



DESPATCH

EAST AFR. PROT.
No. 303 ⁰⁷/₅₈

C. O.
3035
Re
27 JAN 08

1907
30th Dec
Last previous Paper.
22/9
17/11
10/8

(Subject):

Estimates 1908-9
Approp^s Ord^s 1908

Submits

(Minister)

Mr. Read
We can hardly deal with
the estimates without the
causing def and so time is
running on.

Cong Res. 27 Feb 08
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Amor Cong 10 Apr

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3/1

2 Telegraph

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30 Jan

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H. 2. R.
30/1

Next subsequent Paper.
2628



Governor's Office 3035

Nairobi, Kenya

December 30th 1908 27 JAN 08

634

EAST AFRICA PROTECTORATE.

CONFIDENTIAL (86)

(Incl. 8)

Appropriation Bill
Estimates
1908-09
Treasurer
No. 105a/130

My Lord,

With reference to His Excellency's despatch Confidential (84) of the 13th instant, I have the honour in the absence of His Excellency to transmit six copies of the Appropriation Bill with the Estimates for the year 1908-09 as assented to by the Legislative Council at the 2nd reading of the Bill, together with the Treasurer's covering despatch.

I have adopted this course to obviate any delay in placing the Estimates before Your Lordship, and His Excellency's covering despatch will follow in due course.

I have the honour to be,
With the highest respect,

My Lord,

Your Lordship's most obedient,

humble servant,

(In the absence of H.E. the Governor)

H.M. PRINCIPAL SECRETARY OF STATE

FOR THE COLONIES,

DOWNING STREET,

LONDON, S.W.

Chap 90 sec 301

C. O.
3035
REC'D
REG. 27 JAN 08

A Bill.

To apply a sum of money for the service of the year ending the 31st day of March 1909.

635

Public Revenue charged

1. The Public Revenue for the year 1908-09 and other funds of the East Africa Protectorate are hereby charged towards the service of the year ending the 31st day of March 1909 with a sum of eight hundred and thirteen thousand seven hundred and twenty eight pounds.

Application of money granted

2. The money granted by this Ordinance shall be applied to the purposes and services expressed in the Schedule annexed hereto, and more particularly specified and set forth in divisions 1 to 30 of the Estimates of the Expenditure for the year ending the 31st day of March 1909 and in Appendix H thereto, submitted to and passed by the Legislative Council.

Short title

3. This Ordinance may be cited as "The Appropriation Ordinance, 1909."

SCHEDULE.

	DIVISION.	AMOUNT £
1	Rent and interest on H. H. the Sultan of Zanzibar	17,000
2	Pensions	632
3	His Excellency the Governor	5,282
4	Lieutenant Governor's Dept. and Secretariat	6,222
5	Official Gazette and Printing and Stationery	4,808
6	Provincial Administration	67,946
7	Treasury	7,610
8	Customs Department	15,031
9	Port and Marine Departments	16,230
9a	Ditto. Special Expenditure	700
10	Audit Department	2,774
11	Legal Departments	12,600
12	Police	59,500
13	Prisons	11,291
14	Medical Department	17,536
15	Hospital and Dispensaries	10,600
15a	Ditto. Special Expenditure	100
16	Education	4,368
17	Transport	3,700
18	Military	41,559
18a	Ditto. Special Expenditure	9,000
19	Miscellaneous Services	2,700
20	Boundary Agency	848
21	Post Office and Telegraphs	26,358
21a	Ditto. Special Expenditure	1,030
22	Railway Department	166,400
22a	Ditto. Special Expenditure	45,480
23	Agricultural Department	22,308
23a	Ditto. Special Expenditure	8,000
24	Forestry and Scientific Departments	14,875
24a	Forestry Dept. Special Expenditure	1,400
25	Immigration Department	1,027
26	Survey Department	22,000
26a	Ditto. Special Expenditure	1,930
27	Land Office	10,307
28	Public Works Department	18,461
29	Recurrent	28,966
30	Extraordinary	57,953
		747,228
I	Remanes Expenditure on Slavery Compensation	34,000
A	Nairobi Drainage and Sanitation Scheme	16,000
	Removal of Treasury and Audit Offices to Nairobi	10,500
	Railway Surveys	6,000
		813,728

in C. 2007/10 of 1907

The Treasury, 637

Mombasa, 20th December 1907.

Govr. No. 105a/130

3035

REC'D
REL. 27 JAN 08

Sir,

I have the honour to submit the following report on the Estimates of the East Africa Protectorate for the year 1908-09 as finally approved by you after having been discussed in detail in the Legislative Council.

RANGE OF ESTIMATES.

1. Summary.

2. On the suggestion of Mr. Gibson, Assistant Comptroller and Auditor, a summary of the Estimates has been inserted at the beginning, this summary including the special expenditure shown in Appendix C part B of the 1907-08 Estimates and also the unspent balance of the special Slavery vote.

