

EAST AFR. PROT



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Date.

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SUPPLEMENTARY ESTIMATES 1911-12

May

ious Paper

2343

Submits report desired as to the exact excess on the gross authorised total caused by the various supplementary estimates and in respect of what items. Forwards a revised statement of Assets and Liabilities on 31st March 1912. Asks if inferences as to "special warrants" and "reallocations" are correct.

W. Audler Mr. Stephenson

This seems to me a most unsatisfactory despatch. He asks for exact figures and instead of this brings down his figures as holes in the carpet and if he asks for exact figures does not of course send down a report of entire figures. I am sorry the account for his year is closed on the 15th of July. I am sure he will give us his exact figures.

3693 Subj. ...

It is quite useless to go to the Treasury
in this, and the only thing for it has
I can see is to telegraph ^{them} ~~me~~ ^{to}
the day. I ask for the Board to present
Savings whether the account for
the year is not not closed.

Although
the account
is closed it
is sufficient
to require
the Board
to report
figures.

see below
2/16

These points will call for comment

3. As regards the Special Budget
to have been reported by £350,000
of Special Budget ~~being~~ ^{constituted}
the Special Budget ^{is} ~~is~~ ^{to} ~~be~~ ^{the}
"Special Budget" but the Treasury has refused
to accept the same, and desire to
treat the commitments of the grant as part
of the ordinary grant. As for the
next year the same might be
the funding of £45,000 of the £68,500 reported
of Parliament. ~~As~~ ^{the} ~~the~~ ^{they} ~~has~~ ^{has} ~~agreed~~ ^{agreed}

while
1/20/12

that this is not to be regarded as a
prejudicial to prejudice the case of
the question in future years. In this case
will open ~~the~~ ^{the} ~~work~~ ^{work} ~~to~~ ^{to} ~~address~~ ^{address} ~~but~~
the Expenditure should be shown in the
Statement and whether ~~the~~ ^{the} ~~Statement~~ ^{Statement}
Statement ~~is~~ ^{is} ~~to~~ ^{to} ~~be~~ ^{be} ~~made~~ ^{made}
Para 13. In regard to that, allow
this statement to pass as challenged,
but ~~the~~ ^{the} ~~work~~ ^{work} ~~upon~~ ^{upon} ~~the~~ ^{the} ~~Statement~~ ^{Statement}
put in the ~~the~~ ^{the} ~~Statement~~ ^{Statement} ~~to~~ ^{to} ~~be~~ ^{be} ~~challenged~~ ^{challenged}
passed the Statement ~~is~~ ^{is} ~~to~~ ^{to} ~~be~~ ^{be} ~~passed~~ ^{passed}
follow the form ~~of~~ ^{of} ~~the~~ ^{the} ~~Statement~~ ^{Statement}
Expenditure to be passed ~~is~~ ^{is} ~~to~~ ^{to} ~~be~~ ^{be} ~~passed~~ ^{passed}
the next conventional case
Para 13. In regard to that, anticipated to
come about the end of 24 March,
it should be dealt generally with
the question of the procedure to be

EAST AFRICA PROTECTORATE.

GOVERNMENT HOUSE
NAIROBI
BRITISH EAST AFRICA



15th May 1912.

(No. 338.)

Sir,

4/2/12
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I have the honour to refer to your despatch No. 146 of March 14th, on the subject of the expenditure of this Protectorate for the year 1911-12, and to your telegram of April 19th in which you request to be informed exactly what excess on the gross authorised total has been caused by the various supplementary estimates and in respect of what items.

Statement

2. I regret very much that the financial position of the Protectorate has not been clearly laid before you in the various communications on the subject which have been made from here during the past few months. The principal cause of the confusion appears to have been the constantly changing condition of our finances, due to more recent information on the subject of revenue prospects and expenditure requirements.

3. As requested in para. 3 of your despatch, No. 146, I have the honour to forward a revised statement of

Assets

X 104243
T 10322

RIGHT HONOURABLE
LEWIS HARCOURT, F.C., M.P.
SECRETARY OF STATE FOR THE COLONIES

DOWNING STREET,
LONDON, S.W.

