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DRAFT ESTIMATES 1920-21

1920

28th APRIL

Last previous Paper.

A/24201

Trans and comments on

Spare copies to Library

W. Holtz

- As a preliminary to construction of these estimates, further info. is required re^g Railway Revenue.
W. Holtz
- Same finding out from CA re to verdays & Sal. (if any).

W. Holtz
12.5.20

at arms to page 20

See subsequent pages

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NO. 76

CONFIDENTIAL.



27 APR 16 1920

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27 MAY 20

My Lord,

Govt 17195

Draft Estimates
Memorandum by the
Treasurer.

With reference to my telegram No. 170 of the 1st instant and previous telegrams on the subject of the budget for the year 1920-21, I have the honour to enclose twelve copies of the Draft Estimates in the form in which I propose that they be submitted to the Legislative Council at the forthcoming Session, together with a detailed memorandum on the same prepared by the Treasurer.

2. As Your Lordship will have gathered from the various telegraphic communications which have passed between us, great difficulty has been experienced locally in preparing a budget which would balance and even now it is questionable whether the additional revenue shown in the Draft Estimates will be realised.

3. As regards expenditure, in spite of the strictest economy, large increases are necessary. The expenditure estimates have been very closely scrutinised by me in Executive Council, the Heads of the principal Departments being present while their requirements were being considered. It was only after the most careful

THE RIGHT HONOURABLE

VISCOUNT MILNER, P.C., G.C.B., G.C.M.G., etc., etc.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON, S.W.

careful discussion that any new appointments or other increased expenditure were allowed to stand and, before submitting their Draft Estimates, Heads of Departments had been notified that all expenditure would have to be cut down to the lowest possible figure. It nevertheless became necessary to make provision for a number of additional appointments. Some of these new posts were required to deal with the increased revenue which it is hoped to collect, while in other cases it was obvious that the efficiency of Departments was suffering through shortage of staff, a position which, if permitted to be continued indefinitely, would lead to a very serious state of affairs. Again the large increase of European settlement, consequent on the Soldier Settlement Scheme, the financial benefit of which cannot be reaped until after a certain period has elapsed, has thrown further obligations on the Government for extended administrative and other public services. Further the large rise in prices both for local services and imported materials has necessitated a considerable increase in many of the Departmental "Other Charges" votes.

4. In considering new and increased sources of Revenue it became at once apparent that no useful purpose would be served by making proposals for a number of small additional ones

and

and taxes. It was necessary to decide upon such items as would produce a maximum amount in as short a time as possible with a minimum of controversial legislation and reorganisation of the revenue earning Departments. Such methods, for example, as an increased non-native poll-tax, certain export duties, the revision of the free import list, an entertainment tax, tobacco and cards taxes were accordingly dismissed, as the aggregate which could be expected to accrue from these sources would amount to a small proportion only of the budget deficit. Attention was accordingly focussed on the following:-

- (a) Complete revised Customs Tariff.
- (b) Increased Railway rates.
- (c) Increased General Taxation.
 - (i) Stock Tax.
- (d) Increased native Taxation.
 - (i) Hut and Poll Tax.
- (e) Non-Native Taxation.
 - (i) Land Tax.
 - (ii) Income Tax.

5. The Convention signed at Saint Germain-en-Laye on September 10th revising the General Act of Berlin of the 26th February 1886 and the General Act and Declaration of Brussels of 2nd July 1890, copies of which were received in Colonel Amery's despatch No. 1378 of December 17th, at one time raised hopes that a revision of our tariff would be possible in the near future. But as the result of telegrams exchanged with Your Lordship in February I learnt that the possibility could not be counted upon in connection with

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with the Estimates under consideration.

6. The Railway Estimate has been arranged so as to show a net profit on working of 3½% on the capital outlay expended on the line and the Railway Surcharge has been abolished. It is contended that the introduction of rates which will secure this amount of net Revenue is justified as a fair charge for services rendered even though this Protectorate has not been made liable for the repayment of the Imperial Uganda Railway Loan. It is believed that the net earnings assessed on this basis can be realised by an all round raising of freight charges by 50%. The result as it appears in the Draft Estimates is as follows:-

Capital Account to 31st March 1919	26,523,555.
Interest at 3½%	£ 228,324.
Converted at Rs.15 to the £	Rs.3,424,860,

which is the figure shown on page 1 of Appendix E.

I consider that we are justified in converting the capital cost of the line at Rs.15 to the £ because that was the rate in force when the sums provided were expended and we can therefore fairly assess the 3½% Interest on the rupee figure so arrived at even though the rupee has now appreciated in terms of sterling and the loan was a sterling loan. The amount already charged against the Protectorate in respect of interest on the three subsequent loans is not included in the cost of working as detailed in Appendix E. It has however been added to the Expenditure Estimates of the Railway and is shown in Schedule XXI. The amount in question,

223,923.

£23,923, is actually payable in sterling and is therefore not increased by 50% for inclusion in the Summary of Expenditure as has been done with the rest of Schedule XXI.

The position in the Summaries of Railway Revenue and Expenditure is therefore as follows:-

Revenue Schedule VII	£1,409,975
Expenditure Schedule XXI	£1,091,412
Deduct Interest charges	<u>23,923</u>
	<u>£1,067,489</u>

Balance, net profit on working £ 342,486
= Rs.34,24,860 = interest on capital, as above.

7. AS regards the proposed Stock Tax a Bill was actually drafted and published for general criticism. It was however eventually decided not to proceed with the measure. In the case of non-natives, it is believed that the Land and Income Tax proposals, which were subsequently fully considered, will render it unnecessary to impose a separate tax on owners of stock. In the case of natives, real difficulties became apparent both as regards the machinery for assessing and collecting the tax, which would have necessitated a considerable increase of staff, and in arranging each year for the disposal of the cattle which would have had to be realised in considerable numbers by certain of the tribes before they could obtain sufficient cash to pay their dues. Although this latter objection will it is hoped be removed if and when a meat canning factory is established or when the native herds are sufficiently improved or graded up to be suitable

suitable for export in the form of frozen meat, it would in the meantime be unsafe to depend on a stock tax as a continuous source of revenue. The proposals for a general stock tax were accordingly abandoned.

8. In dealing with proposed increased native taxation there were several points to be considered. Of these the principal ones were:-

- (1) The equity of increasing native taxation unless other sections of the community were also taxed.
- (11) The propriety of increasing native taxation unless at the same time some considerable increased expenditure could be provided for the direct benefit of the native.

On the general question of taxation I held the view that its justification depends on the requirements of the State and that its incidence depends on the ability of the taxpayer to contribute towards those requirements without undue hardship and without unfair discrimination. The requirements of the State are not open to question but the incidence of any taxation is a different matter. I am of opinion that the native is well able to pay a higher tax than in the past. The increased demands of the non-native community as well as the increasing aspirations of the native himself afford a much larger market both for his personal services and for his produce

produce than was formerly the case. But, at the same time, I cannot conceal the fact that unless the interests of the native are very carefully watched by Government there must be a tendency to select him for taxation and to pass legislative measures which, if applicable to other communities, would assume highly controversial proportions but which in the case of the inarticulate native are passed unchallenged. Nor is it possible to ignore the fact that in the past very little that the native sees and really appreciates has been done for his immediate welfare. Certain comparatively small sums have been set aside from time to time in the annual estimates for native education, technical and agricultural training, medical treatment and so on, but these sums are in no way commensurate to the aggregate contributed by him to the State in the form of direct taxation and in many instances have lapsed because of shortage of staff.

9. At one time it was feared that, owing to the delay which must inevitably be expected in passing the necessary legislation for giving effect to the non-native taxation proposals, it would be impossible to rely on any revenue from that source during the financial year 1920-1921. As the taxation proposals contemplated the two distinct forms of a tax on Land and a tax on Incomes, which unless imposed simultaneously would have pressed unfairly on certain sections of the community, it was considered that one form could not in equity

be introduced without the other. But in this connection there was the difficulty of arranging that data could be made available on which Income Tax could be assessed and collected within a period of less than twelve months from the date that the necessary legislation became operative. This being the case it was felt that it would not be right to increase native taxation at once while postponing until next year the imposition of taxation on non-natives. This was also understood to be Your Lordship's views as expressed in Your Lordship's telegram of February 2nd. The position was carefully considered in Executive Council on whose advice I despatched my telegram No. 119 of March 6th intimating that I proposed to exclude both non-native and increased native taxation from the budget proposals for 1920-1921. On receipt of Your Lordship's further telegram of March 23rd the whole position was again reconsidered. In the meantime certain economies and rearrangements had been effected in the Draft Estimates and further reductions in terms of sterling had become possible because of the decision to convert rupee figures at Rs. 10 to the £, practically the whole of the revenue of the Protectorate being payable in rupees, thus increasing the said revenue by 50% in terms of sterling, while sterling payments including pensions and leave salaries were not similarly increased. This enabled a sum of £50,000 to be set aside as expenditure directly for the benefit of the native, provided the new taxation could be brought

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brought into effect. Eventually I despatched my telegram No. 170 of April 1st in which I informed Your Lordship that I was prepared to submit a budget including the new taxation proposals, under certain conditions.

10. The position is admittedly unsatisfactory because of the doubt which exists as to how soon the new taxes will begin to accrue and the amount which will be derived especially in the case of the Income Tax. It is, however, the best that could be done under the circumstances and it is hoped that, with the assistance of the expert staff for which I have asked in my telegram No. 171 of April 1st, some way of overcoming the difficulties in connection with its assessment and collection may be found.