(2) Special Expenditure.

3. In a memo dated 3rd October, 1907, Mr. Gibson further recommended that the special expenditure shown on Appendix C part B should be "duly included in the budget and provided under the proper votes". In my Memo of 11th October I explained why this expenditure had not

been

HIS EXCELLENCY THE GOVERNOR,

N A I R O B I .

been shown there and, pending Colonial Office and Treasury decision on this point, I have adopted the procedure laid down for the current year and again shown it separately, vide Appendix H, Part II. For the same reason I have also omitted from the body of the estimates the remanet expenditure on the Slavery Abolition Vote and have shown it instead in Appendix H, Part III.

3) Rearrangement of Appendices.

4. I have slightly rearranged the Appendices for the purpose of greater convenience. Appendices C and D take the place of Appendix G in the 1907-08 Estimates. Appendix D becomes F, a new Appendix G is inserted, giving the details of the Uganda Post Office Contributions, in lieu of footnote (4) to page 76 of the 1907-08 Estimates, and all remanet expenditure is summarized in Appendix H.

4) Increments to Subordinate Staff.

5. The question of the grading of the Subordinate Staff being still in abeyance, the general proposed system of incremental salaries has not been introduced, but small increments have been provided for specially deserving clerks as in past years.

5) Grouping of un-pensionable Staff.

6. In accordance with another recommendation by Mr. Gibson, the unpensionable clerical staff in each Department has been

grouped in one total, thus allowing the Head of the Department greater latitude in selecting candidates and, at the same time, reducing the detail in the Estimates.

67 Travelling allowances. 8/1095

7. Colonial Office Confidential Despatch of 22nd October, 1907, on the subject of travelling allowances and a proposed alternative of incremental scales of salaries, having arrived too late for a decision to have been come to before the Estimates for 1908-09 are submitted, the procedure of past years has been adopted and provision for "travelling allowances" has been repeated. As the alternative proposed by the Colonial Office is likely to be more economical, the effect of its introduction would be (1) a re-allocation from "travelling allowances" to "Personal Emoluments" and (2) a general saving on the Estimates.

financial position.

8. The Estimated financial position on 31st March 1908 is shown in Appendix B. The net balance of assets is estimated at £155,115. Of this, however, £108,885 will be required for remanet expenditure on votes which have already been sanctioned (vide Appendix H). It is proposed that a further sum of £18,404 shall be withdrawn from the balances in hand to make up the deficit on the 1908-09 Estimates, in order to avoid asking for a larger parliamentary grant

than

than for the year 1907-08.

accumulated balances.

9. There will then still remain a balance of £25,823 available for investment or other purposes as shown in Appendix D. In Appendix C, B of the 1907-08 estimates the available balance to be placed at interest on 31st March, 1907, was estimated at £70,054. It was actually £75,764, as shown in my annual report. It is necessary to draw on this sum for the deficit on the current year's Railway Estimates which is estimated by the General Manager at £26,516. Further certain special unestimated expenditure was sanctioned during Mr. Churchill's recent visit to East Africa, viz £16,500 for measures to be taken for combating cattle diseases and £2,000 for purchase of livestock for the Kivasha Stock Farm. On the other hand £10,479 unestimated Revenue may be locked to as well as savings to the extent of £3,000 on expenditure votes.

Summarized these figures appear as follows:-

	£.	£.
Balance on 1st April 1907.	75,764	
Excess Revenue 1907-08.	10,479	
Savings on Expenditure) 1907-08)	3,000	
Railway deficit 1907-08.		26,516
Purchase of stock.		2,000
Combating diseases of stock.		16,500
Required in aid of 1908-09) Expenditure)		18,404
Balance available for) investment)		25,823
	<hr/>	
	89,243	89,243

plus Revenue
1907-08.

10. Of the excess Revenue, £5,250 represents a sum recovered from the Zanzibar Government for the cost of the garrison provided by the 1st King's African Rifles during the last financial year, £5,000 the proceeds of the sale of confiscated ivory, and the balance is made up on the ordinary Heads of Revenue, after allowing for deficits on certain items.

savings on Expenditure
1907-08.

11. In estimating the savings on expenditure at £3,000, I have allowed for the additional expenditure of £1,961 proposed for the Forestry Department (vide Colonial Office telegram of 10th October 1907) and also for the £2,700 required to complete new Government House and the new Hospital at Nairobi, as reported to the Colonial Office in your despatch No. 498 of 22nd November 1907. I have also allowed for the cost of paying off and transporting back to Nyasaland the 1st Battalion of the King's African Rifles, should this step be decided upon during the current year. If this step is taken, the provision of £8,236 in the 1908-09 estimates will be available for Police rearmament. If it is not taken the £8,236 will be required for the cost of the Battalion next year but there will be a saving of £5,000 on the current year's expenditure which could be used for

partially

partially, bearing the Police.