Assets and Liabilities (partly estimated) as on 31st March, 1912, in substitution of the statement which formed Appendix B. to the draft estimates for 1912-13, and which was prepared in a somewhat different form to that of previous years. This revised statement shows the same estimated surplus of assets as was given in the previous statement.

but I have added, both under Assets and Liabilities; the £2,000

estimated were provided

received

March

Assets

of

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included

4. It is

ment

of

yet

no

that

estimate,

was

statement

5. The

estimate

Secretary of the Legislative Council

there to was possible that £16,513 of the £2.11

estimate, would be required, and the former figure

was therefore ear-marked for expenditure in the statement which accompanied the draft estimates.

5. The £16,513 included items (for Railway expenditure)

estimate

estimate, which items amounted to £14,637 and which, being covered by increased Railway earnings, could, if necessary, without irregularity, be expended in excess of the total sanctioned expenditure for the year.

There thus remained £1,876 only to be met from savings. Of the first supplementary estimate of £46,173, a sum of £9,131 for remanet expenditure was sanctioned from balances, leaving £37,042 to be met from savings. In addition, £20,000 for expenditure in connection with the lake steamer service had been sanctioned from balances. The unestimated expenditure which was taken into account in preparing the statement of estimated balances on 31st March 1912 therefore consisted of:

- £29,131 to be met from balances
- 14,637 to be met by increased Railway Receipts
- 38,918 to be met by savings on the approved estimates
- £82,686

7. The estimated savings in the expenditure on the sanctioned estimates for 1911-12 was £47,615, of which £38,918 was required as above, leaving a net saving of £8,697. When the draft estimates for 1912-13 were prepared it was estimated that, apart from the sums which had been authorised from surplus balances or from increased Railway revenue, an appreciable saving would occur on the total expenditure approved for the year. In the revised statement now enclosed all reallocations are shown as

savings

savings on expenditure as originally sanctioned under 'assets' and are also included as 'liabilities' in one of the two items of £46,173 and £16,513 respectively.

1250
11-12

8. The complete second supplementary estimate was transmitted in Sir Percy Girouard's despatch No. 677 of December 5th. This estimate amounted to £25,136, including the £14,637 Railway expenditure which was to be covered by increased Railway receipts. There was thus a sum of £10,499 to be otherwise provided. Of this latter figure £1,876 had, as indicated above,

already been marked in estimating the surplus balance on 31st March 1912. The additional unforeseen expenditure which the 1912-13 draft estimates were prepared on was only £8,623. This total was covered by the further appropriated savings in expenditure which are explained in the preceding paragraph, amounting to £8,697. In the meantime also it had become evident that the revised revenue estimate would be exceeded, and that further savings on expenditure would accrue, and Sir Percy Girouard was thus able to state in his cover despatch that the estimated surplus balance of £4,628 on 31st March 1912 would not be affected by the Second supplementary estimate.

In my despatch dated of March 4th I submitted a supplementary estimate for £3,615. It was intended to meet the whole of this estimate from further savings and reallocations, but in view of the special circumstances of one item included therein,

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viz.

via £200 for the Margaret Patrol. I asked for special sanction to provide for this sum out of balances in case the savings earmarked to meet it might be required for some other unforeseen service. At the same time I stated that in any case the third supplementary estimate would not affect the estimated surplus balances of £164,828. This I was able to guarantee in view of the now evident fact that the revised revenue estimate would be considerably exceeded.

10. A short time after the third supplementary estimate had been transmitted, the Postmaster General applied for a special warrant for £900 in connection with certain unestimated charges for ocean carriage of mails. Although it was certain that this expenditure would not reduce the estimated surplus balances on 31st March 1912 below the figure of £164,828, I was unable to guarantee that it might not cause an excess on the total sanctioned expenditure for the year. In my telegram No. 51 of March 14th I therefore stated that the sanctioned total might be exceeded by the £900 referred to in para. 9 and this £900

11. With the later information now available I am, however, able to inform you that these two items, aggregating £1,700, will not cause any excess on the total originally sanctioned for the expenditure of the year 1911-12. If any excess on the total sanctioned in the approved estimate of £164,828, is actually incurred it will only be in respect of (1) the total sanctioned expenditure of £164,828 included in

6.

the first supplementary estimate, or (2) of the excess Railway expenditure of £14,637 included in the second supplementary estimate, or (3) of any sums spent out of the £20,000 (subsequently reduced to £6,000) sanctioned in connection with the Lake steamer service.

