy demands on vote.
Grants to Private Hospitals	122	150	50	Unforeseen debts in respect of indigent patients.
Native Services Medical & Surgical Stores Equipment, etc.	113		400	Replacement of stocks of Quinine for sale to public.
Military. Defence Force Local Transport and Travelling	110	130		Centralization of K.D.F. Rifles.
Mining & Geological Dept. Passages	114	120		An officer proceeding on leave prior to retirement.
C/Pd.		1,149	900	

(Appendix II contd.)

Recurrent Heads.	Wt. No.	Covered by Savings	Not Covered by Savings	Remarks.
B/Fd.		1,149	900	
Miscellaneous Services Commission & Fees to Bombay Agents	115	500		Increased number of pension payments etc.
Grant to Imperial Institute	119		300	Additional Grant.
Repatriation	115	250		Under-estimated.
Printing & Stationery Stationery, Books, etc.	120	50		Larger demands for printing than anticipated.
Electric Power	129	45		
Postage on Official Gazettes	129	8		Under-estimated.
Prisons Prisoners' & Detainees' Food	128		1,000	Increase in Prison and detention camp population.
Treasury Passages	117	35		Under-estimated.
Total Recurrent		2,037	2,200	
<u>Non-Recurrent Heads.</u>				
Miscellaneous Services - Extraordinary. Compensation for shortage of Farm Area	123		609	Compensation for shortage in area of a farm.
Compensation for Injury.	124		13	Unforeseen.
Public Works Extraordinary Miscellaneous	125		25	
Town Plots, Roads and Drains	109		160	Construction of Drains in Thika Township.
Total Non-Recurrent			807	
Grand Total		2,037	3,007	

3⁸²
1
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

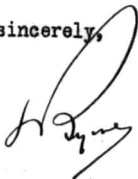
2nd November, 1934.

My dear Bottomley,

Herewith Financial Appreciation No.6 of 1934.

I was very pleased to hear from one of your recent letters that these Appreciations are of value to you.

Yours sincerely,



SIR W. C. BOTTOMLEY, K.C.M.G., C.B., O.B.E.,
COLONIAL OFFICE,
DOWNING STREET, S.W.1.
L O N D O N.

FINANCIAL APPRECIATION NO. 6 OF 1934
COVERING THE PERIOD ENDING
THE 31st JULY, 1934.

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FINANCIAL APPRECIATION NO. 6 OF 1934,
COVERING THE PERIOD ENDING THE 31st JULY, 1934.

July figures.

1. The revenue for July 1934 was £ 412,715
The expenditure for July 1934 was £ 426,941
There was therefore a deficit on the month of £ 14,226.

Loan charges.

2. A deficit in the July accounts has been experienced every year since 1931. The second half yearly payments of loan charges on the 1927 and 1930 loans are made in July of each year. The charges on the 1927 loan are reimbursed by the Transport Administration but the 1930 loan throws a net half yearly charge of £50,263 on the Colony for interest and in July 1934 the first contribution towards the sinking fund for this loan fell due entailing a net payment by the Colony of £11,170 viz., a gross payment of £17,000 against a reimbursement of £5,830 from the Kenya and Uganda Railways and Harbours.

Previous years.

3. July deficits for recent years have been as follows:-

1931	£ 6,183
1932	£35,726
1933	£ 3,277
1934	£14,226

Cash position.

4. At the end of July, the Colony's Surplus Balances stood at a figure of £201,630 as compared with £261,732 and £222,442 at the corresponding dates in 1933 and 1932 respectively. The composition of these Surplus Balances, as shown in Appendix I to this Appreciation, indicates a

cash shortage of £95,411. This figure was £9,602 more than the excess of deposits over advances and it was necessary to have recourse to loan funds to that extent to meet the shortage.

Surplus and Deficit Account.

5. Revenue and expenditure for the first seven months of the year are compared in the following table. 1933 figures are shown in the left-hand columns.

Surplus
Balances
at end of
month.

Surplus Balance as at 31st December, 1933. £205,495.

1933			1934			
Revenue £	Expenditure £	Surplus or Deficit £		Revenue £	Expenditure £	Surplus or Deficit. £
403,086	395,786	+ 7,300	Jan.	404,028	388,683	+15,345
174,176	169,040	+ 5,136	Feb.	155,496	182,587	-27,091
327,733	351,404	- 23,671	Mar.	326,699	349,091	-22,392
157,337	166,778	- 9,441	Apr.	171,040	177,627	- 6,587
261,798	270,757	- 8,959	May	255,479	277,998	-22,519
220,351	177,741	+ 42,610	June	246,710	173,105	+73,605
403,640	406,917	- 3,277	July	412,715	426,941	-14,226
						220,840.
						193,749
						171,357
						164,770
						142,251
						215,856
						201,630

During the first seven months of 1934 actual expenditure exceeded actual revenue by £3,865.

Revenue.

6. In the following table the revenue for the first seven months of 1934 is compared with the revenue for the first seven months of 1933:-

-3-

	<u>1934</u>	<u>1933</u>	<u>Increase.</u>	<u>Decrease</u>
	£	£	£	£
<u>January</u>	404,028	403,086	942	-
<u>February</u>	155,496	174,176	-	18,680.
<u>March</u>	326,699	327,733	-	1,034.
<u>April</u>	171,040	157,337	13,703	-
<u>May</u>	255,479	261,798	-	6,319.
<u>June</u>	246,710	220,351	26,359	-
<u>July</u>	412,715	403,640	9,075	-
<u>Total for seven months:-</u>	£1,972,167	1,948,121	24,046	-

7. There was a net increase of £9,075 in the July revenue as compared with 1933. The items mainly responsible for this increase are the reimbursement of £5,830 in respect of sinking fund charges on the 1930 loan to which reference has been made above, an increase of £8,100 in Non-Native Poll Tax collections and an increase of £1,876 in respect of Estate Duty. On the other hand, Customs and Excise revenue showed a decrease of £3,926 and Native Hut and Poll Tax revenue a decrease of £7,813.

8. Head by Head the revenue for the first seven months of 1934 compares as follows with that for the first seven months of 1933:-

Revenue for
first seven
months.

-4-

Second Revised Estimate for full year exceeds (+) or falls short of (-) 1933 Revenue by. £	Head of Revenue	Jan:to July, 1934 £	Jan:to July, 1933 £	Increase £	Decrease £
+ 37,083	Customs & Excise	362,581	373,437		10,856
+ 11,511	Licences, Duties, Taxes etc.	545,390	539,035	6,355	
- 7,939	Fees etc.	65,778	72,585		6,807
+ 4,020	Posts & Telegraphs	107,408	105,752	1,656	
+ 4,982	Earnings of Government Departments.	43,841	38,119	5,722	
+ 661	Revenue from Government Property etc.	62,561	58,786	3,775	
+ 1,157	Sale of Government Property.	10,651	7,397	3,254	
- 366	Miscellaneous Receipts.	7,035	5,479	1,556	
+ 2,342	Forest Department Revenue.	16,071	13,914	2,157	
+ 2,787	Interest.	14,674	13,475	1,199	
+ 1,851	Reimbursements.	718,880	707,952	10,928	
		1,954,870	1,935,931		
+ 2,734	Land Sales.	13,197	9,440	3,757	
+ 2,625	Colonial Development Fund.	4,100	2,750	1,350	
<u>+263,446</u>		1,972,167	1,948,121	41,709	17,663

Net Increase £.24,046.

9. Customs and Excise.

Revised Estimate exceeds (+) or falls short of (-) 1933 revenue by:- £	Item	January to July		Increase £	Decrease £
		1934. £	1933 £		
+ 35,730	Customs	351,048	362,185	-	11,137
+ 1,555	Excise	11,533	11,252	281	-
<u>£+ 37,083</u>	Total:-	362,581	373,437	-	10,856

10. Returns of Customs revenue to date are as follows:-

	1934	1933	Increase	Decrease.
	£	£	£	£
Jan:-June	298,906	305,822	-	6,916
July	52,142	56,363	-	4,221
August	40,000 ^x	47,840	-	7,840
September	41,525 ^x	45,562	-	4,037
Total for nine months	£432,573	455,587	-	23,014

^xEstimated.

11. Exports of domestic produce for the eight months ending the 31st August were valued as follows:-

	1934	1933	Increase	Decrease
	£	£	£	£
Kenya Produce (approx.)	1,282,512	1,591,324	-	308,812
Uganda Produce (approx.)	3,278,800	3,140,281	138,519	
	£4,561,312	4,731,605	-	170,293

12. In commenting on the position as at the end of September, the Commissioner of Customs writes as follows:-

"The combined revenue collections for the month of September reflect an increase of some £5,000 on the corresponding month of last year and pooled receipts to date are about £45,000 better than the January-September figure for 1933.

Duty collections to Uganda are still being maintained at the higher level noted during the earlier months of the year and with every indication that trading conditions will be satisfactory during the next cotton season, it may be anticipated that Uganda's Customs revenue for the present financial year will exceed the sanctioned estimate of £315,000 by about £25,000.

On the other hand the latest figures included in the foregoing statements reflect no improvement in the Kenya revenue position, and despite the fact that the general tone of import business is encouraging, the hope that most of the lost ground will be recovered during the latter months of the year must now be abandoned. Assuming that collections during the next three months follow a normal trend, Customs import duty revenue for the year will be about £600,000 and I suggest that the revised estimate now be brought down to that figure."

13. In accordance with the opinion expressed by the Commissioner of Customs I consider that the Customs import duty revenue estimate for 1934 should be reduced to £600,000, a figure which, with £2,500 estimated from Sundries and £20,000 from Excise, will reduce the total estimated revenue under the Head Customs and Excise to £622,500 or £22,083 more than the actual revenue for 1933.

14. Licences, Duties, Taxes, etc.

The following table shows the principal items under this Head of Revenue:-

Second Revised Estimates for full year exceeds(+)or falls short of (-)1933 Revenue By: £	Item	Jan:to July, 1934 £	Jan:to July, 1933 £	Increase £	Decrease £
- 648	Game Licences	5,004	5,481		477
- 725	Liquor Licences	7,937	8,634		697
+ 408	Miscellaneous Licences	3,861	3,472	389	
- 695	Registration of Documents	1,817	2,420		603
+ 657	Traffic Ordin- ance	42,330	41,790	540	
+ 3,481	Stamp Duties	26,817	24,396	2,421	
- 8,746	Native Hut and Poll Tax	249,700	293,818		44,118
+ 1,757	Non-Native Poll Tax	60,403	30,445	29,958	
+ 1,128	Fines and For- feitures.	9,067	8,144	923	
- 6,610	Estate Duty	6,843	11,419		4,576
+ 6,651	Trade etc., Licences.	31,194	18,535	12,659	
+ 6,948	Patrol Tax	35,497	29,725	5,772	
+ 8,320	Prokage Tax	5,443	-	5,443	
+ 191	European Educa- tion Tax.	10,251	9,514	737	
+ 823	Asiatic Educa- tion Tax.	10,347	9,084	1,263	
- 2,477	Levy on Salaries	26,728	31,312		4,584
+ 603	Entertainment Tax.	3,192	2,466	726	
+ 644	All other items	8,959	8,380	579	
421,510		545,390	539,035	61,410	55,055

Net Increase £ 6,355

15. Native Hut and Poll Tax revenue for the first seven months compares as follows with the corresponding figures for 1933:-

Revised Estimate for 1934 exceeds (+) or falls short of (-) 1933 Revenue by:- £	Province or District.	January to July		Increase £	Decrease. £
		1934 £	1933. £		
- 3,345	Nyanza	116,172	124,239		8,067
- 163	Rift Valley	18,071	14,322	3,749	
+ 109	Central	100,590	127,198		26,608
- 3,368	Coast	7,273	16,556		9,283
+ 3,407	Turkana	2,697	2,401	296	
- 4,412	Masai	1,114	5,894		4,780
- 974	Northern Frontier.	3,783	3,208	575	
- 8,746		249,700	293,818	4,620	48,738

Net Decrease £ 44,118.

16. The position with regard to the prospects of collection of the amended total of 2549,045 under the Head of Native Hut and Poll Tax remains somewhat obscure and is still being investigated by the Chief Native Commissioner who proposes to proceed on a rapid visit of inspection at the end of the present month. On his return a clearer indication will be possible and his conclusions will be incorporated in the next Appropriation.

17. With two exceptions the other Heads of Revenue call for no comment and no further detailed revision of estimates is being incorporated in this Appropriation.

The two exceptions are:-

(a) Land Sales. Later information indicates that certain specified payments expected during 1934 will not be made this year. The Commissioner of Local Government Lands and Settlement has therefore reduced the estimate of revenue under this Head by £4,517.

(b) Miscellaneous Receipts. Adjustments in respect of appreciations and depreciations of investments held on behalf of the Stamp Duty Reserve Fund and the allocation of loan interest charges on the money standing in this Fund as between the Colony and the Railways and Harbours Administration, with retrospective effect to the beginning of 1931, result in a sum of £12,170 accruing to the Colony's revenue against payments totalling £11,927 to the Transport Administration. This latter figure includes £9,482 in respect of net appreciation of investments and a Special Warrant for this amount under the Head Miscellaneous Services Extraordinary has been submitted. The balance of £2,645 represents the estimated interest allocation up to the end of 1934 and necessitates a Special Warrant of £2,000 under the Head Interest.

Revised Revenue position.

18. The revenue position for 1934 as at present estimated may therefore be expressed as follows:-

Second Revised Estimate	£ 3,184,942
(Appreciation No. 5)	
Add Miscellaneous Receipts	12,170
(Paragraph 17(b))	
	<hr/>
	£ 3,197,112
Loss:	
Estimated reduction in Customs revenue estimate	£15,000
Estimated reduction in Land Sales revenue estimate	4,517
	<hr/>
	19,517
Revised Estimate of Revenue, 1934	<hr/>
	£3,177,595

Expenditure.

19. In the following table the expenditure for the first seven months of 1934 is compared with the expenditure for the first seven months of 1933:-

	1934. £	1933 £	Increase £	Decrease. £
January	388,683	395,786	-	7,103
February	182,587	169,040	13,547	-
March	349,091	351,404	-	2,313
April	177,627	166,778	10,849	-
May	277,998	270,757	7,241	-
June	173,105	177,741	-	4,636
July	426,941	406,917	20,024	-
Total for Seven months.	1,976,032	1,938,423	37,609	-

Special
Warrants.