12. Omitting remount expenditure and all expenditure specially sanctioned in 1907-08 from accumulated balances, i.e. that shown in Appendix C, B of the current year's estimates, the current and next year's figures compare as follows:-

	Revenue. £.	Expenditure. £.	Deficit. £.
1907-08	547,592	781,569	234,177
1908-09	533,439	704,843	171,404
Decrease	13,953	76,726	62,773

If, however, the Railway Estimates for the year 1908-09 were the same as for the year 1907-08 the figures would read:-

	Revenue. £.	Expenditure. £.	Deficit. £.
1907-08	547,592	781,569	234,177
1908-09	571,824	726,727	154,903
Decrease	-	54,842	78,274
Increase	24,432	-	-

possible additional expenditure required.

13. The above figures assume that after the return to Abyssinia of the 1st Battalion King's African Rifles, the reserve Battalion will cease to be a charge on East African funds. If, however, this is not determined upon the following adjustments will be necessary, entailing an increase of expenditure of £8,011. A sum of £8,511 will require to be added to

schedule 18, to meet the cost of the 2nd Battalion less the Zanzibar contribution for the year, and a total of £8,736 will require to be substituted for the item of £8,236 in Schedule 18a, to cover (1) the cost of relieving the 1st Battalion by the 2nd and (2) to meet the minor extraordinary expenditures due to the returning 1st Battalion being of greater strength than the relieving 2nd Battalion, the arrangement being that the Nyasaland and East Africa Protectorates shall pay for the 1st and 2nd Battalions respectively from 1st April 1908 on the basis of the strength of the Battalion being reduced to 400 rank and file, each Protectorate being responsible for any excess above that number in the Battalion serving therein.

14. The deficit on the 1907-08 Estimates was made up by a grant-in-aid of £153,000 and a withdrawal from accumulated balances of £81,377. It is proposed that the 1908-09 deficit be made up by a grant-in-aid of the same amount as for 1907-08 and by a withdrawal from accumulated balances of £18,404, vide Appendix C.

15. Owing to there being a decrease in the Estimated Revenue for next year, I have been in some doubt as to how the "half-and-half" principle should be applied. The 1907-08

expenditure

posal to meet
Deficit.

Application of "half-
and-half" principle
1908-09 estimates.

expenditure included £81,177 which was sanctioned over and above what would have been allowed if the "half-and-half" principle had been strictly enforced in that year. This sum should therefore presumably be deducted from the total expenditure before commencing to calculate the authorized total of 1908-09 expenditure. The 1907-08 expenditure would then be reduced to £700,392. The increase in Revenue being nil, the expenditure for 1908-09 should apparently not exceed £700,392 and the grant-in-aid would be the difference between the Estimated Revenue and that figure namely £166,953. But it is obviously desirable not to increase the grant-in-aid, even if it is not possible to reduce it, and it has therefore been put at the same figure as for the current year, viz: £153,000, the difference being made up by drawing on the accumulated balances. Further it has not been found possible to reduce the expenditure to £700,392 though it has been brought within £4,000 of that figure and is shown at over £76,000 less than for the current year.

16. While on the subject of the grant-in-aid, I would respectfully suggest that the whole question of the application of the "half-and-half" principle to the East Africa Protectorate estimates be reconsidered. In the first place it must be remembered that, although agreed to,

it has not so far been adhered to. The Protectorate has been allowed to utilize portions of accumulated balances for the purpose of increasing its expenditure over the limit which would fix it under the principle referred to. It is proposed to do so again for 1908-09 and, as I have already explained, there will then be a balance of £25,823 only left. This will in turn be required to be drawn on for future years' budgets until there is no balance left. We shall then be in the position of being governed by a hard and fast principle regulating our expenditure without any fund to draw on in the event of emergency, and the value of such a fund was recently exemplified when the Government was able, at a moment's notice, to embark on unestimated expenditure to the extent of £15,500 for the purpose of combating disease amongst stock.

Further the attempt not to obscure the "half-and-half" principle has, as already mentioned, by excluding from the body of the Estimates certain specially sanctioned expenditures, been adversely criticised by the Audit Authorities.

17. The real position appears to be that a principle regulating the expenditure of the East Africa Protectorate was prematurely accepted and that it has already been found

necessary

proposed modifications
"half-and-half"
principle.

necessary to depart from the ordinary procedure observed in compiling Colonial Estimates in order to attempt to adhere in part to a principle which has already broken down in practice. I would therefore respectfully advocate either the immediate abandonment of the "half-and-half" principle and the consideration of the Estimates of the Protectorate on their merits from year to year or some such modification of the system as that suggested below.

division of expenditure into classes.