12. The future submission of estimated statements of Assets and Liabilities in the same form as adopted in the enclosure to this despatch, and the adoption of a form for supplementary estimates similar to that used in the Uganda Protectorate, will, it is hoped, prevent the recurrence of the confusion which has occurred in the present instance.

13. As regards para. 2 of your despatch, it has always been our practice to treat 'reallocations' as savings available for the new service for which they are reallocated. There appears to have been some misunderstanding as to the correct procedure when excesses on sub-heads of votes can be met by way of other sub-heads of the same vote. It was considered necessary in all such cases, as well as in those cases where savings under the same head are not available to cover the excess, to bring over the excesses in a supplementary estimate. This misunderstanding arose through the former wording of para. 200 of the C.O. Regulations, but has now been removed by the recent amendment thereto whereby 'head' is substituted for 'sub-head' in line 8. I gather that in future it will not be necessary that excesses on sub-heads,

which

which are covered by savings on sub-heads of the same head of expenditure, should be included in a supplementary estimate, though a 'special warrant' will still be necessary; also that the term 'reallocation' should only be applied to transfers between sub-heads of the same head of expenditure, savings on one head which may be ear-marked for excesses on other heads being referred to merely as 'savings'. I should be glad to be informed if these inferences are correct in order that I may issue the necessary instructions to the Treasury Department.

14. With reference to para. 4 of your despatch, I can only say that the expansion in Railway traffic was sudden and unexpected, as is evident from the large increase in the estimated net earnings, and that Sir P. Girouard sanctioned the expenditure on the two stink houses as a matter of pressing urgency, as explained in para. 3 of his despatch No. 677 of December 5th 1911. I may add however, that, as in the case of the £1,700 referred to in para. 11, I expect to be able to meet this £750 also from savings on the sanctioned expenditure for the year.

I have the honour to be,

Sir,

Your humble obedient servant,

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11-11

[Handwritten signature]

THE GOVERNOR

Encls. in 1/2

STATEMENT, PARTLY ESTIMATED, OF ASSETS & LIABILITIES AS ON 31st MARCH 1912.

Liabilities	Amount £.	Assets	Amount
Used expenditure 1911-12 as originally Estimated	762,248	Excess of Assets 31st March 1911	247,010
Supplementary Estimate (1)	46,173	Estimated Revenue 1911-12	620,270
Used out of Surplus balances for Lake Steamers	20,000	Estimated surplus on Revenue 1911-12	79,856
Original expenditure to be included in 2nd Supplementary Estimate (2)	16,513	Grant-in-aid 1911-12	115,000
Expenditure for Magadi	75,000	Special Grant-in-aid for Magadi	75,000
Used Surplus on 31st March 1912	164,828	Estimated savings on expenditure as originally sanctioned for 1911-12 (3)	27,615
TOTAL	£1,084,760	TOTAL	£1,084,760

(1) £9,131 remanet; £37,042 from savings and reallocations 1911-12 Estimates.

(2) Increased Railway Expenditure to cope with increase of traffic £14,837; £1,876 to be set from savings on sanctioned Expenditure.

(3) Of this amount the following are direct re-allocations: Railway Special Expenditure £2,500; Military £3,214; which with an additional sum of £7,323, are required for 1st Supplementary Estimate, leaving a balance of £10,873 available for 2nd Supplementary Estimate. The Net savings on the sanctioned expenditure, apart from £9,131 remanet; £20,000 for Lake Steamers; £75,000 from special Magadi Vote; and £14,637 Railway Expenditure, covered by increased Railway earnings; are therefore £3,697.

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- Mr. [unclear]
- Sir H. [unclear]
- Sir A. Anderson
- Lord Emmott
- Mr. Harcourt

Supplementary Estimates

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Final figures of
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has closed

Harcourt