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11. I therefore propose to proceed with the Native Hut and Poll Tax Amendment Bill, a copy of which was forwarded to Your Lordship in my despatch No. 1264 of December 24th 1919, when the new Session of the Legislative Council is opened next week, and in the meantime Provincial Commissioners have been instructed to warn the natives in their Provinces that their taxes will very possibly be increased this year. It is highly desirable that the Bill should be passed into law as quickly as possible because native taxes fall due on April 1st and although in practice they are usually collected later in the year, it would not be possible to commence their collection until the amount due were decided.

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decided upon. Any undue delay would operate against the reduction of Government's overdraft, a by no means unimportant matter in the present state of the Protectorate's finances.

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12. The Bills for the introduction of the Non-Native Income and Land Taxes have already been published locally for comment and criticism and copies have been transmitted to Your Lordship in my despatches Nos. 308 and 309 of March 27th. I believe that the fact that such taxation is both necessary and justifiable is generally admitted locally and that the Bills will not be seriously opposed in principle. But the consideration of the same is bound to be very protracted because of the great mass of detail which requires to be dealt with and because of the difficulty in distributing the taxation equitably. It has obviously been necessary to defer the introduction of these taxation measures in Legislative Council until the newly constituted Council assembles. Any attempt to consider them on the eve of the adoption of the principle of elective representation would have been bitterly resented and every obstacle would have been placed in their way.

13. Mr. Kempe has dealt so fully with the Estimates in his memorandum that there is no necessity for me to traverse the same in detail in this despatch. There are, however, certain features which call for special comment. Schedule VI Provincial Administration and Schedule XI Legal Departments, Judicial. The Estimates have been arranged as in past years, it not being possible

possible to show the effect of the reorganisation proposals generally approved in Your Lordship's despatch No.138 of 30th January until the details of the new scheme have been worked out and the allocation arranged of officers to either the settled areas branch of the Administration or to the Native Affairs Department as the case may be. No increase of Administrative Staff has been provided for the new areas which have come under settlement in connection with the Soldier Settlement Scheme. Apart from the difficulty of providing funds for the establishment of new stations it is for the present difficult to decide exactly where such stations could most conveniently be situated. It is hoped that when the arrangements for handing over the administration of the Northern Frontier District to the Military Authorities have been completed a number of civil Officers withdrawn from that area will be available for duty elsewhere. Similarly changes in the arrangements for the administration of the Jubaland Province may release still more officers. By this means it is believed that when the necessity arises staff will be forthcoming for the newly settled districts. In addition there is the Turkana District to be considered. This District has been greatly increased in area because of the recent adjustment of the boundary between the East Africa and Uganda Protectorates. It is at present partially administered by the Military Authorities but it is to be hoped that our financial position will before very long enable us to establish a close civil administration. For the above reasons no reduction

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reduction of administrative staff has been considered desirable in spite of contemplated changes in the Northern portion of the Protectorate.

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14. Schedule VI & Provincial Administration, Special Expenditure, "Development of Native Reserves," £38,334 (Rs. 5,00,000). This is the item to which I referred in paragraph 2 of my telegram No. 170 of April 1st. The Chief Native Commissioner is preparing a scheme for expending this sum to the best advantage which will be submitted to Your Lordship in due course. If, as is very probable, it will not be possible to expend the whole of it during the financial year, I earnestly trust that any balance may be carried forward. Any such sum would be very valuable in connection with the capital cost of any central or local institutions which may be decided upon for the elevation of the native.

15. Schedule XII, Police. In paragraph 43 of his memorandum, Mr. Kempe has explained how the estimates of this Department have been affected by the increased areas of European Settlement. The adequate policing of these areas is essential and cannot be deferred. We are confronted with the difficulty of providing funds for the necessary Police Posts and it is possible that it will be necessary to devote to this purpose a large proportion of the Public Works Extraordinary Vote.

16. Schedule XVI, Education. As the Treasurer remarks in paragraph 4 of his memorandum,

it would serve no useful purpose to make any considerable increase for recurrent expenditure under this head until funds can be provided for the erection of the necessary school buildings and staff accommodation. I am as yet unaware of the result of Your Lordship's decision on the report of the Education Commission after discussion with Sir Edward Northey, but I trust that the provision of capital funds for the purpose of giving effect to any schemes which may be adopted for both native and non-native education will be considered a matter of no less urgency than the provision of funds for the development of the material resources of East Africa. It appears to me that the development of the human resources of the Protectorate can be as properly considered to be productive expenditure as the provision of Railways, Port facilities and other public works of like nature.

17. Schedule XVIII, Military Expenditure.

A revision of this schedule will be necessary in view of Your Lordship's telegram of April 1st which is now receiving attention, in addition to any alterations which may be effected as the result of the recent visit of the Inspector General, King's African Rifles.

18. Schedule XX, Post Office and Telegraphs.

In my despatch No. 385 of April 20th I transmitted two memoranda by the Post Master General on the subject of the organisation of the local postal service and the discontent which prevails under existing conditions. The financial aspect of the budget proposals are set out in paragraph 54 of the Treasurer's memorandum and I can only repeat that

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that I trust Your Lordship will allow the expenditure schedule to stand in the form in which it is ultimately adopted by the Legislative Council.

19. Schedule XXa, Post Office and Telegraphs, Special Expenditure. It is a matter for great regret that the financial position does not permit of provision being made for a far more comprehensive programme of telegraph and telephone extensions.

This important factor in opening up the country and facilitating trade has been sadly neglected in the past and the position can only be rectified by the adequate provision of loan funds for the capital expenditure which will be necessary.

20. Schedule XXI, Railway Department.

I have already explained the principle on which the Railway Estimates have been prepared. There is a slight error in the footnote to page 1 of appendix E, the figures in the left column of which should read:-

Rs. 2,39,230. (i.e. £23,923 @ Rs.10.)
<u>31,85,630.</u>
<u>Rs.34,24,860</u>

The position is that after the Railway Estimates have been arranged so as to produce a profit on working of 3½% on the capital, £23,923 is required for interest on loans for which the Protectorate is directly liable and £318,563 is available for general budget purposes. I understand that the whole question of the allocation of railway profit has been discussed by Your Lordship with Sir Edward Northey and the Governor of Uganda and it does not appear necessary to dwell on the subject in this despatch. On the general question of Railway earnings I would only remark that rightly or

wrongly

wrongly we have in the past been accustomed to derive a considerable portion of our Revenue from excess Railway earnings and it is therefore necessary to raise Railway Rates at least proportionately with the increased cost of working until the shrinkage of revenue which would otherwise occur can be made good by some other means. When it becomes possible to readjust our Customs Tariff, any increased Customs Revenue could properly be devoted to a reduction of Railway Rates. In the meantime the introduction of a system of telescopic charges, which is contemplated, will afford some relief at least in the case of long haulage traffic.

21. Schedule XX, Public Works Extraordinary.

The provision which it has been possible to make under this head is hopelessly inadequate. All that has been found possible is to insert an insignificant sum which will be used to the best advantage as necessity arises. Year by year the arrears of building requirements of every description, from large public offices and buildings to petty works of various sorts, have been steadily accumulating until the total now required to meet present day requirements has assumed very considerable proportions, which can only be met from funds specially provided

outside

outside the annual estimates. In the meantime the cost of the buildings themselves has increased enormously, and money is of course far dearer than it was a few years ago with the result that both any loan itself and the rate of interest payable thereon is now much higher than it would have been if funds could have been supplied earlier.

22. I am causing to be prepared a detailed statement of our building requirements under convenient headings which will be submitted to Your Lordship in due course. In this connection I have the honour to refer to paragraph 59 of Sir Edward Northey's Confidential despatch No. 63 of the 16th April 1919 and to paragraph 4 of Your Lordship's Confidential despatch of July 17th. In my telegram No. 146 of March 13th I enquired as to the prospects of a building loan being forthcoming and received Your Lordship's reply of April 3rd with considerable disappointment. I would very respectfully submit that the provision of adequate house and office accommodation for the staff, the establishment of administrative stations, postal facilities and Police Posts and the provision of necessary school buildings, hospitals and prisons cannot be indefinitely postponed, and form an essential part of the expenditure required for the development of the Protectorate. In the meantime the Protectorate staff is dissatisfied and suffers in comfort and health, work in totally unsuitable offices suffers in efficiency, while the general public complain of the want

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of facilities provided and the manner in which public services are rendered. I would even go so far as to suggest that any funds made available in the form of a loan should primarily be devoted to the purpose of overcoming the accumulated arrears of building requirements.

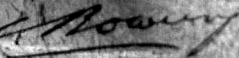
23. Schedule XXXII, Interest. It would perhaps be better to enter the full amount of £37,500 in the Schedule and transfer it without addition to the Summary of Expenditure. This has been noted for amendment in Legislative Council.

24. In conclusion I would state that I anticipate that the estimates will be very closely scrutinised by unofficial members in the Legislative Council and that there may be some considerable delay in passing the Appropriation Bill through the Committee Stage. It was of the greatest benefit to have the co-operation of 2 unofficial members when the Estimates were considered in Executive Council. One of them, Mr. T. A. Wood, has been elected to the new Legislative Council and I hope and believe that his presence will be of considerable assistance when the Estimates are under discussion by that body.

I have the honour to be,

Your Lordship's

humble, obedient servant,



ACTING GOVERNOR.

Estimates 1920/21.