18. The expenditure of the Protectorate be divided into 3 distinct classes, viz:-

1. Departments maintained for the governing of the country, the administration of justice, the maintaining of law and order, the collection of, and accounting for, Revenue, the upkeep of Government buildings, roads and communications and, in fact, general administrative work.
2. Departments maintained for developing the resources of the country and assisting enterprise on the part of settlers and immigrants from which no immediate direct return can be expected.
3. Capital works and extraordinary expenditure.

Classification of
1908-09 figures.

19. I have roughly divided the 1908-09 expenditure estimate into these divisions and, after deducting expenditure which has already been sanctioned, but which will not have been incurred by the end of the current year and for which funds are therefore already provided, the figures appear as follows:-

Class	I.	£ 559921
"	II.	72941
"	III.	<u>71981</u>
	Total	£ 704843

The revoted expenditure (which affects Class III only) amounts to £42385 which brings the total up to £747228 as shown on page 16 of the Estimates.

Method of making
classification.

20. The method I have adopted in making this classification is as follows:-

Class II includes the expenditure on account of the Departments of Agriculture (including the Veterinary Division), Forestry, Land and Survey.

Class III includes Public Works Extraordinary, Railway Works extraordinary, Telegraph Construction, Police rearmament and Military special expenditure.

All the other Expenditure is included in Class I.

A portion of the expenditure for general supervision included in Class I. could doubtless be fairly allocated to Classes II and III, but as a set off against this and in order not to complicate the figures I have not credited any Revenue to Class II though a small amount of direct revenue, such as survey fees and sale of agricultural produce accrues from the expenditure incurred.

Class I.

21. It is to Class I that we must look for a direct return in the form of Revenue. The total estimated Revenue for the year is £533,439 and by crediting this figure to the total of Class I, we are confronted with a deficit of £26,482. This deficit is not very formidable and by applying the "half-and-half" principle to the expenditure included in the Class it can be confidently predicted that in a year or two the Revenue and Expenditure will not only balance but the former will exceed the latter.

Class II.

22. Turning now to Class II the position is as follows:-

When the "half-and-half" principle was accepted the expenditure on the Departments included in this class was very much smaller than at present. The Departments had not been finally organized not had any fixed policy been adopted regarding them. Since that time, however, specially selected and qualified Heads

have

have been placed in charge of these in the persons of the holders of the Offices of Land Commissioner, Director of Agriculture and Chief Conservator of Forests. These Heads of Departments, in each case have reported that more money was required to place their respective Departments on a proper and efficient footing.

But, to obtain more money under the "half-and-half" principle double the amount so required has to be found from increased Revenue and as I have already explained any increased Revenue is for the present required to balance Class I.

If the organization of these Departments had been completed, and a fixed policy with regard to them limiting their expenditure had been determined on before the "half-and-half" principle was agreed to matters would have been easier, but to prepare a budget under existing conditions for Classes I and II combined is almost impossible.

Class III.

23. The expenditure which I have classified under Head III is again of a different nature. Public Works can be divided into the two classes of major and minor works. In the former I would include any large schemes such as the Mombasa water supply, Nairobi sanitation scheme, erection of large Government Offices, construction of Railways, and canals and in fact any works involving large capital outlay. Minor works

would

would include all the smaller works which it is necessary to undertake from time to time, such as staff quarters, station buildings etc.

A solution of the difficulty which at present attends the preparation of the Estimates would be for a fixed annual sum, the amount of which could be revised every few years, to be allowed for minor works, and for major works to be specially considered each year. Accumulated balances could be taken in aid of major works the balance being met by a special Imperial grant, or by loans the annuities for the repayment of which could be a charge on East India funds.

Summary of proposals.

24. To sum up my proposals - firstly Class I would be governed by the "half-and-half" principle.

Secondly, A fixed annual sum would be allowed as a maximum for Class II and for Minor Works.

And Thirdly, Major Works would be considered separately on their merits and funds provided either by special grants and loans or from accumulated balances.

As soon as the Revenue exceeds the expenditure in Class I, any surplus could be taken in aid of the expenditure in Classes II and III and, when the Revenue has so increased as to provide the necessary funds for this

expenditure,

expenditure, any further surplus could be made the security for loans for carrying out major Public Works and the Protectorate would have become self-supporting.

Revenue Estimate
1908-09.

25. As already shown, apart from the Railway Department, an increase of £24,432 or about 10% is expected in next year's Revenue over the estimate for the current year. It is true that the current year's estimated figure will be exceeded by the actual Revenue by over £10,000, but £8,000 of this is made up of special non-recurring items, viz: confiscated property and arrears of the Zanzibar Military contribution. The increase expected next year can therefore be regarded as satisfactory.

Increases of Revenue.