20. Appendix II gives details of Special Warrants approved or applied for between the 15th of September and the 15th of October, 1934. The effect of all Special Warrants to date may be summarized as follows:-

Additional provision made up to 15th September (vide para. 27 of Financial Appreciation No. 5)	£ 43,893
Special Warrants not covered by savings from 15th September to 15th October, 1934.	11,632
Total additional provision to 15th October, 1934.	£ 55,525
Provision made in Sanctioned Estimates, 1934	<u>£5,188,041</u>
Revised Provision for 1934 divided as follows:-	<u>£3,243,566</u>

Actual Expenditure 1933. £		Sanctioned Estimates. £	Special Warrants £	Total £
3,094,833	Recurrent	3,164,262	20,016	3,184,278
73,202	Non-Recurrent	23,779	35,509	59,288
£3,168,035	Total:-	£3,188,041.	55,525	3,243,566

Expenditure
Head by
Head.

21. In the following table, the expenditure for the first seven months of 1934 is compared with that for the first seven months of 1933. The left hand column of the table shows how the revised provision for 1934 compares, under all Heads of Estimates, with the expenditure actually incurred in 1933.

Recurrent Expenditure.

Revised Provision for 1934 exceeds (+) or falls short of (-) 1933 expenditure by:- £	Head of Recurrent Expenditure.	Jan to July		Increase £	Decrease £
		1934 £	1933. £		
- 338	H.E.The Governor Administration	8,378	8,092	286	
+7,080	Agriculture	123,392	124,341		949
+4,850	Audit	71,485	70,543	940	
+ 462	Coast Agency	11,510	11,325	185	
+ 265	Conference of East African Governors.	2,859	3,167		308
- 1,648	Customs	500	1,166		666
+1,993	Education	26,748	26,140	608	
+12,309	Forest	91,568	88,514	3,054	
+1,306	Game	17,849	17,674	175	
- 215	Income Tax Administration.	5,262	4,850	412	
- 1,074	Interest	-	982	-	982
+2,256	Judicial	2,157	570	1,587	
+1,274	Legal	18,758	17,354	1,404	
+ 199	Local Government, Minors Survey Etc.,	5,052	4,638	414	
- 2,229	Local Government Contributions	25,139	25,806		667
+1,875	Medical	37,197	37,417		220
+2,983	Military	119,535	116,793	2,742	
+9,816	Mining & Geological Department	71,940	73,192		1,252
+2,625	Miscellaneous Services	-	-		
+4,084	Pensions & Gratuities	29,474	31,916		2,442
- 6,545	Police	121,467	110,141	11,326	
+4,389	Post Office and Telegraphs	72,910	74,508		1,598
+ 319	Printing and Stationery	119,733	119,879		146
+ 587	Prisons	18,092	16,816	1,276	
+2,276	Public Debt Funded	30,647	26,616	4,031	
+30,758	Public Works Department	748,122	724,246	23,876	
+3,049	Public Works Department Recurrent	48,003	47,369	634	
- 755	Registrar General	66,325	64,463	1,862	
+ 604		3,234	3,123	111	
	C/F	1,897,334	1,851,641	45,693	9,230

Recurrent Expenditure (contd.)

Revised Provision for 1934 exceeds (+) or falls short of (-) 1933 Expenditure by:-	Head of Recurrent Expenditure.	Jan. to	Jan. to	Increase	Decrease
		July 1934	July 1933	£	£
		£	£		
	B. Fd.	1,897,334.	1,851,641.	54,923.	9,230.
	Rents, etc. to Zanzibar	12,000.	12,000.	-	-
+ 7,176.	Secretariat etc.	13,780.	9,348.	4,432.	-
- 7,841.	Statistical Dept.	7,452.	12,146.	-	4,694.
+ 1,957.	Trade & Information Office	2,815.	094.	1,821.	-
+ 5,426.	Treasury	16,117.	12,916.	3,231.	-
<u>+ £ 89,445.</u>	Total Recurrent	1,949,528.	1,890,045.	64,407.	13,924.
	Net Increase:-		£50,483.		

Non-Recurrent Expenditure.

1934 Estimate for full year exceeds (+) or falls short (-) of 1933 Expenditure by:- £	Head of Non-Recurrent Expenditure.	£	£	£	£
- 833.	H.E. The Governor				
+ 9,511.	Administration	7,260.	610.	6,650.	-
+ 2,162.	Agriculture	2,679.	1,261.	1,418.	-
+ 250.	Coast Agency	223.	-	223.	-
- 84.	Education	-	84.	-	84.
+ 54.	Game	38.	-	38.	-
- 59.	Income Tax Administration	-	59.	-	59.
+ 318.	Legal	276.	-	276.	-
+ 575.	Medical	50.	25.	25.	-
- 2,487.	Military	158.	351.	-	213.
- 22,786.	Miscellaneous Services	5,978.	25,751.	-	19,773.
+ 20.	Police	6.	-	6.	-
- 158.	Post Office and Telegraphs	1,908.	2,069.	-	161.
- 508.	Treasury		145.	-	145.
- 3,899.	Public Works	3,246.	6,417.	-	3,171.
+ 3,810.	Colonial Development Fund	4,702.	2,606.	2,096.	-
<u>- 15,914.</u>	Total Non-Recurrent	26,504.	39,378.	10,742.	23,836.
	Net Decrease:-		£12,874.		
<u>£ + 89,445.</u>	Total Recurrent Expenditure	1,949,528.	1,890,045.	50,483.	
<u>- 15,914.</u>	Total Non-Recurrent Expenditure	26,504.	39,378.	-	12,874.
<u>+ 75,531.</u>	Total Expenditure:-	1,976,032.	1,938,423.	50,483.	12,874.
	Net Increase:-		£37,609.		

Main increases

22. The table for recurrent expenditure shows that the net increase in actual expenditure over the first seven months of the year exceeds the corresponding figure for 1933 by £50,483, the principal increases being:-

Public Debt Funded	£ 22,873.
Pensions and Gratuities.....	11,323.
Secretariat and Legislative Council.....	4,432.
Prisons.....	4,031.
Treasury	3,231.
Education Department	3,054.
Medical Department	2,742.

Public Debt Funded.

23. This increase is due to the half-yearly charges of £8,878 paid in February on the 1933 Loan and the first half-yearly sinking fund instalment of £17,000 for the 1930 Loan, paid in July, 1934. Full provision was made in Sanctioned Estimates.

Pensions and Gratuities.

24. The position in regard to this Head is as follows:-

Item.	Expenditure for first seven months.		Last five months.		Total.	
	1934.	1933.	Provision 1934.	Actual Expenditure 1933.	Provision 1934.	Actual Expenditure 1933.
	£	£	£	£	£	£
1. Pensions and Gratuities	95,241	-	62,559.	-	155,800.	-
		85,646.	-	59,339.		144,985.
2. Commuted Pensions	26,106	22,393.	1,094.	22,729.	27,200.	45,122.
3. Widows' and Orphans' Pension Scheme	2,120	2,102.	1,380.	836.	3,500.	2,938.
Total:-	121,467	110,141.	65,035.	82,904.	186,500.	193,045.

25. As stated in paragraph 31 of Financial Appreciation No. 5 of 1934, additional provision will be required to meet charges in respect of commuted pensions but the submission of a further Special Warrant is being delayed until later in the year when the total amount involved can be more accurately gauged. Up to the end of September, the known excess over present provision in respect of commuted pensions amounted to £4,342. An excess, at present estimated at £2,045, is also tentatively anticipated in respect of pensions and gratuities.

26. There is nothing to add to the information regarding the other Heads concerned given in paragraphs 33 to 37 of Financial Appreciation No. 5.

Revised Expenditure position.

27. No further information is available as to the extent of departmental savings beyond what is given in paragraph 38 of Financial Appreciation No. 5. The possibility of securing additional savings is not taken into account in the following statement of the expenditure position for 1934 as at present estimated:-

Original Expenditure Estimate	£ 3,188,011
Special Warrants not covered by savings	55,525
	<hr/>
Revised provision for 1934	£ 3,243,566
Add additional commitments in respect of pensions and commuted pensions (say)	6,387
	<hr/>
	£ 3,249,953
Deduct departmental estimate of savings	26,500
	<hr/>
Revised estimate of Expenditure, 1934	£ 3,223,453

28. Summary of 1934 Position.

Revised estimate of Revenue (para.18)	£ 3,177,595
Revised estimate of Expenditure (para.27)	3,223,453
	<hr/>
Revised estimated deficit	£ 45,858

G. WALSH,
TREASURER.

NAIROBI,
25th October, 1934.

STATEMENT OF SURPLUS BALANCES
ON THE 31st JULY 1934.

	£.	s. Cts.		£.	s. Cts.
Surplus	£.201,629.	19. 81	Working Balance	£100,000	
			Unallocated Stores	95,000	52,759. 4. 40
			Civil Servants	44,000	21,742. 7. 94
			Housing Scheme		
			Central Agricultural	100,000	106,449. 14. 25
			Advances Board		
			Loan to Maize Industry		111,459. 19. 95
			Loan to Wheat Industry	117,000	4,204. 9. 30
			Loan to Barley Industry		425. 9. 05
					297,041. 4. 89
			Deduct Cash shortage		95,411. 5. 08
	<hr/> <hr/>	<hr/> <hr/>			<hr/> <hr/>
	£.201,629.	19. 81		£201,629.	19. 81
			Loan Funds, Unspent Balances	2638,767.	18. 27
Gross cash	£.546,165.	16. 64	Less Cash lent to the Joint		
Less excess of cash			Colonial Fund	85,000.	0. 00
Deposits over Advances	85,809.	5. 45			
	<hr/> <hr/>	<hr/> <hr/>	Loan cash on hand	2555,767.	18. 27
Loan cash	£.460,356.	13. 19			
	<hr/> <hr/>	<hr/> <hr/>			
Cash Shortage	£. 95,411.	5. 08			
	<hr/> <hr/>	<hr/> <hr/>			

APPENDIX II.

LIST OF 1934 SPECIAL WARRANTS APPROVED OR
APPLIED FOR SINCE THE PREPARATION OF FINANCIAL
APPRECIATION NO. 5 OF 1934.

Recurrent Heads.	Wt. No.	Covered by Savings	Not Covered by Savings.	Remarks.
H.E. the Governor Travelling Allowance	105	25	2	Vote insufficient
Administration Native Affairs Dept. Labour Section Passages	104	47		Passage for Dr. Fisher, invalided.
Education Department Arab Education Local Transport & Travelling	99	15		Vote insufficient.
Interest Interest on Borrowings	93		2,000	
Military - K.A.R., Northern Brigade 3rd, 4th and 5th Battalions Gratuities	100	200		A larger number of men than was anti- cipated are taking their discharge in 1934.
Mining & Geological Depts. Travelling Allowances Telephones	101 101	30 3		Provision insufficient.
Prisons Prisoners' & Detainees' Food	106	500		More Prison and Detention Camp population than anticipated.
Prisoners' and Detainees' Clothing and Bedding	107	300		
Photographs	108	10		Provision insufficient.
Statistical Department Native Registration Section Concealment Fees & Water Rates	98	17		
Treasury Hollerith Materials	95	65		
Total Recurrent.	C/F	2,212	2,000	

Non-Recurrent Heads.	Wt. No.	Covered by Savings	Not Covered by Savings	Remarks.
B/F		1,212	2,000	
Legal Department Extraordinary Oversers Law Expenses	102	49		Costs of Messrs. Burchells, who appeared for the Crown before the Privy Council.
Medical Department Extraordinary Ambulance Lorry - Purchase of.	96	35		
Miscellaneous Services Extraordinary Railway share of Stamp Duty Reserve Fund.	94		9,482	
Public Works Extraordinary, Buildings Reconstruction of Minors Office, Kerkmogh. Miscellaneous Minor Works.	103 97	150 48	150	Converting an existing building into residential quarters at Kitle School.
Total Non-Recurrent		282	9,632	
Grand Total		1,494	11,632	

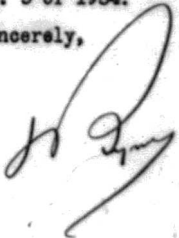
101
23
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

7th October, 1934.

My dear Bottomley,

As promised I send you herewith a copy of
Financial Appreciation No. 5 of 1934.

Yours sincerely,



SIR CECIL BOTTOMLEY, K.C.M.G., C.B., O.B.E.,
COLONIAL OFFICE,
DOWNING STREET, S.W.1.
L O N D O N.

FINANCIAL APPRECIATION NO. 5 OF 1984
COVERING PERIOD
ENDING 30TH JUNE, 1984.

FINANCIAL APPRECIATION (NO. 5 OF 1934),
COVERING THE PERIOD ENDING THE 30TH OF JUNE, 1934.

June figures.

1. The revenue for June, 1934, was £246,710.
The expenditure for June, 1934, was £173,105.
There was therefore a surplus for
the month of £ 73,605..

2. A surplus in the June accounts has been
experienced every year since 1926 with the exception
of 1930. No loan charges fall to be met during
June. June surpluses for previous years have been
as follows:-

1926	.....	£ 7,815.
1927	.....	20,526.
1928	.....	52,577.
1929	.....	26,021.
1930	.....	Deficit £19,100.
1931	.....	20,840.
1932	.....	8,944.
1933	.....	42,610.
1934	.....	73,605.

Cash position.

3. At the end of June, the Colony's Surplus
Balances stood at a figure of £215,856 as compared
with £265,009 and £258,168 at the corresponding dates
in 1933 and 1932 respectively. The composition of
these Surplus Balances, as shown in Appendix I to this
Appreciation, indicates a cash shortage of £81,778.
This figure was £1,460 more than the excess of deposits
over advances and it was necessary to have recourse
to loan funds to that extent to meet the shortage.
The cash shortage at the close of each month since
the beginning of 1932 was given in paragraph 4 of
Financial Appreciation No. 4 of 1934. Half-yearly
figures for the past two-and-a-half years have been

as follows:-

End of December, 1931	Excess	437,799.
" " June, 1932	Shortage	69,789.
" " December, 1932	"	57,988.
" " June, 1933	"	35,770.
" " December, 1933	"	66,641.
" " June, 1934	"	81,778.

Surplus and Deficit Account.

4. Revenue and expenditure for the first six months of the year are compared in the following table. 1933 figures are shown in the left-hand columns.

Surplus Balances at end of month.

Surplus Balance as at 31st December, 1933

206,495.