Rate of Conversion. At the outset it should be mentioned that from the 1st of April 1920 all conversions in the Protectorate accounts will be made at Rs.10 to £1. The figures shown in the detailed estimates under subheads are however calculated generally at the rate of Rs.15 to £1, because by calculating at the same rate as in the previous year a clearer statement is provided of increases and decreases. For purposes of arriving at the amounts required to be sanctioned for each item and subhead at the new rate, 50 per cent should be added, excepting in a few cases where the amounts are based on sterling figures, and it will be noticed that a footnote is appended at the end of each Head of Revenue and Expenditure showing the totals increased in this manner. The Abstracts of Revenue and Expenditure on pages 3 to 6 of the estimates show the increased totals. In quoting figures in this memorandum it may be assumed that, they have been calculated at Rs.15 to £1, unless the letter N follows the symbol & when they have been calculated at Rs.10.

Opening Balance. The statement of estimated Assets and Liabilities in Appendix B shows a surplus balance to open the year 1920-21 of £502405, after regard as an Asset the Advance of £500000, which it is expected will be received from the Imperial Treasury to meet the deficit on the 1919-20 budget. The amount of this balance is a large one but it appears inadvisable to trench on it at present in view of the Protectorate's heavy overdraft, the increased value of Unallocated stores, and the fact that Revenue from new forms of taxation cannot be realized early in the year. If, when the revised estimates are prepared, it is found that hopes with regard to increased Revenue are being

being realised, that the Stock of Unallocated Stores can be reduced, and that the overdraft with the Crown Agents is cleared off, proposals may be put forward for utilizing some part of this balance.

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Revenue. The total Revenue as shown on page 5 amounts to £23,215,251, an increase of £21,557,516 over the revenue for 1919-20, of which £2802,474 is a fictitious increase due to conversion at the new rate, and £1755,042 is a genuine increase.

Head I Customs (page 7) shows a total of £160,800, a sum approximately equal to the total which is being realised in 1919-20. This total should therefore be assured. Cranage, Transit and Administration Fees, which are collected by the Customs Department and were formerly shown under Head IV, Fees of Court, are now shown for the sake of convenience under this Head, because they are divided with the Hezania Protectorate in the same proportion as the other Customs Revenue.

Head II Port Dues (page 9) are increased by £750, of which the increase of £450 under Pilotage is largely contingent upon the additional Pilot, who is provided for in the Expenditure Estimates of the Port Department, being obtainable.

Head III Licences Excise &c. (page 11) includes various increases due to the return to settled conditions and the influx of European population. The principal new Revenue measures are also estimated for under this Head. Of the increase of £182,000 in the Native Hut and Poll Tax £25,400 may be attributed to recovery from the setback to collection caused by Typhus and Influenza and £156,600 is to be realised by increasing the Hut Tax to Rs.7-50 and the Poll Tax for able bodied males to Rs.10/-. It is proposed to utilize out of this increase £35,334 (£250,000) for development of

of Native Reserves for which provision is made and dealt with under Expenditure Head VII, Provincial Administration Special Expenditure.

Three new and important items of Non-Native Taxation are Income Tax £ 50,000 , Land Tax £ 250,000 and Land Transfer Tax £ 1,000 . The amount of Income Tax

is purely conjectural as there is no available basis which to form an estimate. The amount of Land Tax is roughly calculated on five million acres of alienated Land paying nearly an average of 10 cents each. The Land Transfer Tax cannot be expected to bring in much in its early stages as there will be no increase in value on which to levy the Tax. It should be remembered that not only have the rates for these Taxes not been fixed but the Legislation for imposing them has not yet been placed before the Legislative Council.

Head IV Fees of Court (page 15) The principal increase here is under item 10, Testing and Dipping Fees, and is to be realized largely from a scheme of Veterinary Quarantine involving considerable additional expenditure under the Agriculture Department.

Head V Reimbursements by other Governments (page 17) These figures should not be regarded as definitely fixed amounts in any one case, but liable to revision when the figures of increased salaries are available.

Head VI Post & Telegraphs (page 18) The Postmaster General anticipates an increase of £15250 in his revenue due to influx of population and expansion of commercial activity. The increase is contingent to some extent upon his being able to extend the activities of his Department, and to maintain an efficient service for which he has asked for a large increase on his

Expenditure votes. The Revenue amounts to £26,400 and the Expenditure to £24,241, the latter being a much larger proportion of the former than in previous years. An explanation of this will be furnished when discussing the Postal Department's expenditure.

Head VII Government Railways (page 21) The Revenue under this Head is to be realized by an increase of 50 per cent on Goods rate and after the expenditure has been deducted (other than the Interest and Sinking Fund on Loans) should leave a net balance equal to 54 per cent on the Capital cost.

Head VIII Government Railways Special (page 21). It is proposed to remove the Railway Surcharge when the increased rates, of which mention is made above, are introduced. Pending the removal of the Surcharge the Revenue from this source will be treated as part of the ordinary Revenue of the Railway.

Head VIII & VIIIc (page 21) The Revenue for the Busoga and Fort Bell Kampala Railways are balanced by corresponding totals on the expenditure side, and do not affect the finances of the East Africa Protectorate.

Head VIII Rents of Government Property (page 23) show an increase of £18100 to be realized from Land recently alienated, including Farms under the Soldier Settlement Scheme, and from the Forest Department. The latter source of Revenue cannot be relied upon unless the additional Staff provided for in the Expenditure Estimates of the Forest Department is obtainable.

Head IX Interest (page 25) The Income from the Currency Note Guarantee Fund is calculated on the returns from the investments under existing arrangements. It is not known what will become of these investments after the contemplated Currency changes have been introduced or what income will be realized under the new scheme, but it seems safe to count on the sum of £214000 at least. It will be noticed that no addition has been made to the total in respect of this or the first item on account of conversion, the Revenue being realized in sterling and paid to the Crown Agents on behalf of the Protectorate.

Head X Miscellaneous Receipts (page 87) shows a striking decrease of £49000 due to the expectation of no Revenue from exchange owing to the new rate of conversion.

Head XI Sale of Government Property (page 89) calls for little comment. The present low market price of stock and the uncertainty as to when Nagai Soda Company will be showing its full activities forbid any great reliance being put on the estimates for these items.

Head XII Land Sales (page 31) It is impossible to prepare a programme of Land Sales for one year ahead on which reliance can be placed, and therefore a nominal sum of 25000 has been inserted which is balanced by an equivalent entry on the Expenditure side under Head XXXa

Expenditure. The total expenditure shown in the Abstract on pages 4 and 6 amounts to £N32,323, of which £N852237 represents a fictitious increase due to the new rate of conversion, and £N 608029 is the amount of the actual increase. Of this latter figure £N62089 is due to an unusual practice having been followed in the 1919-20 estimates of deducting the savings which it was estimated would accrue from vacancies and other causes.

Explanations of each item of increase or decrease will be found in the printed estimates. Increases will be observed throughout under Other Charges which are due to rise in prices in general, and in wages, cost of porters food and camp equipment, in the case of travelling votes.

Head I Rent and Interest (page 78) The detailed figures here shown are calculated in sterling and no allusion is therefore made in respect of the new rate of conversion.

20. Head II Pensions & Gratuities (page 35) The Increase of 25400 includes new Civil Pensions of European Staff 25300, of Non-European Staff 2301, and War Bonus 242. The amount provided for further Pensions which may be granted during the year is 27600. Appendix G shows that 22510 is provided to meet the temporary Pensions sanctioned for European Pensioners, and this takes the place of the item of 21600 for increased pensions which appeared in the 1919-20 estimates. Part only of the total is increased on account of conversion, European pensions being payable in sterling while it is proposed to continue paying pensions of Non-Europeans in India at Rs.15 to 21.

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1. Head III H. E. the Governor (page 37) shows little change. Transport votes, which have hitherto proved insufficient, have been increased.

Head IV Secretariat (page 39) Provision is made for the following additional Staff:-

Items 7 & 8	Clerk of Councils
x 9	5 Junior Assistant Secretaries
16	1 Clerk 2nd Grade
18	2 Clerks 4th Grade
20	1 Clerk 6th Grade

The Clerk of Councils has already been appointed with the sanction of the Secretary of State. The previous arrangement by which this duty was undertaken by a member of the Secretariat was unsatisfactory from the point of view both of the Councils and the Secretariat. The present Secretariat Staff is quite unable to cope with the volume of work which is increasing rapidly, and a substantial increase of Staff is necessary to enable the work to be promptly and efficiently carried out. The new 6th Grade

clerical post is created in order to give encouragement to a native Office boy who has learned to read and write and has shown aptitude for filing records. 500

Head V Official Gazette and Printing (page 43) The increases under this Head are solely due to normal increments and rise in prices, and cannot therefore be controlled. The Post of Assistant Printer has been abolished.

Head Va Official Gazette Special Expenditure (page 45) Two printing machines are required to enable Government reports and pamphlets to be printed more promptly than hitherto. With adequate machinery the Government printing Press can work at a cost far below local tenders.

Head VI Provincial Administration General Staff (page 47) Items 8 and 9. The salary of His Britannic Majesty's Consul for Southern Abyssinia has been already increased with the sanction of the Secretary of State. The responsibilities of the Post have been considered to justify the increase.

Items 11 and 12 and 16. A reduction is made of 3 District Commissioners and 4 Assistant District Commissioners, who are now shown as holding specific posts under the Native Affairs Department, vide items 34, 42, 44, 55, 56 and 72. Item 18. A European Clerk is required for Eldoret where the European population is increasing. Item 24. 8 Native Clerks are required, two in Uluaba and 1 in Nyansa Province, for keeping Native Council records, checking station tickets and to assist in counting cash.