26. The chief subheads which show an anticipated increase are:-

1. Customs Imports	£ 9,000
2. " Exports	1,000
3. Hut Tax	2,500
4. Fines and Forfeitures	1,500
5. Fees of Court or Office &c.	3,000
6. Postal & Telegraph Revenue	1,500
7. Commission and sale of un-claimed and confiscated goods.	1,500

Of these, items 1, 2, 3, 5, and 6 are satisfactory evidences of the steady progress of the Protectorate. Items 4 and 7 have been

underestimated

underestimated in the past and it has been thought safe to increase them by the amounts quoted. A large portion of the Fines and forfeitures is due to departmental stoppages and fines in the Police and Public Works Departments.

Rents of Government
Property.

27. Revenue Schedule 7 - Rents of Government Property, requires some explanation. The current year's estimate for Rents will not be realized. By an error it included a certain amount of Revenue which had also been classified as "Rents from Forest areas". Further, the Land Officer anticipated an additional shortage of £1,200 due (1) to the 1906-07 estimate having been too sanguine and the amount estimated for that year having been carried forward as recurrent Revenue in 1907-08 and (2) to a number of applications for leases having been cancelled. A deficit of £2,100 on the printed figures is to be feared for 1907-08 so that the 1908-09 figure though apparently showing a falling off is actually about £600 more than is now expected for the current year.

Decreases of Revenue.

28. In Schedule 3, Licences &c., a decrease of £1,500 is shown under the subhead "Registration of Titles". It has been decided that no titles can be finally registered nor fees for registration collected until a year

after

after the application is made. The £2,000 for the current year will therefore not be realized and Revenue will only commence to be derived from this source towards the end of next financial year.

The decrease of £1,300 in Game Licences is only to be expected; since, as the country becomes more opened up, it offers fewer inducements to the big game hunter.

Railway Estimates.

29. As regards Schedule 6, "Government Railways", it is necessary to consider the Revenue and expenditure together as shown in Appendix R. The net profit on working is shown at £75,915 as against £91,516 for the current year - a falling off of £16,501. But, as already noted, a revised estimate of the profit on the current year's working places it at £65,000, so that an increase of £10,000 on the actual Revenue for 1907-08 is expected in 1908-09.

I understand that a separate report on the Railway Estimates, prepared by the Manager, will be forwarded to the Colonial Office and, as I am unacquainted with the details, it is not possible for me to comment on them.

Expenditure Estimate
1908-09.

30. As shown in paragraph 12, after omitting all remanet expenditure, and apart from the Railway Department, there is a reduction of £54,842 on the current year's total expenditure.

expenditure.

Considerable reductions have been effected on the following votes:-

Military.

Railway Special Expenditure.

Public Works Extraordinary.

On the other hand the following heads have been materially increased:-

Provincial Administration.

Police.

Military Special Expenditure.

Post Office and Telegraphs.

Forestry and Scientific.

Survey Department.

Land Office.

Explanatory footnotes and references to previous correspondence have been embodied in the printed estimates but there are still a number of items which call for special comment.

Increase of Administrative Staff.

31. Under the Head "Provincial Administration, General Staff", provision is made for 3 additional District Commissioners and 7 additional Assistant District Commissioners. If this increase is sanctioned it is intended to detail 3 more officers for special duties with the Secretary for Native Affairs, leaving an addition of 6 officers for ordinary District work.

District Staff.

32. At present there are 3 stations without an officer at all in charge and, at a

expenditure.

Considerable reductions have been effected on the following votes:-

Military.

Railway Special Expenditure.

Public Works Extraordinary.

On the other hand the following heads have been materially increased:-

Provincial Administration.

Police.

Military Special Expenditure.

Post Office and Telegraphs.

Forestry and Scientific.

Survey Department.

Land Office.

Explanatory footnotes and references to previous correspondence have been embodied in the printed estimates but there are still a number of items which call for special comment.

Increase of Administrative Staff.

31. Under the Head "Provincial Administration, General Staff", provision is made for 2 additional District Commissioners and 7 additional Assistant District Commissioners. If this increase is sanctioned it is intended to detail 3 more officers for special duties with the Secretary for Native Affairs, leaving an addition of 6 officers for ordinary District work.

District Staff.

32. At present there are 3 stations without an officer at all in charge and, at a

number

number of others where there is only 1 officer, he is obliged to remain in the station and is unable to visit his district. Moreover new stations are proposed in the Jubaland and Kenya Provinces next year. The large increase in hut tax which has been estimated for next year will considerably more than cover the cost of the additional staff. The hut tax collection alone would appear to be a sufficient justification for the additional staff asked for, it having happened in the past that the hut tax was literally in the Districts waiting to be collected but there was not sufficient staff to do so.

Native Affairs &
labour supply.

33. The necessity of detaching more officers for duty with the Secretary for Native Affairs has arisen principally through the unsatisfactory condition of the native labour market and the absolute necessity of controlling the labour supply most carefully at what is probably the most critical stage of its existence. Special officers with special qualifications are selected for these duties and duty allowances at the rate of £50 each per annum have been inserted for them at the suggestion of the Under Secretary of State who enquired carefully into this matter on the occasion of his recent visit to East Africa.