1933			1934			
Revenue	Expenditure	Surplus or Deficit	Revenue	Expenditure	Surplus or Deficit	
£	£	£	£	£	£	
405,086	398,786	+ 7,300	Jan. 404,028	388,685	+15,345.	290,840.
174,178	169,040	+ 5,138	Feb. 186,496	182,587	-27,091	193,749
227,753	261,404	-23,671	Mar. 226,699	249,091	-22,392	171,357
157,537	166,778	- 9,441	Apr. 171,040	177,627	- 6,587	164,770
261,798	270,757	- 8,959	May 268,479	277,998	-22,519	142,251
220,581	177,741	+42,840	June 246,710	175,105	+73,605	216,866

5. During the first six months of 1934 actual revenue exceeded actual expenditure by £10,861.

Revenue.

6. In the following table the revenue for the first six months of 1934 is compared with the revenue for the first six months of 1933:-

	1934.	1933.	Increase.	Decrease.
<u>January</u>	404,028.	403,086.	942.	-
<u>February</u>	155,496.	174,176.	-	18,680.
<u>March</u>	308,699.	327,733.	-	1,034.
<u>April</u>	171,040.	157,337.	13,703.	-
<u>May</u>	255,479.	261,798.	-	6,319.
<u>June</u>	246,710.	240,351.	26,359.	-
<u>Total for six months:-</u>	<u>1,559,452.</u>	<u>1,544,481.</u>	<u>14,971.</u>	<u>-</u>

7. There was a net increase of £26,359 in the June revenue as compared with 1933. This was due to Non-native Poll Tax payments. £36,695 was collected from this tax during the month as against £929 in June, 1933. There was an increase of £2,134 under the Head "Sale of Government Property" due to the ivory sale in May to which reference was made in paragraph 7(3) of Financial Appreciation No. 4, and there were increases of £4,693 under Reimbursements, £2,700 under Colonial Development Fund revenue and £2,550 under Land Sales. But Customs and Excise revenue showed a decrease of £11,443, Native Hut and Poll Tax of £18,420 and Posts and Telegraphs revenue of £4,471 (mainly telephone revenue).

Revenue for first six months.

8. Head by Head the revenue for the first six months of 1934 compares as follows with that for the first six months of 1933. The figures given in the left-hand column of the table are based on the First Revised Estimates of Revenue for 1934 submitted with Financial Appreciation No. 4 with the amendment in respect of Customs and Excise revenue adopted in paragraph 13 of Financial Appreciation No. 4.

First Revised Estimate for 1934 exceeds (+) or falls short of (-) 1933 revenue by:- £	Head of Revenue.	January - June.		Increase	Decrease
		1934.	1933.		
		£	£	£	£
+ 37,083.	Customs and Excise	508,756.	315,686.	-	6,930.
+ 12,711.	Licences, Duties, Taxes, etc.....	431,120.	428,198.	2,922.	-
- 9,783.	Fees, etc.....	56,513.	65,007.	-	6,554.
+ 3,936.	Posts & Telegraphs.	94,835.	98,049.	1,766.	-
+ 2,920.	Earnings of Govt. Departments.....	37,308.	32,487.	4,819.	-
+ 626.	Revenue from Govt. Property and Royalties.....	58,413.	56,577.	2,836.	-
+ 811.	Sale of Govt. Property.....	9,915.	6,516.	3,399.	-
- 242.	Miscellaneous Receipts.....	6,743.	5,040.	1,103.	-
+ 2,342.	Forest Department Revenue.....	13,679.	12,097.	1,582.	-
+ 3,887.	Interest.....	11,947.	10,308.	1,639.	-
+ 5,470.	Reimbursement.....	513,984.	510,303.	3,741.	-
+ 2,734.	Land Sales	12,916.	8,783.	4,133.	-
+ 1,979.	Colonial Development Fund.....	3,355.	2,750.	575.	-
+ 64,504.	Total:-£	1,569,432.	1,511,181.	58,251.	13,124.

Net Increase:- £14,971.

Revenue for first six months.

8. Head by Head the revenue for the first six months of 1934 compares as follows with that for the first six months of 1933. The figures given in the left-hand column of the table are based on the First Revised Estimates of Revenue for 1934 submitted with Financial Appreciation No. 4 with the amendment in respect of Customs and Excise revenue adopted in paragraph 18 of Financial Appreciation No. 4.

First Revised Estimate for 1934 exceeds (+) or falls short of (-) 1933 revenue by:- £	Head of Revenue.	January - June.		Increase	Decrease
		1934. £	1933. £		
+ 37,083.	Customs and Excise	308,756.	316,686.	-	6,930.
+ 12,711.	Licences, Duties, Taxes, etc.....	431,120.	428,198.	2,922.	-
- 9,753.	Fees, etc.....	56,513.	63,067.	-	6,554.
+ 3,930.	Posts & Telegraphs.	34,836.	38,049.	3,213.	-
+ 2,920.	Earnings of Govt. Departments.....	37,508.	32,487.	4,821.	-
+ 626.	Revenue from Govt. Property and Royalties.....	58,413.	55,577.	2,836.	-
+ 811.	Sale of Govt. Property.....	9,915.	6,516.	3,399.	-
- 242.	Miscellaneous Receipts.....	6,743.	5,040.	1,703.	-
+ 2,342.	Forest Department Revenue.....	13,679.	12,097.	1,582.	-
+ 3,887.	Interest.....	11,347.	10,368.	1,579.	-
+ 5,470.	Reimbursement.....	513,984.	510,313.	3,721.	-
+ 2,734.	Land Sales	12,516.	8,783.	4,133.	-
+ 1,079.	Colonial Development Fund.....	3,335.	2,750.	575.	-
+ 54,504.	Total:-£	1,589,452.	1,574,381.	15,071.	13,174.

Net Increase:- £14,971.

9. This table indicates that if the first Revised Estimates of Revenue (as amended in respect of Customs and Excise) are to be achieved, the revenue during the last six months of the year will have to exceed by £49,532 the corresponding figure for 1933, the principal Heads being:-

Customs and Excise	£44,013.
Licences, Duties, Taxes, etc.	£ 9,789.

10. Customs and Excise.

Revised Estimate exceeds (+) or falls short of (-) 1933 revenue by:- £	Item.	January to June		Decrease. £
		1934. £	1933 £	
+ 35,730.	Customs	298,906.	305,822.	6,916.
+ 1,353.	Excise	9,850.	9,864.	14.
£ 37,083.	<u>Total:-</u>	308,756.	315,686.	6,930.

11. Monthly returns of Customs revenue to date

are as follows:-

	1934. £	1933. £	Increase. £	Decrease. £
<u>January</u>	43,156.	49,313.	-	6,157.
<u>February</u>	47,494.	45,263.	2,231.	-
<u>March</u>	50,253.	52,979.	-	2,726.
<u>April</u>	58,182.	43,717.	14,465.	-
<u>May</u>	51,817.	55,311.	-	3,494.
<u>June</u>	47,974.	59,179.	-	11,205.
<u>Total for six months:-</u>	298,906.	305,822.	16,666.	23,582.
<u>July</u>	51,478x	56,363.	-	4,885.
<u>August</u>	44,119x	47,840.	-	3,721.
<u>Total for eight months:-</u>	394,503.	410,025.	16,666.	32,188.

x Estimated.

Estimated net decrease for eight months: £16,522.

12. The domestic exports from Kenya and Uganda during the first seven months of the year were valued at £4,187,106 as against £4,196,643 for 1933 as follows:-

	1934	1933	Increase	Decrease
Kenya Produce (approx.)	£1,143,600.	£1,406,600.		£262,000.
Uganda Produce (approx.)	2,993,506.	2,791,043.	202,463.	-
<u>Combined Totals:-</u>	£ 4,187,106.	4,196,643.	-	59,537.

13. In commenting on the position as at the end of August, the Commissioner of Customs writes as follows:-

"There has been a further depreciation in export trade totals owing to a small aggregate in July shipments, and up to the end of that month Kenya had recorded a loss of £262,000 and Uganda a gain of £202,000 as compared with their corresponding totals for 1933. The net decrease on combined exports was accordingly £60,000.

"The combined import trade for August was not unsatisfactory, approximate duty collections amounting to £72,368. The corresponding figure in 1933 was £67,200 and it should not be overlooked that there were heavy ex-bond clearances during July, in the absence of which a better return for August would have been realised.

"The net benefit accruing to the Kenya revenue from import duty receipts in June and July has, however, proved smaller than was anticipated, allocations to Uganda and Tanganyika Territory being correspondingly larger. How far Kenya will recover the ground lost on account of the drain of transferred stocks during the remaining months of the year cannot be anticipated, and I think it would be unwise to make any further adjustment of the original estimate at the present moment".

14. I am prepared to support this view subject to the reservation that unless figures available to the end of September show a substantial increase in the revenue accruing to Kenya from this source, a further downward revision must be reflected in the next Appreciation.

15. Excise collections for the first six months of the year are as follows:-

1934 Estimate exceeds (+) or falls short of (-) 1933 revenue by:- £		1934. £	1933. £	Increase. £	Decrease. £
+ 749.	Beer.	2,656.	2,569.	87.	-
+ 573.	Sugar.	4,077.	5,210.	-	1,133.
+ 606.	Tea.	2,358.	1,599.	759.	-
- 575.	Tobacco.	759.	486.	273.	-
+ 1,353.	Total:-	9,850.	9,864.	-	14.

16. I see no reason, on present information, to revise the estimate of £20,000 from Excise Duties. The decrease in respect of Sugar excise as compared with 1933 is due to heavy receipts during the first quarter of 1933 which were offset by low receipts during the third quarter of that year. Revenue from this source has been coming in more steadily in 1934 and although August returns are expected to be disappointing, July receipts were good. The estimate of £8,500 should not be far wide of the mark. The estimates in respect of tea and tobacco should be exceeded.

17. Licences, Duties, Taxes, etc. The following table shows the principal items under this Head of Revenue:-

First Revised estimate exceeds (+) or falls short of (-) 1933 revenue by:-	Items.	January - June		Increase	Decrease
		1934.	1933.		
£		£	£	£	£
- 148.	Game Licences	4,897.	5,265.	-	588.
- 726.	Liquor Licences	7,596.	8,456.	-	756.
+ 406.	Miscellaneous Licences	3,794.	3,308.	486.	-
- 695.	Registration of Documents	1,508.	2,060.	-	462.
+ 657.	Traffic Ordinance	32,022.	31,606.	913.	-
+ 3,481.	Stamp Duties	22,203.	20,456.	1,796.	-
- 8,740.	Native Hut and Poll Tax	174,876.	211,163.	-	36,306.
+ 1,767.	Non-Native Poll Tax	61,201.	29,703.	21,666.	-
+ 126.	Fines and Forfeitures	7,668.	6,920.	968.	-
- 6,610.	Estate Duty	4,304.	10,616.	-	6,402.
+ 8,681.	Trade etc Licences	30,463.	18,288.	12,216.	-
+ 6,948.	Petrol Tax	31,442.	26,672.	5,670.	-
+ 9,322.	Package Tax	4,611.	-	4,611.	-
- 309.	European Education Tax	10,001.	9,314.	747.	-
+ 323.	Asiatic Education Tax	10,263.	8,931.	1,222.	-
- 2,677.	Levy on Salaries	22,671.	26,677.	-	4,006.
+ 403.	Entertainment Tax	2,721.	2,369.	552.	-
+ 543.	All other items	7,684.	7,310.	274.	-
+ 12,711.	Total:	431,120.	439,198.	51,511.	48,889.

Net Increase:- 42,922.

18. This table indicates favourable revenue returns in respect of Miscellaneous Licences, Licences under the Traffic Ordinance, Fines and Forfeitures, Petrol Tax, European and Asiatic Education Taxes (receipts under which have exceeded the estimates) and Entertainment Tax. Non-Native Poll Tax revenue is estimated to have amounted to about £62,000 to date and it is expected that the estimated revenue of £66,000 from this source will be attained. Trade, etc. Licence revenue continues to be disappointing and a further downward revision of the estimate to £55,000 seems desirable. The other items of revenue, with the exception of Native Hut and Poll Tax, call for no special comment.

Native Hut
and Poll
Tax.

19. Native hut and Poll Tax revenue for the first six months compares as follows with the corresponding figures for 1933:-

First Revised estimate for 1934 exceeds (+) or falls short of (-) 1933 revenue by:-	Province or District.	January to June		Increase	Decrease
		1934.	1933.		
		£	£	£	£
- 3,345.	Nyanza	96,047.	101,880.	-	5,783.
- 163.	Rift Valley	14,285.	11,558.	2,725.	-
+ 109.	Central	52,266.	73,848.	-	21,582.
- 3,368.	Coast	6,029.	13,886.	-	7,857.
+ 3,407.	Turkana	2,260.	2,260.	-	-
- 4,412.	Massai	976.	5,048.	-	4,072.
- 974.	Northern Frontier	3,017.	2,725.	292.	-
- 8,746.	<u>Total:-</u>	174,876.	211,185.	3,019.	39,324.

Net Decrease:- £3,506.

Second Revised Estimates of Revenue.

20. The estimates of revenue have been examined in detail in the light of actual receipts over the first six months of the year, information affecting certain items relating to July and August receipts, and the general revenue indications for the remainder of the year.

Customs
revenue.

21. As stated in paragraph 14, it is proposed to defer a second revision of these Estimates until further details are available. On present indications it must be admitted that the prospects of realization of the full amount of £817,500 accepted as a first revised Estimate are not hopeful, but the matter of assessment of the Revenue likely to accrue under this head is always an extremely difficult problem, which has been made more than usually complicated by abnormal transfers of goods to Uganda and Tanganyika. Realization of the amended estimate now depends very largely on the volume of importations necessary to replenish stocks held in Kenya and it is for this reason that revision must be delayed until some indication of the intentions of importers in this connection is forthcoming.

Native Hut
and Poll
Tax.

22. The position in regard to the prospects of collection of the total of £549,045 shown in the first revised Revenue Estimates under the head of Native Hut and Poll Tax is also extremely obscure. The reports of Provincial Commissioners warrant considerable apprehension that a further reduction in this Estimate may be necessary, but, until the investigations which the Chief Native Commissioner is undertaking in this connection are concluded, a reasonably firm estimate of final collections cannot be made. In the meanwhile

Government has issued a strongly worded circular impressing upon officers concerned the urgent necessity for a maximum collection.