Native Affairs Department (page 49) The requirements of this Department are now detailed at length and an increase of 20000 is required, of which 22070 represents salaries of District and Assistant District Commissioners shown under distinct posts, a corresponding reduction to which reference has already been

been made, being effected under "General Staff". The remainder of the increase is accounted for by the extension of the registration scheme for natives, and the finger print classification and Statistics, which are necessary to make the scheme useful and effective.

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Province of Seyidie (page 49) Small increases appear under items 98 and 100 for securing the services of competent persons as Carpenter, and Market master Mariakal. Increases under items 91, 95 and 96 for Messengers, Presidents of Councils, and Tribal Retainers, are required for the better administration of the Native Reserves. Increases of a similar nature will be found under other Provinces, and they appear to be a justifiable contribution to the welfare of the native population from the increased Revenue to be derived from Native Taxation. Tribal retainers are employed for policing native districts, for executing orders of the Court, and for carrying messages between the Administrative Officers and Native Chiefs. The lack of adequate remuneration to natives vested with authority has been found in the past to lead to abuse of their power and to extortion.

Item 116. An increment of 28 is provided for the Livali of Vanga as a reward for long and faithful service. For Mombasa Conservancy 2500 is added under item 139 for Staff and 2250 under item 149 for Other Charges. These increases are more than covered by the anticipated increase under Revenue Head III item 14 over the original estimate for the previous year for Mombasa Municipal Revenue.

Province of Usaka (page 57) The remarks made above on the subject of remuneration of Tribal Retainers in Seyidie Province apply equally to the increases for Tribal Retainers under items 139 and 149.

Province of Kenya (page 89) Small increases are provided for salaries of Native Staff and Chiefs. The transport vote is increased owing to the employment of Motor Transport which should materially increase the efficiency of native administration.

Province of Uganda (page 88) The foregoing remarks apply here also with regard to increases in pay of native Staff under items 284 and 286.

Item 294 provides an increase of £257 for Staff, and item 306 £160 for Other Charges, for Kisumu Conservancy, which will be covered by increased revenue to be derived from revised rates for Conservancy and Water Charges.

Naivasha Province (page 89) The expenses of the Masai Reserve and Turkana District are separated from the vote for the rest of the Province as the expenditure is under the control of the Officers in Charge of those Districts and not the Provincial Commissioner, Naivasha. The new items for Turkana District are not fully compensated by reductions in the Naivasha Province vote. Turkana District is now under Military control and the requirements, which have been fully detailed by the Military Authorities, provided for additional Stations and Administration of an extended area, while the civil authorities continue to administer the Suk from the old Turkana headquarters at ^{Samb} Echeliba. Increases for the native Staff are inserted to those for the other Provinces.

Northern Frontier District (page 73) This vote has been considerably reduced as the provision made in previous years has been more than necessary, and as part of the transport for conveyance of stores from Nairobi to the outskirts of the Northern Frontier District can be more suitably controlled from Nairobi and has been provided for under the Transport branch of the Public Works Department.

Head VII Provincial Administration Special Expenditure

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(page 76) £1800 provided for Road construction and maintenance in the Northern Frontier District in carrying on improvements to the main lines of communication, with a view to facilitating administration and reducing the dangers at the isolated Stations of this District from shortage of food and hostile natives.

Under this heading £35,554 ^(£N 50,000) is provided for Development of Native Reserves. This amount is considered as due for this service on account of the proposed increase in the Native Hut & Poll Tax. Details of the expenditure will be prepared and submitted later. It is suggested that no considerable amount of expenditure should be incurred against this vote until the realisation of the estimated additional Revenue from Native Hut & Poll Tax is assured, and that if there is any excess of this Revenue above the estimate it should be voted later for this service, and that the funds which then become available, if not spent before the close of the financial year, should be carried forward to the next.

Head VII Treasury (page 77) item 6 provides for an additional Assistant in the place of the Cashier (item 18) formerly a Non-European. Item 10 provides for allowances of 250 each of the Currency Commissioners. These items of expenditure are already being incurred with the sanction of the Secretary of State. It is preferable that any payments to Officials should be specifically provided for in the estimates and not paid from the profits of the Currency Board, and for this reason also provision is inserted under item 18 for the Currency Board Clerk. Item 20 - An additional 4th grade clerk is required to cope with increasing work. Item 21. £2150 is provided for expenses of Revenue Board which should undertake the collection of income tax and take over the estates duty for which 250 p.a.

is at present being paid to the Provincial Commissioner; Kisumu and 2 Treasury Officers and charged to Head XIX, Miscellaneous Services. The following are the details of this estimate to which at the initiation of the scheme it does not appear advisable to be rigorously bound:-

1 Superintendent	(2600 x 25 to 700)	2	600
2 Assistants	2300		300
4 Clerks 3rd Grade			400
4 Clerks 4th Grade			388
Passages and Contingencies			262
			<u>1,950.</u>

Head VIII Customs Department (page 79) The only items which call for comment are items 7, 8 and 9, where reduction has been effected at the post of Collector of Customs Uganda and provision has been made for an Assistant instead. The work in Uganda does necessitate the employment of a Senior Officer there.

Head VIIIa Customs Special Expenditure (page 83) A motor launch is required for patrol work to prevent smuggling, and 2 new rowing boats are required to replace two boats which are worn out after nearly 20 years service.

Head IX Port & Marine Departments (page 85) Item 4. The existing Staff of two Pilots in addition to the Port Captain is insufficient in the absence of the Head of the Department on a tour of inspection of the Coast harbours, or in the case of leave or sickness, to provide for night work or to prevent delays when more than one ship arrives at the port at the same time. Pilots at the port is voluntary, but when the services of a European pilot can be obtained ships' Masters are anxious to make use of them. The salary of the additional Pilot should be covered by increased receipts from pilotage fees.

Small increases are provided for for Native Staff. An additional signman (item 17) is required for relief purposes to provide for night work, leave, or sickness.

The additional £40 under item 39 for Expenses of ferries is covered by increased Revenue. Where the Government is able to take over the control of ferries instead of letting them out to contract it has been found that the results in increased revenue and efficiency are highly satisfactory.

Items 72 and 73 show increases on the upkeep expenses of boats of the Sanitation and Police Department to provide for new motor boats now on order.

38. Head IXa Port and Marine Departments Special Expenditure

(page 91) item 3. Two iron tripod beacons marking the North end of Kiliniini Reef and Puchanan Rock are breaking up, and it is desirable to replace them by more permanent concrete structures.

Item 4. A new engine is required for the motor launch Etanga. The present engine is worn out and repairs are expensive and unsatisfactory. The hull is in excellent condition and warrants the expenditure on a new engine.

39. Head X Audit Department (page 93) The Auditor's estimates

2836/19
have already been forwarded to the Secretary of State under cover of the Acting Governor's despatch No. 689 of the 28th of July 1919, where the total is shown as £5568. In considering the details of this estimate a reduction of £294 has been effected on the vote for Personal Emoluments by deleting the promotions in the Clerical Staff in view of the proposed improvements in grading and salaries, while £550 has been added to the Share of Home Expenses to correspond with the estimate subsequently furnished by the Director of Colonial Audit.

The net result is an increase of £58 on the Auditor's total, and a decrease of £18 on the previous year's total owing to the increased contribution payable by the Railway.

40. Head XI Legal Departments, Judicial (page 95) Under existing arrangements one of the Judges is absent on leave for half the year on average, and one of the Magistrates acts for him. This arrangement is not only undesirable from the point of view that the scale of salary for the Magistrate does not uphold the dignity of the post which he is called upon to fill, but now that two Magistrates are required for Nairobi it leaves insufficient Staff to provide for leave of the Magistrates.

Item 15. Provides for promotion to the 2nd Grade of an Arab Interpreter, who has been for 18 years in the service. This man's knowledge of Mohamadian law has been of great value to the Department. Item 22 provides for 2 new clerks for registration work, particularly in connection with the registration of business names.

41. Registration of Documents (page 96) This Department is now treated as a part of the Land Department and is provided for under Head XXVII.

42. Attorney General's Department (page 101) Provision is made under items 76 and 77 for 2 additional Crown Counsels who perform the duties formerly assigned to the Legal Assistant and Conveyancer of the Land Office, the latter posts having been abolished. It is necessary to provide for both posts on the same scale of salary, irrespective of any increases which may be contemplated, in order to retain the services of competent persons to carry out efficiently the duties of these posts. Three additional clerks, required to undertake the increase in clerical work in this Department arising out of this arrangement, are shown under item 80.

45. Head III Police (page 103) The following additions are made to the Police vote for the purpose of controlling the areas which are now being populated by Europeans in consequence of the Soldier Settlement Scheme. It may be noticed that they do not correspond in every case with the increases shown in the printed estimates, but without these requirements certain alterations would have been made in the amounts voted for the previous year:-

Personal Emoluments.