A small

A small special staff of clerks and headmen will also be found provided in the Seyidie and Ukamba Provinces for duties in connection with the supply of and supervision over native labour, and Public Works Extraordinary Items 3, 17 and 24 provide for encampments for labour supplied by Government.

Native Administratives.

34. It will be observed that increases of pay have been provided for a number of Liwalis, Mudirs and Cadis in the Province of Seyidie. This is on account of the large amount of additional work which will fall to their lot next year when the registration of Mahomedan marriages and divorces is in full swing.

Station hands in Tanaland.

35. In the Province of Tanaland a reduction of £285 is shown on the subhead "Station Hands". This is due to a reorganization of the Provincial Staff, whereby the number of "station hands" is reduced and the staff replaced by additional Police, boat boys &c.

Subsidies to Chiefs.

36. In the Provinces of Ukamba and Kenya large increased provisions, viz: £900 and £415 respectively, is made for subsidies to Chiefs and Headmen. These subsidies are to be paid as fixed salaries to the responsible Chiefs in lieu of the existing system of paying them commission on Hut tax collected through their agency. The individual sums to be paid out in the Ukamba

Province have not yet been determined. A lump sum of 2960 has therefore been taken for 1908-09, though in future years the details will be entered.

Transport Charges.

37. It will be remembered that in 1907-08 Transport Charges were voted departmentally for the first time. It was explained at the time that owing to the absence of statistics of past years it was probable that large divergencies from the estimates would occur. For the 1908-09 estimates there are only 6 months figures available and there are therefore still no complete records to go on. Heads of Departments have, however, revised their estimates as far as possible on the information available from the completed months of the year and the portions of the Protectorate still to be visited by officers of their Departments.

F. Gibson's views on transport accounting.

38. In connection with the question of allocating transport charges Mr. Gibson wrote as follows in a minute dated October 3rd 1907:-

"3. A change appears to have been made in Estimates 1907-08 in distributing the cost of Transport among the various departmental votes instead of providing the whole amount required under one vote as hitherto. Doubtless the change has been prompted by the desire to strengthen the control over

"the

"the various departments, but it
 "causes a good deal of complication in
 "accounting and tends to undue rigidity
 "as it does not allow of any excess in one
 "department being met by a surplus in
 "another, while under the old system the
 "control can be equally well established
 "by allocating out of the general vote a
 "specific sum to the various departments
 "which must under no circumstances be
 "exceeded without superior authority.

"The principal spending departments
 "at home e.g. the Army and Navy adopt the
 "subjective principle i.e. general votes
 "for transport, stores &c. The Navy in
 "former years adopted the objective
 "principle but have now abandoned it and
 "reverted to the subjective."

In my reply I stated:-

"3. We are trying the experiment of
 "charging of transport departmentally for
 "the first time this year. The system was
 "introduced on my recommendations as I
 "found that with one general transport vote,
 "Heads of Departments were apt to be rather
 "reckless in their expenditure.

"The complication in accounting is,
 "however, very considerable and it appears
 "likely that we shall have to revert to

"the

"the former system viz: the "subjective"
 "principle referred to by you, unless a
 "general authority can be given to
 "utilize the savings on the transport
 "subheads of one vote for the purpose of
 "meeting the excesses on similar subheads
 "on other votes. It is in my opinion very
 "desirable to show in the accounts the
 "total cost of each department including
 "its transport. If, however, there would
 "be audit objection to the modification of
 "the financial instructions in the manner
 "suggested by me, I would still prefer to
 "continue our existing system for another
 "year before reconsidering the question of
 "a reversion to the former or "subjective"
 "system."

Abyssinian border.

39. A lump sum of £4000 is provided for the effective occupation of the Abyssinian Boundary in addition to the £450 for the salary and expenses of the existing inspecting officer - Mr. Zephires. It has not been possible as yet to formulate detailed estimates but it is hoped that they will be able to be prepared and forwarded to the Colonial Office before the commencement of the financial year.

Treasury Department.

40. In the Treasury Department 3 new clerical appointments are asked for. One of

these,

these, the Cashier for the Mombasa Office, has already been approved. Although this appointment is in connection with the removal of the Treasury to Nairobi, and the removal will not take place at the earliest before the end of the year 1908-09, yet it will be necessary for the appointment to be made some months before, in order that the candidate for the post may familiarise himself with the details of his duties. It will be necessary to secure a man with a good knowledge of Gujarati and Swahili, and a Parsee Clerk, who has for many years officiated as Head Clerk and Cashier to the Chief Accountant of the Church Missionary Society's Depot in Mombasa, is strongly recommended for the post. Although at present drawing higher salary from the Mission than that provided for the post he is recommended to fill in the Treasury, he is willing to serve under Government at a lower rate, and as his present employers are willing to let him go I trust that his appointment will be sanctioned during next financial year. I would further add that the Treasury Cashier has now been 5 years in the country since his last return from leave and it will be absolutely necessary to provide additional assistance in the Cash Department during his next absence.