23. The Second Revised Estimates of Revenue for 1934 are shown Head by Head in the following table, the figures in respect of Customs and Excise and Native Hut and Poll Tax remaining for the moment as in the first Revised Estimates for the reasons given in paragraphs 21-22. They indicate a net decrease of £14,031 as compared with the Original Estimates and of £1,058 as compared with the First Revised Estimates as amended in Financial Appreciation No. 4. The main variations from the Sanctioned Estimates occur under the following items:-

<u>I. Decreases.</u>	£
Native Hut and Poll Tax	22,212.
Customs and Excise	10,000.
Trade and Professional Licences	7,000.
Half interest on Mombasa Town Planning Loans	4,847.
Fees of Court	3,800.
Rents of Lands	2,000.
Stand Premia	1,990.
Forest Department Revenue.....	1,500.
 <u>II. Increases.</u>	
Petrol Tax	13,000.
Estate Duty	6,000.
Sale of Ivory and Confiscated Trophies	4,500.
Mombasa Water Supply	3,000.
Colonial Development Fund	3,268.
Gazette and Printing	2,000.

Famine Relief Donations	1,750.
Traffic revenue	1,500.
Interest from Land bank.....	1,500.
Prison Industries	1,500.

24. Second Revised Estimates of Revenue, 1934.

Head of Estimates.	Sanctioned	Second	Increase.	Decrease.
	Estimates	Revised		
	1934.	Estimates		
	£	£	£	£
I. Customs and Excise	647,500.	637,500.	-	10,000.
II. Licences, Duties, Taxes, etc.	958,482.	951,980.	-	6,502.
III. Fees and Payments for Specific Services	111,515.	109,327.	-	2,188.
IV. Posts and Telegraphs.....	174,096.	174,044.	-	52.
V. Earnings of Govern- ment Departments	65,240.	72,633.	7,393.	-
VI. Revenue from Govern- ment Property and Royalties.....	80,440.	79,069.	-	1,371.
VII. Sale of Government Property.....	13,375.	18,499.	5,124.	-
VIII. Miscellaneous Receipts.....	10,485.	10,976.	491.	-
IX. Forest Department Revenue	29,000.	27,500.	-	1,500.
X. Interest.....	33,864.	34,164.	300.	-
XI. Reimbursements.....	1,026,690.	1,039,686.	-	7,004.
	£ 3,170,687.	3,155,378.	-	-
XII. Land Sales.....	23,500.	21,510.	-	1,990.
XIII. Colonial Development Fund.....	4,786.	8,054.	3,268.	-
TOTAL: -£	3,198,973.	3,184,942.	16,576.	30,607.

Net decrease: - £14,031.

Famine Relief Donations 1,750.
 Traffic revenue 1,500.
 Interest from Land bank..... 1,500.
 Prison Industries 1,500.

24. Second Revised Estimates of Revenue, 1934.

Head of Estimates.	Sanctioned	Second	Increase.	Decrease.
	Estimates 1934.	Revised Estimates 1934.		
	£	£	£	£
I. Customs and Excise	647,500.	637,500.	-	10,000.
II. Licences, Duties, Taxes, etc.	958,482.	951,980.	-	6,502.
III. Fees and Payments for Specific Services	111,515.	109,327.	-	2,188.
IV. Posts and Telegraphs.....	174,096.	174,044.	-	52.
V. Earnings of Govern- ment Departments	65,240.	72,633.	7,393.	-
VI. Revenue from Govern- ment Property and Royalties.....	80,440.	79,069.	-	1,371.
VII. Sale of Government Property.....	13,375.	18,499.	5,124.	-
VIII. Miscellaneous Receipts.....	10,485.	10,976.	491.	-
IX. Forest Department Revenue	29,000.	27,500.	-	1,500.
X. Interest.....	33,864.	34,164.	300.	-
XI. Reimbursements.....	1,045,690.	1,039,686.	-	7,004.
	£ 3,170,687.	3,155,378.	-	-
XII. Land Sales.....	23,500.	21,510.	-	1,990.
XIII. Colonial Development Fund.....	4,786.	8,054.	3,268.	-
TOTAL:-£	3,198,973.	3,184,942.	16,576.	30,807.

Net decrease:- £14,031.

25. Details in support of the above figures are given in the following schedules.

<u>HEAD 11:-</u> Licences, Duties, Taxes, etc.	Actual Revenue 1933.	Sanctioned Estimates 1934.	Actual January 1933.	Revenue to June, 1934.	Second Revised Estimates 1934.
	£	£	£	£	£
1. Native Registration	1,018.	1,075.	539.	589.	1,075.
2. Game Licences	8,648.	8,500.	5,285.	4,697.	8,000.
3. Explosives, etc. Licences.....	2,772.	2,600.	2,068.	2,124.	2,800.
4. Liquor Licences	10,725.	10,000.	8,455.	7,399.	10,000.
5. Miscellaneous Licences.....	4,392.	4,200.	3,808.	3,794.	4,800.
6. Coffee Licences	1,337.	1,300.	339.	411.	1,300.
7. Registration of Documents.....	3,695.	3,200.	2,050.	1,568.	3,200.
8. Traffic Ordinance.....	49,343.	48,500.	31,609.	32,322.	50,000.
9. Stamp Duties....	43,519.	47,000.	20,458.	22,753.	47,000.
10. Cattle Traders'	1,493.	1,600.	1,047.	843.	1,300.
	<u>127,142.</u>	<u>127,375.</u>	<u>75,158.</u>	<u>78,500.</u>	<u>124,475.</u>
11. Native Hut and Poll Tax:-					
Nyansa Province.....	230,845.	227,500.	101,830.	96,047.	227,500.
Rift Valley Province.....	38,851.	36,697.	11,558.	14,283.	36,688.
Central Province.....	227,375.	227,484.	73,848.	52,266.	227,484.
Coast Province.....	39,526.	51,026.	13,886.	6,029.	36,158.
Turkana District.....	3,243.	6,500.	2,290.	2,260.	6,550.
Kessel District.....	11,377.	16,500.	5,043.	976.	6,965.
Northern Frontier District.....	6,574.	6,550.	2,723.	3,017.	5,600.
<u>Total Native Hut and Poll Tax:-</u>	<u>667,791.</u>	<u>671,257.</u>	<u>211,183.</u>	<u>174,878.</u>	<u>549,045.</u>

HEAD II:- Licences, Duties, Taxes, etc. (contd.)	Actual Revenue 1933.	Sanctioned Estimates 1934.	Actual Revenue January to June		Second Revised Estimates 1934.
	₹	₹	1933.	1934.	₹
12. Non-Native Poll Tax.....	64,243.	66,000.	29,703.	51,561.	66,000.
13. Fines and Forfeitures...	13,872.	14,000.	6,920.	7,888.	15,000.
14. Estate Duty.....	19,610.	7,000.	10,816.	4,354.	18,000.
15. Trade, etc. Licences.....	26,349.	40,000.	18,238.	30,453.	33,000.
16. Petrol Tax.....	53,052.	47,000.	25,572.	31,442.	60,000.
17. Cotton Tax.....	656.	900.	552.	686.	1,460.
18. Package Tax.....	678.	10,000.	-	4,611.	9,000.
19. European Education Tax.....	10,309.	10,000.	9,314.	10,061.	10,500.
20. Asiatic Education Tax.....	9,677.	10,000.	8,931.	10,153.	10,300.
21. Levy on Salaries.....	49,177.	46,500.	26,878.	22,871.	46,500.
22. Entertainment Tax	4,597.	4,600.	2,169.	2,721.	5,200.
23. Motor Drivers' Licences.....	2,398.	2,400.	2,124.	2,174.	2,400.
24. Stage Plays, etc.	303.	250.	129.	172.	300.
25. Money-lenders....	615.	600.	510.	585.	600.
Total:-	940,469.	958,482.	428,198.	431,120.	951,980.

HEAD III. Fees and Payments for Specific Services.	Actual	Sanctioned	Actual Revenue		Second
	Revenue 1933. £	Estimates 1934. £	January 1933. £	to June 1934. £	Revised Estimates 1934. £
1. Fees of Court..	18,919.	19,800.	9,978.	7,680.	16,000.
2. Official Receiver & Public Trustee	2,917.	3,000.	1,869.	1,346.	3,000.
3. Registration of Companies etc.	2,225.	1,500.	1,314.	620.	1,400.
4. Patents and Designs.....	373.	400.	207.	319.	600.
5. Survey Fees.....	2,846.	2,750.	1,745.	1,256.	2,500.
6. Conveyancing Fees.....	1,630.	1,300.	699.	763.	1,500.
7. Market & Cattle Pound Fees....	2,411.	2,200.	1,176.	1,145.	2,300.
8. Vet. Inoculation Fees.....	10,168.	7,500.	4,774.	4,039.	8,250.
9. Hospital Fees...	7,036.	7,110.	3,592.	3,676.	7,300.
10. Bills of Health	763.	600.	362.	432.	800.
11. Miscellaneous Fees.....	3,028.	2,750.	1,422.	1,411.	3,000.
12. Infectious Diseases Hospital, Nairobi.....	453.	425.	192.	301.	500.
13. I.D.H. kebassa..	225.	150.	131.	115.	200.
14. Passport Fees...	2,199.	1,750.	1,709.	1,146.	2,000.
15. Tuition Fees - European.....	4,454.	4,050.	2,800.	2,858.	4,700.
16. Tuition Fees - Indian.....	5,515.	6,700.	3,117.	3,620.	6,500.
17. Boarding Fees - European.....	12,624.	12,150.	7,973.	6,752.	11,500.
18. Boarding Fees - Indian.....	866.	850.	491.	529.	975.
19. Boarding Fees - Arab & African	247.	250.	139.	118.	250.
20. Special Police Guards.....	179.	140.	43.	82.	140.
21. Conservancy, etc.	3,747.	4,000.	1,859.	1,957.	3,900.
22. Med. Research Laboratory....	1,510.	1,200.	775.	661.	1,300.
23. Govt. Analyst...	29.	50.	9.	8.	30.
24. Agric. Chem. Lab.	120.	100.	75.	30.	62.
25. Grading and Conditioning etc.....	4,026.	3,000.	3,350.	1,064.	2,085.
26. Regn. of Domestic Servants.....	775.	1,125.	429.	460.	850.
27. W. & C. Pensions Contributions	24,376.	23,600.	12,116.	11,903.	23,800.
28. Aviation Housing & Landing Fees	1,690.	1,700.	949.	1,573.	2,500.
29. Overseas Examn.	304.	300.	216.	334.	300.
30. Geological Assays	751.	300.	356.	170.	330.
31. Nettle Bark Fees	-	165.	-	-	-
32. Coast Agency Fees	-	100.	-	85.	157.
Total:-	117,352.	111,515.	63,067.	56,513.	109,327.

HEAD IV. Post Office and Telegraphs.	Actual	Sanctioned	Actual Revenue		Second
	Revenue	Estimates	January to June	Revised	Estimates
	1933.	1931.	1933.	1931.	1931.
	₹	₹	₹	₹	₹
1. Sale of Stamps	82,254.	85,850.	39,874.	41,611.	86,084.
2. Money Order Commission..	2,296.	2,200.	1,176.	1,096.	2,060.
3. Postal Order Commission..	1,683.	850.	358.	304.	570.
4. Surcharge Collections	987.	-	520.	-	-
5. Share of Parcel Post.....	7,251.	7,200.	2,637.	2,651.	7,200.
6. Sundry Collections..	3,582.	3,100.	3,114.	2,521.	2,730.
7. Unclaimed Money Orders.....	15.	28.	-	-	28.
8. P.O. Savings Bank.....	2,229.	3,000.	5.	-	3,180.
	99,297.	102,228.	47,988.	48,175.	107,282.
9. Telegraph Revenue.....	30,971.	31,000.	16,496.	16,892.	33,000.
10. Telephone Revenue.....	31,507.	33,750.	24,826.	26,666.	32,000.
11. Railway Contribution	7,090.	6,500.	3,197.	3,337.	6,400.
Total Direct Revenue.....	168,865.	173,478.	92,507.	94,287.	173,282.
Common Revenue.....	1,159.	618.	542.	548.	792.
Total:-	170,024.	174,096.	93,049.	94,835.	174,074.

HEAD V:- Earnings of Government Departments.	Actual Revenue 1933.	Sanctioned Estimates 1934.	Actual Revenue January to June, 1933 1934.		Second Revised Estimates 1934.
	₹	₹	₹	₹	₹
1. Gazette, Printing, etc.	13,015.	13,000.	6,301	7,355.	15,000.
2. Prison Industries	6,895.	6,500.	3,331.	4,927.	8,000.
3. Sera, Vaccine, etc.	2,326.	3,000.	1,043.	2,118.	3,750.
4. Water Supply, Mombasa....	33,999.	33,000.	16,735.	18,053.	36,000.
5. Water Supply, Kisumu.....	3,935.	4,000.	1,953.	1,991.	4,000.
6. Water Supply, Machakos....	492.	450.	235.	253.	500.
7. Water Supply, Gilgil.....	114.	110.	55.	59.	120.
8. Water Supply, Kitale.....	935.	1,050.	430.	533.	1,050.
9. Water Supply, Nyeri.....	571.	540.	266.	290.	600.
10. Water Supply, Kakamega...	122.	100.	54.	76.	150.
11. Water Supply, Kilifi.....	51.	45.	36.	20.	56.
12. Water Supply, Kisumu.....	151.	132.	62.	74.	158.
13. Water Supply, Kericho....	271.	265.	126.	176.	265.
14. Kabete Reformatory Industries	368.	600.	342.	169.	500.
15. Machakos Technical School.....	-	20.	-	-	-
16. Govt. Super- vision.....	106.	25.	42.	29.	50.
17. Water Boring	820.	300.	296.	104.	225.
18. Timber Seasoning...	2,326.	1,500.	715.	677.	1,500.
19. Hire of Motor Vehicles...	54.	60.	33.	24.	60.
20. Coast Ferries Items not repeated...	517.	543.	246.	373.	630.
	280.	-	280.	-	-
Total:-	67,651.	65,240.	32,487.	37,306.	72,635.