Item 7.	1 Superintendent (£400 x 20 x 500)	2	400
8.	1 Asst. -do- (£250 x 15 x 400)		250
10.	4 Inspectors (£200 x 10 x 250)		800
11.	4 Uniform allowances @ £10 each		40
20.	2 1st Class European Constables		292
21.	4 2nd - do - - do -		512
22.	7 3rd - do - - do -		833
24.	2 Indian Sub-Inspectors 2nd Grade		200
29.	5 African Sergeants 3rd Grade		100
30.	8 -do- Corporals		122
34.	13 -do- Constables 1st Grade		136
35.	22 -do- -do- 2nd Grade		244
36.	70 -do- -do- 3rd Grade		764
58.	3 Clerks (4th Grade)		213
65.	24 Svces		192

Other Charges

69.	Uniforms	375
70.	Contingencies	100
73.	Rations	50
74.	Arms and equipment	1499
75.	Ammunition	443
76.	Miscellaneous Stores	1446
77.	Horse Food and Medicines	130
78.	Transport Passages	1460
79.	-do- Local Travelling	590
80.	-do- Travelling allowances	168
81.	-do- Carriage of Goods	100
82.	-do- Purchase of Animals	800
83.	Musketry Prizes	8
85.	Typewriters	70
88.	Purchase and repairs to Buckload do.	160
	Total	£15,143

The Districts in which it is proposed to post this additional staff are Machakos, Kiambu, Trans Nzoia, Nakuru, Rumuruti, Nyeri, Fort Hall, Kisumu, Lamuwa and Nandi. The Superintendent would be stationed at Rumuruti to deal with Laikipia area, and the Assistant Superintendent would be at Nyeri to deal with West Kenya.

Other items of increase on the Police vote, not occasioned by the Soldier Settlement requirements, are as follows:-

Item 12. Local allowance to Inspector in Charge of Nairobi Police Station. The Police Officer in Charge of this Station has far more onerous duties to perform than any other Inspector. He has to control 10 European Police, and a large staff of Indian Sub-Inspectors, who require close supervision. Other Inspectors at outstations have more congenial duties and their cost of living is less expensive. The allowance is recommended as an inducement to bear the heavy responsibility without dissatisfaction. Item 22. One additional 3rd Class European Constable is required to carry out beat, investigation, and Station duties in Nairobi, where the population and the work is increasing.

Item 26. Two additional Indian Sub-Inspectors (2nd Grade), are required for Nairobi, one for assisting the European Police Officer who acts as Crown Prosecutor in the Nairobi Criminal Court, by arranging and marshalling witnesses, and the other for supervising the African Staff. The present supervision by an illiterate African Sergeant Major is not satisfactory.

Under Criminal Investigation Department a new allowance of 250 p.a. is provided under item 45 for the Superintendent in Charge, the Duty allowance to the Inspector under item 46 is increased by 25 to 285, and two new allowances under item 47 of 250 and 215 are provided for European Constables, the allowance for the Sub-Inspector is increased by 22 to 212 (item 48) and to the Assistant Sub-Inspector by a similar amount to 22 (item 51). 250 is also added to item 52 for plain clothes allowances for the Asiatic and African detective staff. The development of this branch of the Department is highly desirable and the allowances

are required to induce the most capable members of the staff to take it up. The rates of the old allowances have been revised, so that the remuneration may be varied in proportion to the responsibilities.

Item 57. One additional 3rd grade clerk is required for issuing motor licences, the revenue from which has greatly increased.

44. Head XIII Prisons (page 111) items 6 and 7. An additional Superintendent is required for Kisumu in order that the Gaol there may be given the status of 1st grade. The presence of a Superintendent at Kisumu should effect great economy in food by supervising food production by the prisoners, and the raising of the status of this Gaol will enable longer term prisoners to be detained there and consequently economy will be effected in transport.

Under Other Charges the votes have been raised by £1800 owing to rise in price and increasing numbers of prisoners.

45. Kabete Reformatory (Page 115) Some addition to this institution may be justifiably considered as expenditure for the benefit of the native from additional taxation. A new post of European Carpentry Instructor is shown under item 45, additional Warders are required for an increased number of inmates, and additional provision is made under Other Charges for equipment and maintenance with a view to increased instruction.

46. Head XIV Medical Department (page 117) shows an increase of £2021 of which £1510 is due to the revision of salaries and grading of Medical Officers. Under item 18 provision is made for a new post of Resident Surgeon, Nairobi European Hospital. This appointment has already been made, with the sanction of the Secretary of State. To ensure continuity of management and to secure the efficient cooperation of the nursing staff, it is

necessary to avoid constant changes in the post of 510
Medical Officer in Charge, whose qualifications should
be higher than are necessary in the average Medical
Officer.

Items 38 and 39 provide for payments of £250 p.a. each
to private Practitioners at Mombasa and Lamu for
attendance on Railway and Civil Officials. This arrange-
ment is more economical than engaging additional Medical
Officers, and it is proposed, when opportunity presents
itself, to extend this practice.

Item 52. Ten additional Hospital Nurses are required,
three of whom will be employed as Matrons of the Native
Hospitals at Mombasa, Nairobi and Kisumu and 7 are
required to perform ordinary nursing duties at Mombasa
and Nairobi European Hospitals and to allow for leave.

Item 55. An additional male Nursing Orderly is required
for Nairobi European Hospital for night duty and to
assist with the X ray apparatus. A duty allowance of
£24 p.a. is provided for under item 56 to be paid to
this Orderly for special qualifications and training
in X ray work which he should possess.

Reduction in the numbers of Assistant Surgeons,
items 43 and 44, is necessitated by shortage of funds
and means that the contemplated opening of dispensaries
at certain Government Stations will have to be postponed.
This staff has not yet been engaged.

Item 47. 8 more Motor Car drivers are required for
driving Ambulances and other Medical/Motor Cars. These
have been previously paid from the vote for Ambulance
and Motor Services.

Under the Laboratory Division additional staff
is required to meet the demands of the increasing
European population for vaccines and to undertake the
microbiological examination of water. The additional
staff is made up of one Assistant Bacteriologist, one
European Laboratory Assistant, one Asiatic, and one
Native Attendant.

Under Other Charges of the Medical Department the net increase is £8448, and is largely necessitated by the extension of hospital accommodation and rise in prices. Under item 81 £2500 is entered for Subsidies to Private Hospitals. A War Memorial Hospital is being erected at Nakuru, to which the Government has contributed a building grant, and the erection of a similar Hospital at Lumbwa is under consideration. The sum provided is intended to cover £150 per annum for upkeep of 3 beds at each of these for Government patients and payment of the difference between the fees charged to Government patients at these hospitals and at Government hospitals. An additional £700 is provided under item 119 for subsidizing Missions for medical work in Native Reserves the grant being intended to assist towards the cost of buildings, drugs, and the salary of a competent Doctor, and is conditional upon the latter being employed.

Head KIVa Medical Department Special Expenditure (page 125) £1000 is inserted under "Purchase of disinfectors". A similar sum was inserted in the 1918-19 estimates for purchase of 3 disinfectors, but owing to increased prices it was found sufficient for one only.

XV
Head/Chemical Laboratory (page 126) The salary for Field Assistants has been fixed at £250, the maximum of the former scale, which started at £200. This is in accordance with the recommendations of the Assistant Director at Nyeri for securing the services of a competent person. Under item 19, Laboratory Stores £2400 has been inserted for a second gas holder. The present position with only one gas holder is that when this is empty any work requiring the use of the heating apparatus has to be suspended until a further supply of gas can be generated and the holder refilled.

Under Other Charges of the Medical Department the net increase is £5649, and is largely necessitated by the extension of hospital accommodation and rise in prices. Under item 81 £2500 is entered for Subsidies to Private Hospitals. A War Memorial Hospital is being erected at Nakuru, to which the Government has contributed a building grant, and the erection of a similar Hospital at Lambwa is under consideration. The sum provided is intended to cover £150 per annum for upkeep of 3 beds at each of these for Government patients and payment of the difference between the fees charged to Government patients at these hospitals and at Government hospitals. An additional £700 is provided under item 110 for subsidizing Missions for medical work in Native Reserves the grant being intended to assist towards the cost of buildings, drugs, and the salary of a competent Doctor, and is conditional upon the latter being employed.

Head KIVA Medical Department Special Expenditure (page 123) £1000 is inserted under "Purchase of disinfectors".

A similar sum was inserted in the 1918-19 estimates for purchase of 3 disinfectors, but owing to increased prices it was found sufficient for one only.

XV

Head/Chemical Laboratory (page 125) The salary for Field Assistants has been fixed at £250, the maximum of the former scale, which started at £200. This is in accordance with the recommendations of the Assistant Director at Kw for securing the services of a competent person. Under item 16, Laboratory Stores Ac., £400 has been inserted for a second gas holder. The present position with only one gas holder is that when this is empty any work requiring the use of the heating apparatus has to be suspended until a further supply of gas can be generated and the holder refilled.

49. Head XVI Education (page 127) It has to be admitted that education facilities in the East Africa Protectorate for all sections of the Community are grievously inadequate and that the reasons for this are shortage of funds at the present time, and inadequacy of accommodation due to shortage of funds in the past. Provision made in these estimates is to cover only the existing establishments. It has not been considered advisable to provide for extended facilities until buildings are available, but it is suggested that if these can be undertaken and finished during the year the necessary staff should be provided for in a supplementary estimate. The additional staff now asked for is as follows:-

- Item 12. 1 Assistant Master Nairobi "A" School
- 15. 1 Assistant Mistress - do -
- 24. 1 Assistant Master Nakuru "A" School
- 47. 1 Assistant Teacher Nairobi "P" School.

These new appointments will enable more children to be educated and closer attention to be given to pupils. In Ukamba Native Schools provision is made for a Headmaster (item 63, £400 x £20 x £500) and a Chief Technical Instructor (item 64 £250 x £15 x £400). The present Headmaster will fill the latter Office, the new Headmaster being required to organize and develop Native Schools in the District.

The scales of salaries of the existing establishments have in several cases been raised in order to enable competent persons to be engaged. The higher scales are already in force having been contemplated and provided for in the estimates for 1919-20 under item 70 Additional Emoluments.