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Customs Department

41. It has been found necessary to increase the cost of the Customs Department by £600 odd, but as already pointed out an increased Customs Revenue of £10,000 is expected. Additional European supervision is necessary and a new post, viz: "Deputy Chief of Customs" is provided for.

Owing to the transfer of Mr. Marsden the Personal Allowance, which was formerly drawn by him as Governor of the Mombasa Gaol and which on his relinquishing those duties he was allowed to retain, is saved. I have been able to find no record of the sanctioned scale of pay of the Chief of Customs. In the estimates for 1896-97 and 1897-98 £400 is provided. In the 1898-99 estimate the same amount is provided and there is a footnote to the effect that the Chief of Customs also receives an allowance of £150 from Uganda Funds as Customs Officer for Uganda. In 1900-01 the salary was increased to £500 and the Uganda allowance to £200. In 1901-02 the salary and Uganda allowance were consolidated at £700 a figure at which it has since remained. Provision has therefore been inserted for Mr. Marsden's successor at that rate, although it is possible that £700 will be regarded as the maximum salary of the post.

An adjustment will also be necessary if either of the existing temporary Customs

Assistants

Assistants, Mr. Mitchell and Mr. Dodd, remain in the service, provision being included for 2 Inspectors at £200 each next year instead of for 2 Customs Assistants at from £250 to £300, the pay drawn by the officers mentioned.

Light Buoys.

42. Under "Port and Marine, Special Expenditure", Schedule 9a. £600 is provided for 2 light buoys which will enable vessels to leave Kilindini harbour by night, whereas at present that is not possible.

Audit Department.

43. Schedule 10, Audit Department, shows increase of £543. The estimates were gone into by Mr. Gibson and provide the necessary Staff for a local audit of expenditure. The Staff formerly shown in detail in the Railway Estimates has for the 1st time, with the consent of the Comptroller and Auditor General, been shown together with the remaining Audit Staff so that the whole Department is now shown together. Pending a decision as to whether the Railway Department should be charged for the audit of its accounts, a lump sum has been deducted from the Audit Schedule and charged to the Railway Department in Abstract B, III (b) of the Railway estimates (vide Appendix E.).

Legal Departments.

44. A reclassification of Schedule 11, "Legal Departments", has been made, whereby the Registration of documents is shown as a separate division.

division. In spite of the transfer of a portion of the "other charges" to this sub-Department there is an increase of transport expenses. This is due to the greater amount of travelling that will be undertaken in future by the Judges in consequence of the promulgation of the new Courts Ordinance.

Police.

45. Schedule 12, "Police", shows an increase of £3191 which is made up as follows:-

European Staff	£ 858
Pay and Quartermaster's establishment.	808
Pay of Police	1,331
" " Followers	<u>328</u>
	3,325
less reduction on "Other Charges"	<u>134</u>
	23,191

The increase in the European Staff provides for 2 additional Officers in all in addition to the promotion of 5 others from the rank of Inspector to that of Assistant District Superintendent of Police the vacancies caused by their promotion not being filled.

The establishment of a Pay and Quartermaster's Office has been approved by the Colonial Office. Mr. Gamble late Paymaster to the Foreign Service battalion of the King's African Rifles has been appointed Police Paymaster and steps will have to be taken to appoint his

Assistant.

Assistant. In the event of the abolition of the Foreign Service battalion of the King's African Rifles the Assistant Paymaster's, (Mr. Stone's,) services would be available.

The increase in the Pay of Police provides for an additional 150 men in all ranks. The principal increases are in Tangaland (vide paragraph 35), in Jubaland where a new civil station in Goshu is to be made, the Kenya Province and at Sotik.

The increase of followers provides additional clerical assistance and also for tailors by the appointment of whom economies in the clothing vote are anticipated.

"Other Charges" have been completely reclassified, the arrangement of the Military Schedule having been adopted. As already stated there is a decrease in the Other Charges estimate although provision is included to the extent of 2929 for training expenses of Officers and Inspectors at Dublin. This 2929 is sufficient for the expenses of 13 men including Railway fares, lodging allowances and other incidental expenses. It appears susceptible of further reduction in view of the whole increase of European Staff asked for by the Inspector General of Police not having been granted and I am in correspondence with him on the subject.

I understand

I understand that a special report on the Police Department, dealing inter alia with next year's estimates, prepared by Colonel Gordon Wilson R.N.G. has been submitted to the Colonial Office.

4
 4/19/90
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46. Head 13, Prisons, provides for a reformatory at Nairobi in order that juvenile prisoners may be kept separate from hardened criminals.

A higher paid and more efficient Gaoler is provided for Nairobi, it being found impossible to get a satisfactory man on the present scale of pay.