HEAD V:- Earnings of Government Departments.	Actual Revenue 1933.	Sanctioned Estimates 1934.	Actual Revenue January to June, 1933 1934		Second Revised Estimates 1934.
	£	£	£	£	£
1. Gazette, Printing, etc.	13,015.	13,000.	6,201	7,355.	13,000.
2. Prison Industries	6,895.	6,500.	3,331.	4,927.	8,000.
3. Sera, Vaccine, etc.	2,326.	3,000.	1,043.	2,118.	3,750.
4. Water Supply, Mombasa....	33,999.	33,000.	16,736.	18,069.	36,000.
5. Water Supply, Kisumu....	3,935.	4,000.	1,953.	1,991.	4,000.
6. Water Supply, Machakos....	492.	450.	236.	253.	500.
7. Water Supply, Gilgil....	114.	110.	55.	59.	120.
8. Water Supply, Kitale....	935.	1,050.	43.	533.	1,050.
9. Water Supply, Nyeri....	571.	540.	266.	290.	600.
10. Water Supply, Kakamega....	122.	100.	54.	76.	110.
11. Water Supply, Kilifi....	51.	45.	36.	20.	56.
12. Water Supply, Kymbu....	151.	122.	62.	74.	158.
13. Water Supply, Kericho....	271.	265.	126.	176.	265.
14. Kabete Reformatory Industries	368.	600.	342.	169.	500.
15. Machakos Technical School....	-	20.	-	-	-
16. Govt. Super- vision....	106.	25.	42.	29.	50.
17. Water Boring	820.	300.	298.	104.	225.
18. Timber Seasoning..	2,326.	1,500.	715.	677.	1,500.
19. Hire of Motor Vehicles...	54.	60.	33.	24.	60.
20. Coast Ferries Items not repeated...	517.	543.	245.	373.	639.
	280.	-	280.	-	-
Total:-	67,651.	65,240.	32,487.	37,306.	72,633.

HEAD VI:- Revenue from Government Property and Royalties.	Actual Revenue 1933.	Sanctioned Estimates 1934.	Actual Revenue January to June 1933. 1934.		Second Revised Estimates 1934.
	£	£	£	£	£
1. Rents of Lands....	62,175.	62,000.	49,808.	49,374.	60,000.
2. Magadi Soda Royalties	2,848.	2,000.	-	-	2,650.
3(a) Mining Royalties	2,525.	5,000.	1,149.	1,971.	5,000.
(b) Mining Fees	8,241.	9,500.	3,402.	6,125.	9,500.
4. Beche de Mer	247.	200.	77.	131.	300.
5. Guano.....	12.	30.	11.	8.	8.
6. Rent of Buildings	1,155.	600.	648.	347.	600.
7. Permit Fees	77.	-	175.	-	-
8. Mombasa W.T. Station...	500.	500.	250.	250.	500.
9. Mother of Pearl....	-	-	-	-	-
10. Salt	124.	150.	-	-	173.
11. Rent of Military Buildings	191.	180.	-	43.	43.
12. Quarry Royalties	313.	280.	57.	149.	280.
Ses Shells...	-	-	-	15.	15.
Total:-	£ 78,406.	80,440.	55,577.	58,418.	79,069.

HEAD VII:- Sale of Government Property.	Actual Revenue 1933.	Sanctioned Estimates 1934.	Actual Revenue January to June		Second Revised Estimates. 1934.
	£	£	£	£	£
1. Farm Produce	687.	700.	251.	374.	700.
2. Maps... ..	513.	450.	284.	233.	450.
3. Stores....	3,264.	2,500.	1,651.	1,568.	2,800.
4. Posho.....	1,353.	1,200.	682.	644.	1,300.
5. Ivory and Trophies	7,408.	6,500.	3,359.	6,134.	11,000.
6. Unclaimed Goods...	449.	500.	84.	84.	450.
7. Kipandi Containers	379.	425.	205.	204.	425.
8. Trout Fry..	-	100.	-	103.	103.
9. Bonded Warehouse Buildings	50.	1,000.	-	-	700. 500.
Famine Relief...	-	-	-	55.	55.
Eldoret Water Supply...	3,239.	-	-	16.	16.
Total:- £	17,842.	13,375.	6,516.	9,915.	18,499.

HEAD VIII:- Miscellaneous Receipts.	Actual Revenue 1933.	Sanctioned Estimates 1934.	Actual Revenue January to June.		Second Revised Estimates 1934.
	£	£	1933.	1934.	1934.
1. Sundry.....	2,210.	4,500.	3,196.	1,901.	4,000.
2. Recoveries.....	2,164.	5,000.	1,255.	3,506.	5,000.
3. Unclaimed Deposits.....	1,249.	500.	139.	171.	600.
4. Gain on Exchange.....	436.	150.	373.	81.	150.
5. Rebate on Crown Agents' Charges.....	-	10.	-	-	-
6. Kisumu Bazaar Site.....	1,253.	325.	677.	245.	387.
Agric. Advances Bad Debts....	87.	-	-	-	-
Appreciation of Investments..	3,343.	-	-	-	-
Loan to Kombasa Municipal Board.....	-	-	-	839.	839.
Total:- £	11,342.	10,485.	5,640.	5,743.	10,978.

HEAD IX. Forest Dept. Revenue.	Actual Revenue 1933.	Sanctioned Estimates 1934.	Actual Revenue January to June.		Second Revised Estimates 1934.
	£	£	1933.	1934.	1934.
1. Seed and Plant Sales	1,347.	2,100.	587.	968.	1,400.
2. Timber Sales & Royalties....	10,878.	11,000.	5,489.	5,545.	11,500.
3. Fuel Sales & Royalties....	9,241.	12,500.	4,134.	5,432.	11,000.
4. Misc. Forest Receipts.....	2,418.	2,200.	1,394.	1,259.	2,400.
5. Sale of Posho..	292.	500.	118.	274.	500.
6. Reimbursements	952.	700.	375.	201.	700.
Total:- £	25,158.	29,000.	12,087.	13,679.	27,500.

HEAD X. Interest.	Actual Revenue 1933.	Sanctioned Estimates 1934.	Actual Revenue January to June.		Second Revised Estimates 1934.
	£	£	1933.	1934.	1934.
1. Suitsors' Funds	496.	500.	321.	284.	400.
2. Loans to Local Bodies.....	1,995.	1,864.	833.	857.	1,864.
3. C.S. Building Scheme.....	1,567.	1,500.	748.	686.	1,400.
4. Surplus & Loan Balances.....	12,152.	10,000.	3,062.	2,719.	9,000.
5. Land Bank.....	11,512.	15,000.	5,404.	7,401.	11,500.
6. Agric. Advances	3,520.	5,000.	-	-	5,000.
Total:- £	21,247.	25,864.	10,368.	11,947.	24,164.

Head XI.- Reimbursements.

Many of the items under this Head remain unchanged. In the following schedule those items only in which a change as compared with First Revised Estimates is suggested have been separately shown:-

HEAD XI.- Reimbursements.	Actual Revenue 1933	Sanctioned Estimates 1934.	Actual Revenue January to June		Second Revised Estimates 1934.
	£	£	1933.	1934.	1934.
Uganda Govt. on account of:-					
1. Customs Dept.	16,978.	17,584.	9,000.	8,792.	18,334.
2. Post Office & Telegraphs..	34,241.	35,803.	17,512.	17,373.	33,968.
Tanganyika Territory on account of:-					
11. Post Office & Telegraphs..	57,927.	59,743.	27,284.	27,924.	56,485.
Kenya & Uganda Railways and Harbours on account of:-					
22. Police.....	4,923.	4,847.	2,460.	2,421.	4,687.
23. Port Police..	1,507.	1,878.	918.	952.	1,926.
25(b) Contribution in lieu of rates, Ambassa.....	7,172.	7,425.	-	6,295.	6,295.
Prisons Staff....	-	-	-	102.	653.
42. Repatriation Expenses...	122.	40.	15.	38.	50.
48. Native Councils in respect of Leading Artizans....	566.	10.	100.	-	-
50. All bin Salis School Endowment Fund.....	-	1,100.	-	-	1,125.
51. Seconded Staff to Imperial and Inter- national Communications, Ltd.....	7.	10.	2.	-	-
Missions. - Seconded staff.....	-	-	-	89.	184.
Grantees of plots, Nairobi rates..	-	-	-	-	131.
Other items adjusted in First Revised Estimates.....	20,224.	16,368.	8,171.	5,869.	13,976.
All other items....	324,106.	301,684.	144,806.	144,126.	301,984.
Total: £1,087,836.		1,046,690.	510,263.	513,984.	1,059,686.

HEAD XII:- Land Sales.	Actual Revenue 1933. £	Sanctioned Estimates 1934. £	Actual Revenue January to June 1933. £	Actual Revenue to June 1934. £	Second Revised Estimates 1934. £
1. Stand Premia for Farms	12,781.	20,000.	8,311.	7,626.	15,434.
2. Stand Premia for Town Plots.....	5,995.	3,500.	472.	5,290.	6,076.
Total:-£	18,776.	23,500.	8,783.	12,916.	21,510.
HEAD XIII:- Colonial Development Fund.	Actual Revenue 1933. £	Sanctioned Estimates 1934. £	Actual Revenue January to June 1933. £	Actual Revenue to June 1934. £	Second Revised Estimates 1934. £
1. Veterinary Scholarship Scheme.....	-	230.	-	250.	250.
2. Naivasha Research Station....	1,500.	1,500.	750.	375.	1,500.
3. Locust Control....	762.	-	-	-	-
4. Tsetse Fly Control....	670.	2,700.	-	300.	2,700.
5. Nairobi Aerodrome..	2,000.	-	2,000.	-	-
Agricultural Scholarship Scheme.....	-	-	-	-	154.
6. Colonial Forest Services...	-	356.	-	400.	400.
Tana River Survey	-	-	-	2,000.	2,450.
Essential Oils & Pyrethrum Industries...	-	-	-	-	600.
Cape to Cairo Air Route....	499.	-	-	-	-
Total:-£	5,431.	4,786.	2,750.	3,325.	8,064.

Expenditure.

26. In the following table the expenditure for the first six months of 1934 is compared with the expenditure for the first six months of 1933:-

	1934. £	1933. £	Increase £	Decrease £
January	388,683.	395,786.	-	7,103.
February	182,587.	169,040.	13,547.	-
March	349,091.	351,404.	-	2,313.
April	177,627.	166,778.	10,849.	-
May	277,998.	270,757.	7,241.	-
June	173,105.	177,741.	-	4,636.
Total for six months:-	1,549,091.	1,531,506.	17,585.	-

Special Warrants.

27. Appendix II gives details of Special Warrants approved or applied for between the 15th of August and the 15th of September, 1934. The effect of all Special Warrants to date may be summarized as follows:-

Additional provision made up to 15th August (vide para. 21 of Financial Appreciation No. 4)	£ 37,642.
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Special Warrants not covered by savings from 15th August to 15th September, 1934	<u>6,251.</u>
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Total additional provision to 15th September, 1934	£ 43,893.
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Provision made in Sanctioned Estimates, 1934	<u>£3188,041.</u>
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Revised provision for 1934 divided as follows:-	£3,251,934.
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Actual Expenditure 1933. £		Sanctioned Estimates. £	Special Warrants. £	Total. £
3,094,833.	Recurrent	3,164,262.	18,298.	3,182,560.
73,202.	Non-Recurent	23,779.	25,595.	49,374.
£ 3,168,035.	<u>Total:-</u>	£ 3,188,041.	43,893.	3,231,934.

Expenditure Head by Head.

28. In the following table, the expenditure for the first six months of 1934 is compared with that for the first six months of 1933. The left hand column of the table shows how the revised provision for 1934 compares, under all Heads of Estimates, with the expenditure actually incurred in 1933.

Recurrent Expenditure.

Revised provision for 1934 exceeds (+) or falls short of (-) 1933 expenditure by: £	Head of Recurrent Expenditure.	January - June		Increase £	Decrease £
		1934. £	1933. £		
- 338.	H.E. The Governor	7,098.	6,699.	399.	-
+ 7,080.	Administration	106,437.	106,061.	376.	-
+ 4,830.	Agriculture	50,208.	38,367.	841.	-
+ 462.	Audit	9,965.	9,781.	184.	-
+ 285.	Coast Agency	2,444.	2,762.	-	318.
- 1,648.	Conference of East African Governors	549.	1,087.	-	538.
+ 1,993.	Customs	23,135.	22,901.	234.	-
+ 12,357.	Education	77,464.	75,017.	2,447.	-
+ 1,308.	Forest	15,318.	15,000.	318.	-
- 215.	Game	4,594.	4,130.	464.	-
- 1,074.	Income Tax Administration	-	864.	-	864.
+ 256.	Interest	172.	315.	-	143.

Revised provision for 1934 exceeds (+) or falls short of (-) 1933 expenditure by:— £	Head of Recurrent Expenditure.	January - June		Increase	Decrease
		1934.	1933.		
		£	£	£	£
+ 1,274.	Judicial	16,097.	15,056.	1,041.	-
+ 182.	Legal	4,392.	4,007.	385.	-
- 2,229.	Local Govt. Mines, Survey, etc.	21,345.	22,236.	-	891.
+ 1,875.	Local Govt. Contributions	24,876.	28,745.	-	3,869.
+ 3,018.	Medical	103,937.	101,163.	2,772.	-
+ 9,816.	Military	62,760.	62,722.	38.	-
+ 2,775.	Mining and Geological Department (1)	-	-	-	-
+ 4,133.	Miscellaneous Services	27,568.	29,063.	-	1,495.
- 3,545.	Pensions and Gratuities	101,993.	94,645.	7,348.	-
+ 4,389.	Police	61,773.	63,911.	-	2,138.
+ 319.	Post Office and Telegraphs	102,886.	103,736.	-	850.
+ 597.	Printing and Stationery	15,460.	14,812.	648.	-
+ 2,276.	Prisons	26,952.	23,495.	3,457.	-
+ 30,728.	Public Debt Funded	504,623.	497,747.	6,876.	-
+ 3,049.	Public Works Dept.	41,640.	40,369.	1,271.	-
- 755.	Public Works Recurrent	56,580.	55,524.	1,056.	-
+ 804.	Registrar General	2,740.	2,680.	60.	-
-	Rents etc. to Zanzibar	8,000.	8,000.	-	-

(1) Expenditure during the first part of 1934 has been charged to the Head "Local Government, Mines, Survey" etc.

Revised provision for 1934 exceeds (+) or falls short of (-) 1933 expenditure by: £	Head of Recurrent Expenditure.	January - June		Increase	Decrease.
		1934.	1933.		
		£	£	£	£
+ 7,176.	Secretariat, etc.	12,005.	8,013.	3,992.	-
- 7,641.	Statistical Depts.	6,743.	9,628.	-	2,885.
+ 1,957.	Trade and Information Office	2,638.	804.	1,834.	-
+ 5,426.	Treasury	13,685.	11,210.	2,475.	-
+£ 87,727.	Total Recurrent:-	1,525,077.	1,500,550.	24,527.	13,989.

Net Increase:- £24,527.

Non-Recurrent Expenditure.