At the end of this Schedule provision is made for the new school at Malindi for education of Arab and Swahili and Indian Children. This school has ^{been} endowed by Sheikh Ali bin Salis, who has provided a building,

49. Head XVI Education (page 127) It has to be admitted that education facilities in the East Africa Protectorate for all sections of the Community are grievously inadequate and that the reasons for this are shortage of funds at the present time, and inadequacy of accommodation due to shortage of funds in the past. Provision made in these estimates is to cover only the existing establishments. It has not been considered advisable to provide for extended facilities until buildings are available, but it is suggested that if these can be undertaken and finished during the year the necessary staff should be provided for in a supplementary estimate. ^{if funds can be found} The additional staff now asked for is as follows:-

- Item 12. 1 Assistant Master Nairobi "A" School
- 16. 1 Assistant Mistress - do -
- 24. 1 Assistant Master Nakuru "A" School
- 47. 1 Assistant Teacher Nairobi "P" School.

These new appointments will enable more children to be educated and closer attention to be given to pupils. In Uramba Native Schools provision is made for a Headmaster (item 63, £400 x £20 x £500) and a Chief Technical Instructor (item 64 £250 x £15 x £400). The present Headmaster will fill the latter Office, the new Headmaster being required to organize and develop Native Schools in the District.

The scales of salaries of the existing establishments have in several cases been raised in order to enable competent persons to be engaged. The higher scales are already in force having been contemplated and provided for in the estimates for 1919-20 under item VI Additional Emoluments.

At the end of this Schedule provision is made for the new school at Malindi for education of Arab and Swahili and Indian Children. This school has ^{been} endowed by Sheikh Ali bin Salim, who has provided a building,

the funds accruing from the endowment appearing under Revenue Head IV.

50. Head XVII Education Special Expenditure (page 133). The sum of £700 provided for School Buildings at Machakos is to extend facilities for giving technical instruction to natives. This sum was inserted in the estimates for 1919-20 but retrenched before the estimates were finally passed owing to the financial position.

51. Head XVII Transport (page 135). This Department has now been brought under the Public Works Department and the expenditure is therefore provided for under Head XXVIII.

Head XVIII Military Expenditure (page 139) shows an increase of £21,288 due largely to increased provision for rations which has been inadequate during 1919-20. Provision for War Bonus should be sufficient, I am informed, to cover any rise of pay for European Officers which may be introduced. The Defence Force, for which provision in 1919-20 was made for part of the year only, now covers the whole year. The total provision for Military Expenditure is now £140,007, a heavy increase of £68,727 on the pre-war cost.

Head XIX Miscellaneous Services. The net increase of £1776 is accounted for by the increased cost of Stationery. Three items, numbers 15, 16 and 19 are transferred to other Heads under which the classification is found more suitable. The last item of £750 for Travelling Expenses of Unofficial members of Legislative Council is to cover travelling and subsistence expenses of members non resident at headquarters in connection with their attendance at Sessions of Council.

64. Head XX Post Office & Telegraphs (page 165) A considerable increase in expenditure amounting to £28919 is required for this Department, not only to meet the public demand for bringing the existing postal and telegraph service up to a reasonable standard of efficiency, but also to extend it to deal with the increasing volume of traffic, which is already being experienced and may be expected to continue with the influx of European Settlers. The Postal Revenue shows an increase of £16250, but in comparing the Revenue with the Expenditure there must be taken into account certain items which do not appear under the Heads described as belonging to this Department. On the Expenditure side, in addition to the total sum of approximately £96000 provided for under this Head, £18000 p.a. is being paid out as War Bonus, £3000 is provided for under Additional Emoluments over and above the War Bonus; which together give a total of £114000. The earnings may be represented by a sum of £154000, made up of £96000 shown under Revenue Head VI for Postal and Telegraphs, £8000 under Head V for reimbursements payable by the Uania Protectorate towards the expenses of the Department, and £50000, which the Postmaster General estimates as the value of free services performed for other Departments in the transmission of State telegrams and letters, and the collection of Customs Duty. These State services are very much on the increase owing to the volume of business and the expansion of Departments, and a considerable part of the cost of the Post Office may be attributed to this which is not represented at all on the revenue side. The following are the new posts

provided for

- Item 5a. Deputy Postmaster General. This post which was formerly combined with that of Chief Telegraph Engineer has now been separated and the Secretary of State has already made arrangements for filling it. The rate of salary at which it is being filled is not known; the scale inserted is on the old lines and can if necessary be supplemented from the sum provided for Additional Emoluments under Head XXXI.
- Item 5. 1 Assistant Postmaster General
- Item 6. 1 Duty allowance for Entebbe
- Item 12. 2 Assistant Accountants
- Item 13. 5 1st Class Postmasters
- (Item 16. Note reduction of 3 2nd Class Postmasters)
- Item 17. 4 Temporary relieving Postmasters
- Item 18. 8 Postal Clerks & Telegraphists
- Item 23. 1 Postmistress
- Item 24. 18 Junior Female Postal Clerks and Telegraphists
- Item 25. 5 1st Class Clerks (Non-European)
- Item 26. 5 2nd - do - - do -
- Item 27. 46 3rd - do - - do -
- Item 28. 32 4th - do - - do -
- Item 29. 6 5th - do - - do -
- Item 30. 4 6th - do - - do -
- Item 55. 1 2nd Class Telegraph Inspector
- Item 56. 1 3rd - do - - do -
- Item 57. 2 Indian Sub-Inspectors
- Item 59. 3 Enginemen
- Item 61. 10 Linesmen.

In all cases except two the rates of pay and allowances conform to the rates already in force. A higher rate of Duty allowance of £50 p.a. is provided for the Assistant Postmaster General stationed at Entebbe owing to the greater responsibilities of this Station due to its distance from Headquarters. The salary of temporary relieving Postmasters is placed at £500 owing to the temporary nature of the appointments which are required to allay the congestion of

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leave. The designations of Electrical Inspector and the Chief Telegraph Inspector (items 51 and 52) are altered to Sub-Engineers, the maximum of the salary of the latter being increased by £50. The higher grade posts in the Department will in many cases be filled by promotion, some advancement being necessary, as well as increase in salary, to induce competent senior ~~men~~ stay on in the service.

The increase in Other Charges is accounted for by rise in prices, expansion of traffic, and depletion of Stocks of material which it has been impossible to replenish during the war and since its termination. A new service is provided for under item 84 for training Africans in telegraph work.

Head XXa Post Office & Telegraphs Special Expenditure.

The sum of £4928 provided under this Head will meet only to a small extent the demand for extensions and improvements in the telegraph and telephone services which are of vital importance to the development of the country.

Head XXI Railway Department (page 173) The Railway

Expenditure is increased by £174,346 over that of the previous year. This increase is made up for the most part of War Bonus, which has formerly been shown under Protectorate Share of War Expenses, extra staff to meet the public demand for increased efficiency, improvements in the status and promotions of certain members of the existing staff who have already reached the maximum pay of their present grades and for whom some inducement is required to remain in the Railway service, a matter of great importance at the present time when experienced and reliable men are most difficult to obtain. Increases under Other Charges are due to the increased cost of coal, material, and stores, and provision for dealing with an increase in

Wagail Soda traffic. Details of the Expenditure will be found in Appendix E, to which the following comments refer.

57. Abstract A Maintenance of Ways and Works. The following new appointments are inserted:-

1 Surveyor £300 by £20 to £550. This appointment is required for carrying out work in connection with private sidings and bringing plans up to date.

1 Accounts Clerk, 1st grade, Rs.300 to Rs.280 p.m.

1 Senior Clerk, 2nd grade, Rs.90 to Rs.120 p.m.

1 Junior Clerk, Rs.60 to Rs.85 p.m.

The District Officers are at present understaffed.

1 Senior P.W.I. Rs.500 to Rs.400 p.m.

(in the place of 1 Junior P.W.I.)

1 Overseer and Works Inspector 1st grade, Rs.250/- to Rs.400 p.m. (in the place of 2nd grade)

It is impossible to obtain capable Europeans on the salaries provided for Junior P.W.Is. and 2nd grade Overseers.

1 Sanitary Inspector, Rs.250 to Rs.400 p.m.

To meet the requirements of the Medical authorities.

Previous provision for 'Wages' has been found more than necessary and has been reduced, while that for 'Materials' is insufficient. The increase in the amount allowed for 'Repairs to Bridges' is to enable Macupa Bridge floor plates to be renewed. "Station Buildings and Staff Quarters" includes provision for New native Quarters in Nairobi Native Location. The amount estimated for 'Conservancy' has been found insufficient to meet the demands of the Health Department and Nairobi Municipality.

Abstract B. Loco Carriage and Wagon Expenses. The new appointments here provided for are:-

1 Asst. Carriage and Wagon Superintendent, £350 by £20 to £550.

To allow for promotion of Mr. Andrews, Loco Foreman, who has been for 10 years in his present grade.

1 Asst. Chief Accountant, Rs.300 by Rs.290 to Rs.550.

A senior grade officer is required to supervise the accounts of this Department.

4 Loco Foremen, Rs.300 to Rs.400 p.m.

2 Asst. Loco Foremen Rs.200 to Rs.280 p.m.

A large increase in locomotives and wagons is expected, and the present European Supervision is inadequate to deal with it.

1 Section Clerk, Rs.200 to Rs.300 p.m.

(in place of 1 Accounts Clerk) to allow for promotion.

3 senior clerks 1st grade, Rs.150 to Rs.180 p.m.

7 " " 2nd " Rs.90 to Rs.120 p.m.

(in place of 1 Accounts Clerk 2nd grade and 9 Junior Clerks) to allow for promotion of Junior Clerks.