Revised provision for 1954 exceeds (+) or falls short of (-) 1953 expenditure by:- £	Head of Non-Recurrent Expenditure.	January-June		Increase £	Decrease £
		1954. £	1953. £		
- 633.	H.E. The Governor	-	-	-	-
+ 9,511.	Administration	7,026.	514.	6,512.	-
+ 2,162.	Agriculture	1,941.	1,142.	799.	-
+ 250.	Coast Agency	224.	-	224.	-
- 84.	Education	-	84.	-	84.
+ 54.	Game	58.	-	78.	-
- 59.	Income Tax Administration	-	59.	-	59.
+ 399.	Legal	194.	-	194.	-
+ 510.	Medical	-	-	-	-
- 2,487.	Military	138.	361.	-	213.
- 22,268.	Miscellaneous Services	5,783.	20,100.	-	14,317.
+ 20.	Police	6.	-	6.	-
- 158.	Post Office and Telegraphs	1,707.	1,764.	-	57.
- 508.	Treasury	-	145.	-	145.
- 4,247.	Public Works	2,383.	4,732.	-	2,349.
+ 3,810.	Colonial Development Fund	4,574.	2,065.	2,509.	-
- 25,828.		24,014.	30,956.	10,282.	17,224.
				Net Decrease:- 68,942.	
£ 87,727.	Total Recurrent Expenditure	1,525,077.	1,500,550.	24,527.	-
- 25,828.	Total Non-Recurrent Expenditure	24,014.	30,956.	-	6,942.
£ 61,899.	TOTAL EXPENDITURE	1,549,091.	1,531,506.	24,527.	6,942.

Net Increase:- £17,585.

Main increases.

29. The table for recurrent expenditure shows that the net increase in actual expenditure over the first six months of the year exceeds the corresponding figure for 1933 by £21,527, the principal increases being:-

Pensions and Gratuities	£ 7,348.
Public Debt Funded.....	6,876.
Secretariat and Legislative Council	3,992.
Prisons	3,457.
Medical Department	2,772.
Treasury	2,476.
Education Department	2,447.

Pensions and Gratuities.

30. The position in regard to this Head is as follows:-

Item.	Expenditure for first six months.		Last six months.		Total	
	1934.	1935.	Provision 1934.	ACTUAL Expenditure 1935.	Provision 1934.	ACTUAL Expenditure 1935.
	£	£	£	£	£	£
1. Pensions and Gratuities {	76,915.	71,037.	78,885.	75,899.	155,800.	144,935.
5. Computed Pensions {	23,904.	21,767.	3,236.	23,355.	27,200.	45,122.
5. Widows' and Orphans Pension Scheme {	1,174.	1,791.	2,526.	1,147.	3,500.	2,928.
Total:- {	101,993.	94,615.	84,607.	98,400.	186,500.	193,045.

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31. This table indicates that the provision made for items 1 and 3 allows for an increase of £6,166 over 1933 expenditure during the last six months of the year as against an actual net increase of £5,211 during the first six months. Under item 2, however, the provision made to date is £3,296 only more than the expenditure actually incurred during the first six months. That balance was sufficient to cover known commitments up to the end of July. Information received since the date of the last Financial Appreciation shows that further funds will be required to meet charges under this sub-head which fell due in August without previous notice. These amount to approximately £2,000. Additional provision to that extent will therefore be required to meet commitments as at present known. It is not possible to state that further retirements or pensions from this or other Colonies involving expenditure against this sub-head will not occur during the remainder of the year. With regard to making additional funds available, I suggest that the submission of a further Special Warrant be delayed until later in the year when the total amount involved can be more accurately gauged, and that, at this stage, account be taken of the fact that the funds already voted have proved inadequate.

32. Public Debt Funded. The increase is due to the loan charges set in February, 1934, on the 1933 loan, provision for which was made in the Sanctioned Estimates.

33. Secretariat and Legislative Council. The increase is due to the incorporation in this Head of Estimates of provision for the Chief Native Commissioner and his staff, additional provision for the purpose being made in Sanctioned Estimates.

34. Prisons. The principal increases are in respect of Prisoners' and Detainees' Food (£1,660), Prisoners' and Detainees' Clothing and Bedding (£725), Raw Materials for Prisons Industries (£715) and Local Transport and Travelling (280). These increases are due to a substantial increase in the Prison population. The average for 1934 is 1,100 more than in the peak period of 1933.

35. Medical Department. The increase for the first half year is £2,772 as against a budgeted increase of £3,018 for the full year. The comparatively large increase for the first half year is accounted for by the payment of £1,650 representing the contribution to the Sanitary Station, Zanzibar, in April, 1934, the corresponding 1933 payment having been made in November, 1933.

36. Treasury. The increase is due to charges on account of the Central Revenue Office, which was established in the second part of 1933.

37. Education Department. The increase is well within the annual increase provided for in Sanctioned Estimates. A net saving of approximately £3,000 is anticipated on the total provision under this Head.

38. A circular was addressed to Heads of Departments and Provincial Commissioners on the 17th of August, asking for an estimate of what the 1934

Revised
Estimates
of
Expenditure.

expenditure is likely to amount to on the understanding that no unforeseen expenditure arises during the remainder of the year. The replies indicate that, according to departmental anticipations, savings on sanctioned provision will be in the neighbourhood of £26,500. Experience has shown that Expenditure Estimates revised by Heads of Departments at this stage do not, and in fact, cannot, give more than a very general indication of what the position is likely to be at the end of the year, as account cannot be taken of possible savings which are contingent on various unknown and extraneous factors, and the small savings which ultimately appear under the many Heads and sub-heads of the Estimates, although incapable of individual estimations, usually amount in the aggregate to a considerable figure. It may therefore be expected that when the accounts of the year are closed the savings actually accruing on the various Heads and sub-heads will exceed the figure now given. The possibility of securing such additional savings is not taken into account in the following revised estimate of Expenditure, which is calculated as follows:-

Original Expenditure Estimate	£ 3,188,041.
Special Warrants not covered by savings.....	13,893.
Revised provision for 1934...	<u>3,231,934.</u>
Add known additional commitments in respect of Comuted Pensions....	<u>3,500.</u>
Deduct departmental estimate of savings.....	<u>3,234,434.</u>
First Revised Estimate of Expenditure, 1934.....	<u>26,500.</u>
	3,207,934.

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SUMMARY OF 1934 POSITION.

Second Revised Estimates of Revenue	£ 5,184,742.
Revised Estimates of Expenditure....	£ 3,207,924.
	<hr/>
Revised estimated deficit.....	£ 23,199.

A copy of the Statement of the Colony's Assets and Liabilities as at the end of June, 1934, is attached for information as Appendix III.

Nairobi,

26th September, 1934.

G. WALSH,

TREASURER.

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LIST OF 1933 SPECIAL WARRANTS APPROVED OR APPLIED FOR SINCE THE PREPARATION OF
FINANCIAL APPRECIATION NO. 4 OF 1934.

APPENDIX II.

<u>Recurrent Heads.</u>	<u>Warrant No.</u>	<u>Covered by Savings.</u>	<u>Not covered by Savings.</u>	<u>Remarks.</u>
<u>AGRI: DEPT. - NON-NATIVE SERVICES</u>		£	£	
<u>Administrative & General.</u>				
Grant-in-Aid to Sisal Industry.....	86.		800.	} Increased demands for Sera and Vaccines will be covered by increased revenue to the extent of about £1,500.
<u>Division of Animal Industry.</u>				
<u>Administrative</u>				
Carriage of Goods.....	78.		100.	
<u>Veterinary Research</u>				} 1,000.
Production of Sera and Vaccines.....	79.		1,000.	
<u>COAST AGENCY.</u>				
Telephones.....	91.	6.		Funds insufficient.
<u>GAME DEPARTMENT.</u>				
Ivory and Confiscated Trophies.....	89.		250.	} Increased depredations by elephants necessitating measures for protection of life and crops. Will be covered by increased revenue derived from sale of Ivory.
<u>JUDICIAL DEPARTMENT.</u>				
Fees to Crown Counsel, etc.	72.	125.		
<u>MEDICAL DEPARTMENT.</u>				
<u>Non-Native Services</u>				
Upkeep of Laboratory.....	73.	400.		Unanticipated demands for calf lymph from Nyasaland Govt. and in respect of Smallpox epidemic.
<u>Native Services</u>				
Epidemics.....	92.		300.	Smallpox campaign.

- 2 -

Recurrent Heads.	Warrant No.	Covered by Savings.	Not covered by Savings.	Remarks.
<u>POLICE.</u>				
Expenses in connection with Criminal Investigation.....	77.	125.		Increased funds required.
Immigration Department				
Personal Expenditures.....	83.	100.		Adjustment of error in calculation of original estimate.
<u>POST OFFICE AND TELEGRAPHS.</u>				
Expenditure Common to Kenya,				} Supplementary supply of postage stamps to meet requirements until new issue of stamps is introduced.
Uganda and Tanganyika.				
Cost of Printing Stamps.....	74.	220.		
<u>SECRETARIAT, LEGISLATIVE COUNCIL</u>				
<u>AND NATIVE AFFAIRS</u>				
Secretariat				
Passages.....	90.	238.		Cost of Passages for Mr. Moore and Mr. Pilling
<u>TREASURY</u>				
Central Revenue Office				
Passages	82.	200.		Passages for Mr. Milstead.
<u>Total Recurrent:-</u>		1,414.	2,450.	

Non-Recurrent Heads.	Warrant No.	Covered by Savings. £	-3- Not covered by Savings. £	Remarks.
B/F:- Total Recurrent		1,414.	2,450.	
<u>NON-RECURRENT HEADS</u>				
<u>ADMINISTRATION EXTRAORDINARY</u>				
Famine Relief.....	80.		2,500.	
<u>AGRICULTURAL DEPARTMENT</u>				
<u>EXTRAORDINARY</u>				
International Veterinary Congress.....	84.	170.		Visit of Chief Veterinary Research Officer to America to attend congress, etc.
<u>MISCELLANEOUS SERVICES</u>				
<u>EXTRAORDINARY</u>				
Kenya Land Commission Compensation in respect of Grass Fire.....	75.	200.		Expenditure in connection with the report, etc. A fire was started in the Forest Reserve through a misunderstanding of the Forest Officer's orders which spread to neighbouring farms. An enquiry was held which exonerated the Forest Officer and the owners were compensated.
	81.		701.	
Fishery Research.....	87.	21.		Salary of a Biologist engaged on research necessary to complete investigations in connection with fishing surveys of certain lakes in East Africa made in 1927/28 and 30/31.
Compensation for damages caused by Government Owned Transport ...	88.	70.		Ex-gratia payments to 2 owners of motor-cars damaged in collision with Public Works Department lorries.
<u>PUBLIC WORKS EXTRAORDINARY</u>				
<u>Miscellaneous</u>				
Replacement of Mechanical Plant.....	76.	65.		Purchase of 2 second-hand tractors.
<u>COLONIAL DEVELOPMENT FUND</u>				
Essential Oils and Pyrethrum Industries...	85.		600.	
<u>Total Non- Recurrent:-</u>		526.	3,801.	
<u>GRAND TOTAL:-</u>		1,943.	6,251.	

CONFIDENTIAL.

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GOVERNMENT HOUSE,
NAIROBI,
KENYA

RECEIVED
J.- OCT 1934
O. O. REGY

27th August, 1934.

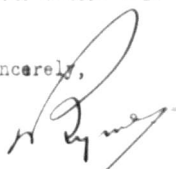
My dear Bottomley,

As you know, our financial position just now requires constant scrutiny; far more so than in normal times when revenue and expenditure follow their anticipated courses and a favourable margin is being preserved.

For this reason I have arranged for periodical financial appreciations to be prepared both for my own information and for the information of the Standing Finance Committee.

It has occurred to me that you might be interested to glance through the e appreciations and I enclose the latest herewith; the others will follow as soon as they are issued.

Yours sincerely,



Sir W. C. Bottomley, K.C.M.G., C.S., C.B.E.,
Colonial Office,
Downing Street, S. W. I.

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FINANCIAL APPRECIATION (NO. 4 OF 1934).
COVERING THE PERIOD ENDING THE 31st May, 1934.

May figures. 1. The revenue for May, 1934, was...£255,479
The expenditure for May, 1934, was £277,998
There was therefore a deficit for
the month of £22,519

2. A deficit in the May accounts has been experienced every year since 1926. The first half-yearly payment of interest and sinking fund charges on the 1928 £3,500,000 loan is made in May of each year, the net charge falling on the Colony on this account amounting to £18,141. Revenue for the month is also usually below the average monthly revenue excluding reimbursements on account of loan services. May deficits for previous years have been as follows:-

1928	£17,031
1929	25,880
1930	91,363
1931	57,876
1932	23,100
1933	8,869
1934	22,519

As stated in the last Financial Appreciation June accounts have shown a surplus each year since 1930 and a surplus on that month may be anticipated in 1934. No loan charges fall to be met during June.

Cash position.

3. At the end of May, the Colony's Surplus Balances stood at a figure of £142,351 as compared with £222,399 and £249,224 at the corresponding dates in 1933 and 1932 respectively. The composition of these Surplus Balances, as shown in Appendix I to this Appreciation indicates

a cash shortage of £156,151. This figure was £49,078 more than the excess of deposits over advances, and it was necessary to have recourse to loan funds to that extent to meet the shortage.

4. The cash-shortage of £156,151 is the highest recorded, exceeding by over £15,000 the previous maximum of £140,589 in September 1932. A substantial improvement in the position is anticipated when the June accounts are closed. The cash shortage at the close of each month since the beginning of 1932 has been as follows:-

	1932	1933	1934
	£	£	£
End of January	(17,469 Excess)	47,721	78,508
February	(13,590 Excess)	41,709	104,919
March	38,265	66,548	127,793
April	49,350	78,997	137,094
May	77,717	83,890	156,151
June	69,739	35,770	
July	108,048	37,656	
August	105,623	30,347	
September	140,589	46,833	
October	111,321	50,636	
November	104,320	73,255	
December	57,989	96,644	

Surplus and Deficit Account.

5. Revenue and expenditure for the first five months of the year are compared in the following table. 1933 figures are shown in the left-hand columns.

Surplus
Balances at
end of month.
£

Surplus Balance as at 31st December, 1933..... 205,495

1933			1934				
Revenue	Expenditure	Surplus or Deficit	Revenue	Expenditure	Surplus or Deficit		
£	£	£	£	£	£		
405,086	395,786	+ 7,300	Jan.	404,028	388,685	-15,345	320,840
174,176	169,040	+ 5,136	Feb.	155,496	182,587	-27,091	193,743
327,733	351,404	-23,671	March	326,599	349,091	-22,392	171,357
157,537	166,778	-9,441	April	171,040	177,627	- 6,587	164,700
261,796	270,757	-8,959	May	255,479	277,995	-22,519	142,251

During the first five months of 1934 actual expenditure exceeded actual revenue by £63,244.