21 Extra Engine crews are required to handle the increase in Magadi Soda Traffic.

The increases under Other Charges are mainly for dealing with Magadi Soda Traffic and for meeting the increased cost of coal. £10,000 is provided under "Materials" towards the cost of new locomotives.

Provision under 'Maintenance and Renewal of Machinery' covers replacement of machinery which is worn out after many years' service.

Abstract D Traffic Expenses. New appointments are:-

1 Telegraph Inspector and Instructor, Rs.350 to Rs.400 p.m.

This appointment is required for teaching Africans at the Signalling School.

2 Asst. Rates Clerks, Rs.200 to Rs.300 p.m.

European Clerks are required at each District Office to allow the Assistant Traffic Managers to carry out more travelling and inspection work.

2 Senior Clerks 2nd grade, Rs.90 to Rs.120 p.m.

5 Junior Clerks Rs.60 to Rs.85 p.m.

These are required to bring each section up to strength. Station Masters - there is no increase in the number of these but it is desirable to employ 3 Europeans at

up-country Stations in place of Asiatics, and provision is made accordingly for higher scales of salary for these.

20 Goods and Booking Clerks, Rs.80 to Rs.100 p.m.

These are required to accelerate despatch of goods, and to reduce damage and loss in handling.

Indian Signallers have been reduced in numbers to make room for African Apprentices.

Sweepers have been increased in numbers as they have been taken over from the Engineering Department.

21 Guards 1st Class, Rs.120 to Rs.180 p.m.

5 Guards 2nd and 3rd Class, Rs.60 to Rs.120 p.m.

These are to cope with increased traffic.

The Catering Manager, whose salary was formerly Rs.300 to Rs.400 p.m. and was included in the lump sum provided for the staff of the Catering Department, is now shown as a distinct post, at a salary of £300 by £20 to £400, in order to bring up the status of the post to correspond with its responsibilities.

The scale for the Wharf Superintendent Kiliniini Pier, which was formerly £380 by £20 to £500 with a Duty allowance of £36, it is now proposed to raise to £450 by £25 to £600 with £45 Duty allowance, on account of the increased responsibilities. This increase has already been referred to the Secretary of State for approval in the Acting Governor's despatch No.247 of the 8th of March 1920.

The increase in the pier staff is to enable cargo to be more rapidly handled at Kiliniini, and has been already approved by the Secretary of State in his despatch No.452 of the 24th of May 1919, and has been engaged.

Increases under Other Charges are due to the rise in price of materials, replacement of linen and crockery in the Catering Department, and are to provide for new stations.

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60. Abstract E General Charges. The following new appointments and promotions are inserted:-

1 Asst. Chief Accountant, £300 by £20 to £550.

(in the place of 1 Head Accountant) to allow for promotion.

1 Press Superintendent, £300 by £20 to £500.

(in the place of Head Printer @ Rs.250 to Rs.400 p.m.) to allow for promotion.

1 Distributor Rs.115 p.m.

1 Binder Rs.50 p.m.

1 Carpenter Rs.80 p.m.

4 Native Apprentices Rs.14 p.m.

These new posts are to cope with the increase in work.

1 Asst. Chief Storekeeper, £300 by £20 to £450.

The present establishment does not admit of posting an Assistant at each of the main Store depots at Villiniini, Nairobi, and Kisumu, after allowing for leave.

2 Sub-Storekeepers, Rs.300 to Rs.400 p.m.

(in the place of 2 Sub-Storekeepers @ Rs.200 to Rs.280 p.m.) to allow for promotion.

The chief increases under other charges are on account of the contributions to the Audit and Police Departments, from which closer attention is desired.

61. Abstract F Steam Boat Service. The new appointments in this Department are:-

1 Accounts Clerk 1st grade, Rs.200 to Rs.280 p.m.

To cope with increased work.

2 Senior Clerks 1st grade, Rs.130 to Rs.160 p.m.

(in the place of 2 Senior Clerks 2nd grade) to allow for promotion.

1 Pier Superintendent, £300 by £15 to £400.

(in the place of 1 Pier Master) to allow for promotion

of Kisumu Pier Master, whose duties warrant a higher status.

1 Pier Master, Rs.200 to Rs.350.

(in the place of 1 Asst. Pier Master). For promotion of the Assistant Pier Master at Jingo.

5 Assistant Pier and Tally Clerks, Rs.80 to Rs.100 p.m.
The work at all the piers is increasing, and requires more staff.

520

1 Steamer Clerk, Rs.120 to Rs.160.

For the S.S. "Usoga", which has been out of commission for some time and is to be brought into commission again.

Increases under Other Charges are to provide for a new boiler for the Tug, "Percy Anderson", for running the S.S. "Usoga", and for replacing the loss due to wear and tear in the last 5 years in the equipment of the Catering Department.

52. Abstract of Miscellaneous Expenditure. This sub-head includes provision for War Bonus for the staff, which is sufficient to cover also additions which may be made to salaries under the proposed scheme of revision. House allowances and assistance payable towards family passages payable under the War Bonus Scheme are also shown here. Loan Charges have been taken out of this abstract and shown separately, as they do not form a part of the Railway working expenses, from which the net profit of 3 1/2% should be calculated.

Head XXIa Railway Department Special Expenditure (page 175). The sum provided for Railway Capital Expenditure is quite inadequate. Owing to the shortage of funds only the most urgent of the Railway requirements, namely the Permanent Bridges with realignments ^{on the} Thika Branch, has been entered. The sum here provided is 27000.

51. Heads XXIb and XXIc Busoga and Port Bell Kampala Railways (page 175) These are the concerns of the Uganda Protectorate only and therefore call for no comment.

86. Head VIII Agricultural Department (page 177) shows a large increase amounting to \$22,273 which mainly arises from measures to relieve the present scarcity of livestock by means of a Veterinary Quarantine Scheme, details of which have been forwarded to the Secretary of State in the Acting Governor's despatch No. 145 of 11th February 1920. The Director of Agriculture estimates that the Protectorate can absorb in the very near future not less than 500,000 head of cattle for stocking up alone. The shortage arises from the depletion of transport and slaughter stock caused by military requirements during the war, losses due to Stock diseases, closing of sources of supply from native reserves owing to quarantine restrictions, and an increasing demand due to the influx of European Settlers.

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Some rearrangement of this Department may be expected in the near future but the Director of Agriculture has not yet been in the country long enough to complete his plans and to put forward his recommendations.

Item 1. The revised scale of salary for the Director of Agriculture is entered here as it has already been brought into force.

Item 5. An Assistant Mycologist is required to enable field work to be undertaken. In order to maintain continuity in research and to bring it to a satisfactory conclusion, it is necessary that daily observations should be made at headquarters. With a single unit to undertake the whole work there is no provision for leave, for urgent demands for investigation into outbreaks of disease upon plantations, and for cooperation with experimental farms and the Laboratory. The scale of salary has been approved by the Secretary of State.

Item 14. An additional European clerk is required at headquarters to assist the Accountant and to take over from him when he is on leave. A post of Non-European 2nd grade clerk has been abolished (item 15) in exchange for this one.

Items 30, 35 and 43. The Director of Agriculture reports that the Government farms are not properly maintained and that additional funds are required for weeding plantations, keeping fences and plant in proper repair, and for extending their usefulness.

Item 34. The appointment of Assistant Manager at Naivasha Farm has already been made.

Item 35. A clerk is required at Naivasha Farm to relieve the Manager of clerical duties and to keep accounts in such a form as to be useful both in controlling the farm and in furnishing information to the public as to farming expenses.

Item 57. For experiment and demonstration to assist the ~~flax~~ industry one winnowing and one threshing machine is required.

Item 77. A grant in aid to the East Africa Agricultural Society for the year 1919-20 has been approved on a basis of 10/- for every pound subscribed by the general public, up to a maximum of 2500. Although the Government is not committed to continuing this, it is most desirable that it should do so, as the Society has made a most promising start. It is proposed to supplement this grant with a grant of 2100 for starting a Stud Book.

Item 83. The new appointment of Quarantine Officer is required in connection with the Quarantine Scheme, which is provided for under item 101. This scheme represents the measures of which mention has already been made for relieving scarcity of livestock. It is proposed to establish Veterinary Quarantine Stations at various points throughout the Protectorate to permit

of movement of stock from Native Reserves, the Tanganyika Territory, Ruanda, Urandia, and Abyssinia, to settled areas without danger of spreading disease. The increase under item 101 of £2800 provides for 80 additional Stock Inspectors with necessary equipment and staff, ^{and} to the erection of 10 Quarantine Stations at a cost of approximately £70 each. The initiation of the scheme in 1919-20 has already been sanctioned, but until experience shows more clearly what are the detailed requirements it seems advisable to allow some latitude in the expenditure, which is therefore shown in a lump sum. This expenditure, together with the necessary additions to the Pathological vote for production of serum in connection with this scheme, is fully covered by an anticipated increase in Revenue, which is expected to be raised from it, and is provided for under Revenue Head IV Sub-head 10, Feeding and Dipping Fees &c.

Increases under the Pathological Division are mainly for increased production of serum to meet the requirements of the quarantine scheme, and include £300 under item 128 for the Manager of Londiani Stock Farm and £2200 for upkeep of the farm. This farm is required for raising suitable stock for the production of rinderpest serum, which are exceedingly difficult to obtain otherwise.

Item 125. Provision is made for a new incremental scale, £180 by £10 to £240, for the Storekeeper, whose salary has been £180 fixed since 1914.

The appointment of an Assistant Storekeeper (item 124), and the increased salary of the Mechanic (item 125), which have been sanctioned as a temporary arrangement in 1919-20, it is proposed to make permanent.