REVENUE.

6. In the following table the revenue for the first five months of 1934 is compared with the revenue for the first five months of 1933:-

	1934	1933	Increase	Decrease.
	£	£	£	£
January	404,028	405,086	942	-
February	155,496	174,176	-	18,680
March	326,599	327,733	-	1,134
April	171,040	157,537	13,503	-
May	255,479	261,796	-	6,319
Total for five months.	1,312,742	1,324,132	-	11,390

Decrease in May revenue.

7. There was a net decrease of £6,319 in the May revenue as compared with 1933, in spite of an increase of £5,704 under Reimbursements and increases of £1,860 under Earnings of Government Departments and £1,558

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under Posts and Telegraphs revenue. The three factors principally responsible for this decrease are:-

(1) Native Hut and Poll Tax collections in May, 1934, totalled £36,011 against £48,301 in May, 1933, a decrease of £2,290. Of this decrease, £4,771 occurred in Nyanza, £3,520 in the Central Province and £1,357 in the Coast Province.

(2) Customs and Excise revenue showed a decrease of £3,541.

(3) The proceeds of the ivory sale held in May, 1933, totalling £3,335 were brought to account in the revenue for May, 1933. The proceeds of the sale held in May, 1934, amounted to £6,135 but will not be brought to account until June.

Revenue for first five months.

6. Head by Head the revenue for the first five months of 1934 compares as follows with that for the first five months of 1933. The figures given in the left-hand column of the table are based on the First Revised Estimates of Revenue for 1934 submitted with Financial Appreciation No. 3.

First revised Estimate for full year exceeds(+) or falls short of (-) 1933 Revenue by: £	Head of Revenue.	Jan-May, 1934. £	Jan-May, 1933. £	Increase £	Decrease £
+ 47,085	Customs and Excise	259,521	255,003	4,518	-
+ 12,711	Licences, Duties, Taxes etc.	517,953	339,609	-	21,715
- 9,755	Fees etc.	47,232	54,304	-	7,072
+ 3,936	Posts & Telegraphs.	83,436	77,179	6,257	-
+ 2,930	Earnings of Government Departments	50,851	26,922	3,849	-
+ 636	Revenue from Government Property etc.	54,941	51,395	3,546	-
+ 811	Sale of Government Property.	3,349	6,084	-	2,735

First revised Estimate for full year exceeds (+) or falls short of (-) 1933 Revenue by: £	Head of Revenue	Jan-May, 1934. £	Jan-May, 1933. £	Increase £	Decrease £
- 242	Miscellaneous Receipts.	6,744	5,074	1,670	-
+ 2,342	Forest Department Revenue	11,532	9,740	1,792	-
+ 3,887	Interest	853	942	-	89
+ 5,470	Reimbursements	486,266 1302,658	487,138 1313,504	-	872
+ 2,734	Land Sales.	9,459	7,876	1,583	-
+ 1,979	Colonial Development Fund.	625	2,750		2,125
+ 74,504		1,312,742	1,302,150	23,218	4,506

Net decrease:- £11,388

9. This table indicates that if the First Revised Estimates of Revenue are to be achieved, the revenue during the last seven months of 1934 will have to exceed the corresponding figure for 1933 by 281,832, the principal items being:-

Customs and Excise	141,502
Non-Native Poll Tax	12,634
Native Hut and Poll Tax	12,159

10. It is not intended to prepare a further revised estimate of revenue with this Financial Appreciation. A second revised Estimate will be made when June accounts are completed. It may, however, be stated that a detailed check made in the Treasury of the May returns discloses no reason for any substantial variation from the First Revised Estimates in so far as all items of revenue other than Customs and Excise are concerned. The position of the Customs and Excise revenue is discussed below.

11. Customs and Excise.

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Original 1934 estimate exceeds (+) or falls short of (-) 1935 revenue by £	Item	January to May		Increase £	Decrease £
		1934	1935		
		£	£		
+45,730	Customs	250,952	246,643	4,289	-
+ 1,353	Excise	8,589	8,359	230	-
+47,083	Total	259,521	255,002	4,519	-

* Excise revenue calls for no comment.

Monthly returns of Customs revenue to date are as follows:-

	1934 £	1935 £	Increase £	Decrease £
January	43,156	49,343	-	6,187
February	47,494	45,263	2,231	-
March	50,253	52,979	-	2,726
April	58,182	43,747	14,435	-
May	51,847	55,311	-	3,464
June x	46,193	59,179	-	12,986
July x	61,200	50,363	4,837	-
Total for seven months.	£358,325	362,185	21,503	21,363

x Estimated.

Estimated net decrease for seven months £3,860.

Comments of
Commissioner
of Customs.

12. In commenting on the position as at the end of July, the Commissioner of Customs writes as follows:-

"The value of domestic produce of Kenya and Uganda exported during the first six months of the year is approximately £51,110 less than shipments from 1st January to 30th June, 1935, Kenya exports being approximately £231,035 less than in the

corresponding period of last year and Uganda approximately £179,923 more. Details are as follows:-

Jan:1st to June 30th.	1934	1933
Kenya Produce (Approx.)	£ 1,031,521	1,265,554
Uganda Produce(Approx.)	2,695,128	2,515,205
Total	£3,726,649	3,777,759

"So far as the combined territories are concerned the improvement in export business shown during the first five months of the year has not been maintained during the month of June.

"Uganda exports for the period January - June, 1934 continue to maintain an advance on the figure for the corresponding period of 1933, but the favourable balance which stood at some £336,000 at the end of May was reduced to £180,000 at the close of the month of June.

"Kenya exports for June showed little improvement in the general level maintained during the previous months of the current year, the May deficit of £235,000 on the previous years proportionate total being reduced by £4,000 only.

"It is becoming increasingly evident that if the Kenya estimate of Import duty is to be realised import transactions will have to be financed to a larger extent than last year by invisible exports in the shape of service earnings and importations on capital account. Development in the gold fields and another good cotton year in Uganda may serve to balance the loss on account of visible exports, but it is impossible at this stage to determine to what extent these factors will be operative.

".....The estimate of pooled import duty receipts (exclusive of postal collections) for the month of July reached the satisfactory total of £88,000, representing

an increase of £10,000 on the actual receipts for July 1933. It is probable that this increase, almost in its entirety, was the result of ex-bond clearances not required for normal stocking. Even allowing for abnormal clearances, however, the collections cannot be regarded as unsatisfactory and the Kenya allocation of some £61,000 suggests that part of the ground lost during the earlier months of the year will be recovered. And while the general outlook remains too obscure to enable a revision of the approved estimate to be made, it would require a great deal of optimism to give any sort of assurance that the estimated figure will be realised. If the budgetary position must be reduced to concrete terms before the next revenue appropriation is due, it might be advisable to anticipate a shortfall of, say, £10,000. There is of course no reasonable doubt that the Uganda estimate will be fully realised."

Reduction in estimates of Customs revenue.

13. In accordance with the opinion expressed by the Commissioner of Customs, I consider that the Customs revenue Estimate for 1934 should be reduced by £10,000 to £617,500, the total estimated revenue under the Head Customs and Excise becoming £637,500 or £37,083 more than the actual revenue for 1933.

14. Licences, Duties, Taxes etc.

The following table shows the principal items under this Head of Revenue:-

First revised Estimate exceeds (+) or falls short of (-) 1933 revenue by: £	Item	Jan-May, 1934 £	Jan-May, 1933 £	Increase £	Decrease £
- 148	Game Licences	4,351	5,097	-	746
- 725	Liquor Licences	7,610	8,328	-	718
+ 408	Miscellaneous Licences	3,682	3,182	500	-
- 695	Registration of Documents	1,316	1,674	-	358
+ 657	Traffic Ordinance	31,639	31,007	632	-
+ 3481	Stamp Duties	18,511	17,194	1,317	-
- 8746	Native Hut and Poll Tax	115,954	139,859	-	23,895
+ 1757	Non-Native Poll Tax	14,866	28,774	-	13,908
- 128	Fines and Forfeitures	6,589	5,740	849	-
- 661	Estate Duty	4,277	10,457	-	6,180
+ 8651	Trade etc. Licences	30,048	17,961	12,087	-
+ 6948	Petrol Tax	27,208	21,357	6,171	-
+ 9322	Package Tax	4,201	-	4,201	-
- 309	European Education Tax	9,625	9,097	528	-
+ 323	Asiatic Education Tax	9,731	8,703	1,028	-
- 2677	Levy on Salaries	19,040	23,174	-	4,134
+ 403	Entertainment Tax	2,405	1,761	644	-
+ 543	All other items	6,900	6,336	264	-
<u>+ 12,711</u>	Total	£317,955	339,666	28,216	49,929

Net Decrease:- £21,713

15. June returns will indicate a substantial change in respect of Non-Native Poll Tax revenue. Returns from Trade and Professional Licences remain disappointing. The revised estimate of £35,000 presupposes that £4,952 will be collected from this source during the last seven months of the year. The other items, with the exception of Native Hut and Poll Tax call for no special comment.

Native Hut and Poll Tax. 16. Native Hut and Poll Tax revenue for the first five months compares as follows with the corresponding figures for 1933:-

First revised estimate for 1934 exceeds (+) or falls short of (-) 1933 revenue by £	Province or District.	January to May,		Increase	Decrease.
		1934	1933		
- 3,345	Nyanza	73,735	32,075	-	8,340
- 163	Rift Valley	11,454	9,539	1,915	-
+ 109	Central	21,609	29,482	-	7,873
- 3,368	Coast	4,148	11,295	-	7,147
+ 3,407	Turkana	1,431	1,910	-	479
- 4,412	Kasai	905	3,361	-	2,456
- 974	Northern Frontier	2,672	2,177	495	-
- 8,746	Total	115,954	139,839	2,410	26,295

Net Decrease £27,885.

Other Heads of Revenue.

17. The other Heads of Revenue call for little comment. Revenue from Posts and Telegraphs continues to show improvement, particularly in respect of telephone revenue which, at the end of May, was £5,510 higher than the corresponding figure for 1933. Earnings of Government Departments show improvements over the same period of £1,662 from Prison Industries, £1,325 from Mombasa Water Supply and £575 from Gazette and Printing. Mining revenue shows an increase of £3,405.

Reimbursements.

18. The increase in May revenue from Reimbursements to which reference was made in paragraph 7 was due to a payment of £6,295 from the Transport Administration on account of Contributions in lieu of Rates at Mombasa, the corresponding payment having been made in a later month in 1933.

EXPENDITURE.

19. In the following table the expenditure for the first five months of 1934 is compared with the expenditure for the first five months of 1933:

	1934.	1933.	Increase.	Decrease.
January	388,683.	395,786.		7,103.
February	182,587.	169,010.	13,577.	
March	519,091.	351,104.		2,813.
April	177,627.	166,778.	10,849.	
May	277,288.	270,757.	7,241.	
<u>Total for five months.</u>	<u>1,375,286.</u>	<u>1,353,785.</u>	<u>22,221.</u>	

20. The sanctioned estimate of expenditure for 1934 is £3,188,041.
 and the actual expenditure for 1933 was £3,168,025.
 The expenditure estimate for 1934 therefore anticipates an increase of £ 20,000 as compared with the actual expenditure for 1933.

Special Warrants.

21. Before giving the figures for expenditure Head by Head it will be desirable to examine the effect of Special Warrants approved or applied for during the course of 1934 up to the date of this Appreciation. Appendix II gives details of such Special Warrants approved or applied for between the 7th of July and the 11th of August, 1934. The effect of all Special Warrants to date may be summarized as follows:-

	Covered by	Not covered	Total.
	savings.	by savings.	
	£	£	£
<u>Recurrent Expenditure.</u>			
Financial Appreciation No. 1. (1)	1,780.	1,530.	3,310.
Financial Appreciation No. 2.	771.	-	771.
Financial Appreciation No. 3.	350.	15,000.	15,350.
Financial Appreciation No. 4.	12,530.	200.	12,730.
<u>Total Recurrent</u>	£ 15,400.	17,530.	32,930.
<u>Non-recurrent Expenditure</u>			
Financial Appreciation No. 1. (1)	633.	17,345.	17,978.
Financial Appreciation No. 2.	785.	150.	935.
Financial Appreciation No. 3.	-	1,000.	1,000.
Financial Appreciation No. 4.	40.	1,798.	1,758.
<u>Total Non-recurrent</u>	£ 1,458.	20,310.	21,768.
<u>Total:-</u>	12,858.	37,840.	50,698.

(1)

Additional provision under the Head "Colonial Development Fund" was shown as recurrent expenditure in Financial Appreciation No. 1, and is now shown as non-recurrent.

Statement of
revised
provision for
1934.

22. The effect of a Special Warrant covered by savings is to transfer provision from one sub-head to another within the same Head of Estimates, or from one Head to another Head. The total provision authorized for the service of the year remains unchanged, but, to the extent that provision has been transferred from one Head to another, the expenditure authorized under the Heads affected has been varied. In making comparison between actual expenditure incurred up to the end of May in 1933 and 1934 a more correct picture will be obtained if mention is made of the authorized provision as it now stands (or as it will stand if all Special Warrants applied for are approved) taking into account both theirements entailed when savings are shown on a Head other than that for which additional funds have been made available by Special Warrant and also the additional provision made under the Heads concerned by Special Warrants not covered by savings. Thirteen recurrent and seven non-recurrent Heads of Expenditure are involved, the effect being as shown in the following table:-

Actual Expenditure 1933.	Head of Estimates.	Sanctioned Estimates, 1933.	Effect of Special Warrants	Revised Provision 1933.	Revised 1933 provision compared with actual expenditure in 1933.
£		£	£	£	£
	<u>Recurrent.</u>				
219,708.	Administration	195,524.	+ 1,500.	197,024.	+ 1,316.
125,741.	Agriculture	120,700.	+ 500.	121,200.	+ 559.
430.	Interest	611.	+ 25.	636.	+ 25.
37,753.	(1) Local Government Lands, etc.	27,500.	+ 9,253.	36,753.	+ 9,253.
199,568.	Medical	199,989.	+ 1,000.	200,989.	+ 4,421.
129,878.	Military	129,839.	+ 39.	129,878.	+ 39.
7,728.	Mining and Geological		+ 10,500.	10,500.	+ 2,772.
67,329.	Miscellaneous Services	57,000.	+ 10,329.	67,329.	+ 10,329.
193,045.	Pensions and Gratuities	193,000.	+ 45.	193,045.	+ 45.
27,984.	Printing and Stationery	27,984.	+ 0.	27,984.	+ 0.
41,538.	Public Works Department	41,548.	+ 0.	41,548.	+ 10.
120,082.	Public Works Recurrent	120,082.	+ 0.	120,082.	+ 0.
25,539.	Treasury	25,000.	+ 539.	25,539.	+ 539.
1,005,422.	All other recurrent needs	1,005,100.	+ 322.	1,005,422.	+ 322.
25,094,835.	<u>Total Recurrent</u>	5,164,988.	+ 16,874.	5,181,862.	+ 86,874.