Head XXIIa Agricultural Department Special Expenditure (page 187) provides £2000 for the continuation of the Dipping Scheme, and three other items of a similar nature to those which have appeared in the estimates ^{of} previous years.

7. Head XXIII Forest Department (page 188). The increase on this Head amounts to 3,013 ² but provision is made under Revenue Head VIII for increases of 25,250 on Timber Sales and Royalties, and 2350 from Seed and Plant Sales, which depend upon the increased expenditure being sanctioned and the additional staff being obtainable. The Conservator of Forests has been obliged to refuse applications from Sawmillers to work timber owing to the lack of staff for supervising and collecting royalties. The additional staff asked for is as follows:-

- Item 4. 3 Assistant Conservators (£2000 by £10 to £200).
- Item 7. 3 Assistant Indian Foresters, £2,100 by £2.10 to £2,300 p.m.
- Item 8. 5 Forest Guards.

Of the three additional Assistant Conservators one is required to take charge of the Forests of Western Kenya and the Eastern Aberdares, one for the Western Aberdares, and one for the Masai Mau Plateau and Mount Elgon.

The scales of salary of Assistant Conservators (item 4) and of Foresters (item 7) have been revised to conform with the rates at which new appointments have already been made in England.

The reduction of one post of 5th grade clerk (item 14) is contingent upon an additional Forest Guard being available for his duties. Under Other Charges provision is made for increased expenditure arising out of the additional staff and the increasing demand for timber seeds and plants, or due to increased prices. The last item is in connection with the Empire Timber Prohibition

to be held in London in 1920, and is not recurrent expenditure.

68. Head XXIV Game Department (page 191) calls for little comment. There is actually a reduction of £146 on the original vote of the previous year when savings are not taken into account, due to a transfer of a clerk and reduction in the vote for Passages.
69. Head XXVI Trigonometrical and Topographical Survey (page 198) shows little variation beyond an increase of £308 for local Transport and Labour, and £25 for instruments due to increased prices.
70. Head XXVII The Land Department (page 195) now includes the Cadastral Survey Staff, the Registration of Documents and Titles, and the Arbitration Board. The Staff of the Land Branch has undergone considerable rearrangement. The legal posts have been abolished in favour of the work to the Attorney General's Office where the Staff of Crown Counsels has been increased. In the place of a Land Ranger, an Assistant, an Office Superintendent, and 6 Clerks, whose posts are abolished there is provision for a Town Valuator, 6 Land Assistants, and 5 Lady Typists. This rearrangement has been sanctioned by the Secretary of State and is already an accomplished fact.

The amalgamation of the Survey branch enables the post of Office Superintendent and 2 Clerks (items 29 and 30 to be abolished).

The abolition of four posts of Senior Staff Surveyors and the creation of four new District Surveyors is a part of the approved scheme of reorganisation. The District Surveyors will be stationed at Nairobi, Mombasa, Eldoret, Nakuru, and Nyari, and will carry out, in addition to Survey work, that which was formerly performed by the Land Rangers. A reduction of 5 posts of Assistant Junior Staff Surveyors is effected under the scheme.

In the Registration Branch the post of Assistant Registrar of Documents, item 65, is abolished.

Other Charges show a net increase of £4144, which is accounted for by inadequate provision for travelling in the past and increased prices, £2800 of the increase being for local transport and labour.

71. Head XXVIII Public Works Department (page 201) This schedule has been rearranged to include the Transport Department vote, with the exception of three items amounting to £626 which appear under Public Works Recurrent. The increased expenditure amounts to £6088, of which approximately £1800 represents the cost of the Transport service for the Northern Frontier District between the Erika Station and Meru. This transport was previously provided for under the Provincial Administration Northern Frontier District vote, Head VI, which has been considerably raised, ^{and} was controlled from Meru. The control from Nairobi should be more efficient and economical, and should do away with overlapping in Departmental transport services in Kenya Province. The following alterations are made under Personal Emoluments:-
- Item 6. The increase in the scale of salary for the Electrical Engineer has been approved for 1919-20 by the Secretary of State, and already introduced. As it was necessary to give a higher scale for the new post of Assistant Electrical Engineer than the old scale of his senior Officer, in order to obtain a competent man, Mr. McElains salary had to be raised and his personal allowance was abolished.
- Items 21 and 22. 10 posts of Non-European Sub-Overseers are provided for on a scale of Rs.182-50 by Rs.12-50 to Rs.312-50 per annum. Formerly there was provision for 2 such posts only, one at a salary of £150 p.a. and one at £180. It is

now proposed to abolish the 5 technical appointments which were classed as 3rd grade clerks and to transfer the holders to these new posts 1 for Overseers. Three new posts are added. The necessity for increased supervision in the Public Works Department is very much marked, and the increase in the scale is made in order to attract men of technical knowledge who are able to carry out Survey work on road alignment, and to obtain the necessary local data preliminary to the erection of bridges.

Item 45. provides for a new post of Assistant Animal Transport Officer at £200 by £10 to £250. The supervising staff of the former Transport Department has now taken over the Public Works Department, Transport and the external transport of the Northern Frontier District, which requires additional supervision and a relief for the Animal Transport Officer.

Item 50 provides for 4 fifth grade clerical appointments @ Rs.70/- per mensem each. These are required to carry out the increase in office work caused by the creation of the Electrical and Hydraulic branches, and other general expansion.

72. Head XXIX Public Works Recurrent (page 207). An increase of £1800 under Rents of Offices and Houses is required to cover liabilities already incurred, including the rent of the large building in Nairobi, known as Hairs Building, which is occupied by the Chief Native Commissioner and his staff and some of the staff of the General Post Office. £100 a month is being paid for this. Increases of £500 for Maintenance of Civil Buildings and £1000 for Furniture cover the bare necessities for maintaining existing services.

73. Head XIX Public Works Extraordinary (page 209). No attempt has been made in these estimates to deal with the long list of Public Works which are urgently needed to enable existing services to be carried on. The increase year by year in recurrent revenue is more than swallowed up by the increasing demands for extension of Government Departments to cope with the country's development, and there is no surplus balance or special windfall of Revenue available for capital works.

A sum of £24000 is all that can be found and will be required to cover the instalment of £1800 due for purchase of buildings from the Military Salvage, to meet demands of exceptional urgency, to provide for cases in which the estimate on the previous year's programme is not quite sufficient to enable a work to be completed, and to supplement the employment of the Department, which will be otherwise confined to maintenance, the completion of last year's programme, and works paid for out of Stand Premia, so that the expenditure in retaining the permanent staff may not

be wasted until funds are available to enable an appreciable start to be made on the programme of requirements.

4. Head XXXI Stand Fees (page 211). Under this heading expenditure on Capital Works from proceeds of sale of Crown Land and Town Plots will be shown in future, instead of under Public Works Extraordinary as hitherto. It is considered advisable to place this expenditure under a separate Head for convenience in accounting, and because the receipts which are earmarked for the particular purpose of this expenditure are shown under a separate Head of Revenue. The amount of £5000 is a nominal figure to correspond with the Revenue item under Head XII. As already stated an accurate estimate of the receipts for the year cannot be furnished beforehand, and it is therefore inadvisable to attempt to detail the expenditure, which will be distributed according to the areas in which the land is situated from which the Revenue is realised. The insertion of a programme of new works, the carry out of which is so conjectural, is likely to lead to disappointment.

5. Head XXXII Interest (page 217) £25000 is inserted under this heading to meet the charges on the overdraft which the Protectorate has incurred in consequence of the shortage on the 1919-20 budget. Although this is payable in Sterling 50% increase has been made on account of conversion as the recent state of the Protectorate overdraft with the Crown Agents shows that £37,500 may be required.

Head XXXIII Mineral Survey Department (page 218).

Although this Head shows an increase of £3500 the

apparent increase is due to the fact that the Department was virtually suspended in 1919-20 and savings of £3620 were taken into account. There is actually a reduction of £325 on the original vote for 1919-20. The post of Mining Engineer has been abolished and provision is made for the occasional employment of a Miner, if occasion arises, at a salary of £30 a month. Under item 5 the scale of salary for the Surveyor has been raised from the equivalent of a Junior Staff Surveyor to that of a Senior Staff Surveyor in the Land Department, with which the necessary qualifications for this post correspond.

Head XXXVI Additional Emoluments. This includes £67000 for increases which may be made to salaries of the staff in accordance with the scheme now under consideration, and £58000 for War Bonus under the present scale payable in cases where the old rate of salary plus War Bonus exceeds the new rate of salary. The Railway is not included here being provided for under Head XII. The deduction of £25000 for savings on Sterling salaries of Officers on leave is accounted for by the increase of 50% added to the totals of expenditure which included such salaries. It is difficult to provide for these differences under each Departmental vote, as the scheme is not yet approved and leave arrangements cannot be detailed with any certainty but in the accounts the increases of salary, War Bonus, and Salaries payable in Sterling, will be charged up against the Departmental votes at the actual cost and no expenditure should appear against this head. War Bonus in previous years has been charged to Protectorate share of war expenses.

78. Loan Expenditure. Owing to the uncertainty as to what further advances may be made under sanctioned Loans, no programme of Loan Expenditure has been prepared. The whole of the 2,75,000 Loan has been received, but of the 2,50,000 Loan only 2,132,000, and of the 21,868,000 Loan only 2,28,840, have been advanced. The latest advance was received on account of the last mentioned Loan on the 26th March 1915.

sd/ W. A. Kempe.
Treasurer.

Secretary,

March, 9th April 1920.

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