(1) Survey and Registration Department and Local Government, Lands and Settlement.

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Actual Expenditure 1933.	Head of Estimates.	Sanctioned Estimates 1934.	Effect of Special Warrants	Revised Provision 1934.	Revised 1934 Provision compared with actual expenditure in 1933.
E		E	E	E	E
	<u>Non-recurrent.</u>				
1,419.	Administration	850.	+ 7,580.	8,430.	+ 7,011.
2,316.	Agriculture	600.	+ 3,708.	4,308.	+ 1,992.
-	Game Department	-	+ 54.	54.	+ 54.
-	Legal Department	110.	+ 159.	269.	+ 269.
50,320.	Miscellaneous Services	1,100.	+ 4,260.	5,360.	- 53,260.
14,595.	Public Works Extraordinary	9,888.	+ 1,805.	10,693.	- 4,312.
5,768.	Colonial Development Fund	5,366.	- 3,419.	1,947.	+ 3,810.
9,794.	All other non-recurrent Heads	6,665.	-	6,665.	- 3,119.
<u>E 78,202.</u>	Total Non-recurrent	<u>E 25,779.</u>	<u>+ 21,268.</u>	<u>45,047.</u>	<u>- 28,155.</u>
<u>E 3,168,035.</u>	Total Expenditure	<u>E 3,193,811.</u>	<u>+ 57,612.</u>	<u>3,251,423.</u>	<u>+ 57,612.</u>

Expenditure for first five months.

25. The column headed "Revised Provision, 1934" does not represent the revised estimate of expenditure for 1934. It is still too early in the year to prepare a revised estimate of expenditure, but steps are being taken, in consultation with Heads of Departments, to frame a revised estimate for inclusion in the next Financial Appropriation which will cover the first half of the year. In the following table, the expenditure for the first five months of 1934 is compared with that for the first five months of 1933. The left-hand column of the table shows how the revised provision for 1934 compares, under all Heads of Estimates, with the expenditure actually incurred in 1933.

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RECURRENT EXPENDITURE.

Revised provision for 1934 exceeds (+) or falls short of (-) 1933 Expenditure by	Head of Recurrent Expenditure.	Jan.-May. 1934.	Jan.-May. 1933.	Increase.	Decrease.
£	£	£	£	£	£
- 338.	H. E. The Governor	5,832.	5,811.	-	5.
+ 7,080.	Administration	88,037.	86,710.	1,327.	-
+ 3,100.	Agriculture	47,993.	48,543.	-	550.
+ 462.	Audit	8,555.	8,288.	267.	-
+ 285.	Coast Agency	2,070.	2,245.	-	174.
- 1,818.	Conference of West African Governors	632.	841.	-	209.
+ 1,593.	Customs	19,004.	19,221.	-	217.
+ 12,557.	Education	65,084.	62,527.	2,557.	-
+ 1,308.	Forest	12,982.	12,471.	475.	-
- 465.	Game	3,954.	3,309.	645.	-
- 1,074.	Income Tax Administration	-	742.	-	742.
+ 256.	Interest	1,531.	315.	1,216.	-
+ 1,274.	Judicial	13,410.	12,140.	1,270.	-
+ 189.	Legal	3,742.	3,553.	189.	-
- 2,222.	Local Government, Mines, Survey, etc.	17,852.	18,322.	-	470.
+ 1,072.	Local Government Contributions	19,502.	21,322.	-	5,000.
+ 2,718.	Medical	82,250.	85,627.	4,005.	-
+ 9,812.	Military	51,702.	51,735.	-	33.
+ 2,775.	Mining and Geological Dept. (1)	-	-	-	-
+ 4,354.	Miscellaneous Services	20,177.	25,255.	-	9,772.

(1) Expenditure during first part of 1934 has been charged to the Head Local Government, Mines, Survey, etc.

RECURRENT EXPENDITURE.

Revised provision for 1934 exceeds (+) or falls short of (-) 1933 Expenditure by	Head of Recurrent Expenditure.	Jan.-May. 1934.	Jan.-May. 1933.	Increase.	Decrease.
£	£	£	£	£	£
- 338.	H. E. The Governor	5,832.	5,841.	-	5.
+ 7,080.	Administration	88,037.	82,710.	1,327.	-
+ 3,100.	Agriculture	47,993.	48,543.	-	550.
+ 422.	Audit	8,555.	8,228.	327.	-
+ 225.	Coast Agency	2,070.	2,245.	-	174.
- 1,648.	Conference of East African Governors	632.	841.	-	209.
+ 1,895.	Customs	19,004.	19,221.	-	217.
+ 12,357.	Education	65,084.	62,522.	2,562.	-
+ 1,308.	Forest	12,952.	12,421.	475.	-
- 425.	Game	3,254.	3,309.	545.	-
- 1,074.	Income Tax Administration	-	742.	-	742.
+ 256.	Interest	1,531.	315.	1,216.	-
+ 1,274.	Judicial	13,410.	12,490.	920.	-
+ 189.	Legal	1,742.	3,322.	412.	-
- 2,229.	Local Government, Mines, Survey, etc.	17,822.	18,322.	-	480.
+ 1,075.	Local Government Contributions	19,302.	24,322.	-	5,020.
+ 2,718.	Medical	89,250.	85,527.	4,023.	-
+ 3,812.	Military	51,702.	51,733.	-	31.
+ 2,775.	Mining and Geological Dept. (1)	-	-	-	-
+ 4,354.	Miscellaneous Services	20,477.	25,225.	-	2,778.

(1) Expenditure during first part of 1934 has been charged to the Head Local Government, Mines, Survey, etc.

Revised provision for 1931, exceeds (+) or falls short of (-) 1933 Expenditure by	Head of Recurrent Expenditure.	Jan.-May	Jan.-May	Increase	Decrease.
		1931.	1933.		
		£	£	£	£
6,545.	Pensions and Gratuities	87,772.	77,895.	9,877.	-
+ 4,389.	Police	51,240.	53,007.	-	1,767
+ 319.	Post Office and Telegraphs	85,342.	86,828.	-	1,487.
+ 587.	Printing and Stationery	12,963.	12,771.	192.	-
+ 2,276.	Prisons	23,245.	19,984.	3,251.	-
+ 30,758.	Public Debt Funded	504,623.	497,747.	6,876.	-
+ 3,069.	Public Works Dept.	34,240.	33,303.	937.	-
- 840.	Public Works Dept. Recurrent	45,712.	46,469.	-	750.
+ 804.	Registrar General	2,285.	2,189.	94.	-
	Rents, etc. to Zanzibar	8,000.	8,000.	-	-
+ 7,176.	Secretariat etc.	10,039.	6,542.	3,497.	-
- 7,641.	Statistical Dept.	5,812.	3,077.	-	2,735.
+ 1,957.	Trade & Information Office	2,483.	732.	1,751.	-
+ 5,426.	Treasury	11,320.	9,402.	1,918.	-
+ £85,803.	Total Recurrent	£1,356,756.	1,333,256.	40,090.	16,520.

Net Increase: £23,500.

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NON - RECURRENT EXPENDITURE.

1934 Estimate for full year exceeds (+) or falls short of (-) 1933 Expenditure by:	Head of Non- Recurrent Expenditure.	Jan.-May.	Jan.-May.	Increase.	Decrease.
		1934.	1933.		
£	£	£	£	£	£
- 833.	H. V. The Governor	-	-	-	-
+ 7,011.	Administration	4,567.	422.	4,145.	-
+ 1,992.	Agriculture	1,290.	1,062.	228.	-
+ 250.	Coast Agency	13.	-	13.	-
- 64.	Education	-	84.	-	84.
+ 54.	Game Department	-	-	-	-
- 56.	Income Tax Administration	-	59.	-	59.
+ 269.	Jewel	180.	-	180.	-
+ 540.	Medical	-	-	-	-
- 2,487.	Military	135.	347.	-	212.
- 53,260.	Miscellaneous Services	5,282.	11,750.	-	6,468.
+ 50.	Police	5.	-	5.	-
- 152.	Post Office and Telegraphs	1,541.	1,410.	131.	-
- 802.	Treasury	-	145.	-	145.
- 4,512.	Public Works	1,796.	3,615.	-	1,819.
+ 3,210.	Colonial Develop- ment Fund	4,441.	1,215.	2,226.	-
- £ 22,165.	<u>Total Non- Recurrent</u>	£ 12,921.	20,500.	7,529.	8,807.
<u>Net decrease £ 1,279.</u>					
+ £ 25,803.	Total Recurrent Expenditure	1,556,750.	1,533,250.	23,500.	
- 22,165	Total Non- Recurrent Expenditure	12,921.	20,500.	-	1,279.
+ £ 27,638.	Total Expendi- ture	1,575,927.	1,553,750.	22,500.	1,279.
<u>Net increase £ 22,500</u>					

Recurrent Expenditure.

24. The table for recurrent expenditure shows that the net increase in actual expenditure-over the first five months of the year exceeds the corresponding figure for 1933 by £23,500, or at the rate of £4,700-a month. If the increase were to continue at this rate for the whole year, recurrent expenditure in 1934 would exceed recurrent expenditure in 1933 by £56,400. The "revised provision" for 1934 exceeds 1933 expenditure by £25,803. The actual increase over the first five months is therefore nearly £20,000 within the proportionate annual increase provided for.

Pensions and Gratuities.

25. Consideration of the figures for recurrent expenditure Head by Head shows that expenditure for the first five months is within the proportionate variation provided for or reasonably close to it, except in respect of the Head "Pensions and Gratuities". If the 1934 expenditure under this Head is to fall within the revised provision of £126,500, expenditure for the last seven months of 1934 must fall short of the corresponding figure for 1933 by £16,422. The position in regard to this Head is as follows:-

Item.	Expenditure for first five months.		Last seven months.		Total.	
	1934.	1933.	Provision 1934.	Actual Expenditure 1933.	Provision 1934.	Actual Expenditure 1933.
	£	£	£	£	£	£
1. Pensions and Gratuities	64,884.	60,934.	90,916.	34,051.	155,800.	144,985.
2. Commuted Pensions	21,843.	15,941.	5,357.	29,181.	27,200.	45,122.
3. Widows' and Orphans' Pension Scheme	1,045.	1,020.	2,455.	1,918.	3,500.	2,938.
Total:-	87,772.	77,895.	98,728.	115,150.	186,500.	193,045.

Commuted Pensions.

26. The above table indicates that the provision made for items 1 and 3 allows for an increase of £7,402 over 1933 expenditure during the last seven months of the year as against an actual increase of £3,975 during the first five months. Item 2 - Commuted Pensions - is a particularly difficult sub-head to estimate for. The commitments for 1934, as at present known will be covered by the provision made, but it is not possible to state that further retirements or pension from this or other Colonies involving expenditure against this sub-head will not occur during the year.

27. The figures given for non-recurrent expenditure call for no special comment.

SUMMARY OF 1934 POSITION.

28. The First Revised Estimates of Revenue given in detail in Financial Appreciation No. 3 have been reduced by £10,000 to £3,186,000, as explained in paragraphs 12 and 13. Against this revised revenue estimate of £3,186,000, provision has been made for expenditure totalling £3,225,683, as follows:-

Original Estimate	£3,188,041.
Special Warrants not covered by savings	<u>37,642.</u>
Total:-	£ <u>3,225,683.</u>

This figure of £3,225,683 is the total expenditure sanctioned in Estimates and by Special Warrants not covered by savings. The actual expenditure for the first five months of the year is shown in paragraph 28, but it is as yet too early in the year to form any conclusion from these figures as to what the ultimate total Departmental savings will be. An attempt to frame a revised estimate of expenditure for 1934 will be made in the next Financial Appreciation. It will be seen, however, that if the revised Estimate of Revenue is deducted from sanctioned expenditure, an apparent deficit of £39,683 is shown, from which Departmental savings will fall to be deducted in due course.

Nairobi,
15th August, 1934.

G. WALSH,
TREASURER.

STATEMENT OF SURPLUS BALANCES.
ON 31st MARCH, 1923.

APPENDIX I.

Surplus £148,251. 1. 09.

Working Balance	£100,000.			
Unallocated Stores	95,000.	£	53,754.	5. 58.
Civil Servants' Housing Scheme	44,000.	£	29,100.	9. 06.
Central Agricultural Advances Board	100,000.	£	106,451.	0. 25.
Loan to Yalze Industry)		£	111,450.	19. 95.
Loan to Wheat Industry)	119,000.	£	4,201.	9. 50.
Loan to Berley Industry)			425.	9. 06.

	£	<u>148,251. 1. 09.</u>
Gross Cash	£	589,000. 10. 45.
Less Excess of Cash Deposits over Advances	£	440,749. 15. 20.
	£	<u>148,251. 1. 09.</u>
Loan Cash		<u>639,250. 18. 54.</u>
Cash Shortage	£	<u>150,150. 18. 20.</u>

Product Cash Shortage	£	298,401. 15. 29.
		<u>150,150. 18. 20.</u>
	£	<u>148,251. 1. 09.</u>
Loan Funds, Unspent Balance	£	695,159. 18. 54.
Loan Cash lent to the Joint Colonial Fund	£	57,000. 0. 00.
Loan Cash on hand	£	<u>639,159. 18. 54.</u>

Non-Recurrent Heads, Warrant No.	Amount		Remarks.
	Covered by Savings.	Not covered by Savings.	
	£	£	
Agricultural Department Extraordinary Locust Campaign	£1.	1,000.	
Game Department Extraordinary Elephant Drive, South Kavirondo District	50.	10.	
Public Works Extraordinary	50.		Temporary Buildings at 200 Parallel - Serbaru Dist. S.O.C.F. Amcurities.
Miscellaneous Miner Works	20.	40.	
Total under Non-Recurrent Heads	£	40.	1,720.