47. Schedule 15, Hospitals and Dispensaries, shows an increase of £1,400, of which nearly £1,300 is in personal emoluments. The staff of the new lunatic asylum account for £340 of this and there are 1 additional Hospital Assistant and 6 Compounders who are required for a number of stations who are at present without any trained medical assistance whatever. Further, owing to the great difficulties which are experienced in getting men, the pay of the posts has been increased as a further inducement to candidates.

48. In Schedule 16, Education, provision of £2,196 is included for Staff and expenses of the New European boarding school.

Military.

49. Schedule 18 Military and 18A Military-Special Expenditure. I have already alluded to the reduction of Military expenditure which would follow on the abolition of the Reserve battalion King's African Rifles. Pending the arrival of the Inspector General King's African Rifles, who will be asked to scrutinize the estimates, no special comments thereon are necessary.

Post and Telegraphs.

50. The Post Office and Telegraph's Schedule - No. 21 - shows an increase of £3,705 made up as follows:-

Post Office and Telegraph Working Staff.	£ 1,569
Post Office and Telegraph Working Other Charges.	1,443
Telegraph Maintenance Staff	450
Other Charges	536
	<hr/> £ 3,705
Less increased Uganda Contribution.	95
	<hr/> £ 3,705

Post Office Staff.

51. In the Post Office 4 new European Officers are asked for, as the Department suffers greatly from want of proper supervision and the postal business of the Protectorate is increasing annually.

In the junior ranks an increase of 11 is required for (a) new Post Offices, (b) increased work at existing Offices and (c) the opening of

a savings bank.

The Postmaster General strongly recommends a system of special allowances for Post Office clerks serving in the more unhealthy stations in Uganda and quotes the Cape Colony as a precedent for such a system. £100 is inserted for this purpose. It is considered preferable to give such temporary allowances than to increase the salaries, as transfers can thereby be more easily made when occasion arises. It is difficult to get clerks to join the Post Office if they are liable to be transferred to Uganda on the same pay as they are drawing in East Africa.

52. It has been necessary to provide under "Other Charges" for an additional £1,100 for carriage of mails by sea as a result of new statistics being taken this year, as decided at the Postal Union Conference at Rome. The postal business of the Protectorate has increased very considerably since the last statistics were taken.

53. Under Telegraph Maintenance a re-arrangement of the European inspectors has been made, and an additional appointment is required. It has also been necessary to increase the pay of the senior posts owing to the difficulty of getting suitable men at the rates formerly provided. This difficulty was reported in

Carriage of mails
by sea.

Telegraph Maintenance
Staff.

Economic plants
division.

57. Largely increased provision is made for the upkeep of the Kibos and Maseras experimental farms in the Economic plants division. This is due to a new farm having been opened at Maseras along the Railway line where extensive experiments with tropical produce are being conducted within every reach of visitors.

Naivasha Stock farm.

58. The reduction in the cost of the Naivasha Stock Farm is due to greatly reduced provision for live stock which has become possible owing to the special vote of £2,000 for the current year.

Nairobi farm.

59. The Nairobi experimental farm, which is being moved to a more favourable site than the existing one, shows an increase of £1,100, £450 of which is for the new appointment of Manager. This appointment has become necessary if the farm is to be of any real value to settlers. The Station Assistant shown at £200 is not really an increase but a transfer from the Kibos farm. The remainder of the increased provision is necessary on account of the removal of the farm.

Tobacco Division.

60. Provision is included for the first time for a Tobacco Division, one half of the Chief's salary being debited to Uganda. This appointment has already been made, the cost being

met from savings-

Instructors for
natives.

61. Under "Miscellaneous" 2 agricultural instructors for natives have been included. It is believed that these appointments will be very beneficial to the natives by teaching them more civilized methods of cultivation.

Veterinary.

62. The increase in the Veterinary Division calls for no special comment. The £50 additional for the Chief Veterinary Officer is already sanctioned. It is believed that a competent bacteriologist can be obtained on a salary commencing at £400 and it is intended to place him under Dr. Ross, the Medical bacteriologist, who will then be in charge of the whole bacteriological work in the Protectorate.

Forestry.

63. The detailed figures of the Forestry Department are not yet available, the Chief Conservator of Forests having reported that attempts to prepare a working estimate under existing conditions on £12,000, the figure to which his estimate was reduced, have failed. I understand that he is preparing a special report on the subject which will be sent to the Colonial Office.

Mining Expert.

64. £400 has been entered under Scientific for the salary and expenses of Mr. Jell, the mining expert, whose temporary appointment

extends

extends into 1908-09.

Survey.

65. The Survey Estimates show an increase of £4,901 recurrent and £1,162 special expenditure. The increase is due (1) to the provision for a small topographical branch, (2) to a general increase in the Department as recommended by Major Hills and (3) to the estimates for Cadastral local transport and labour having been greatly underestimated for the current year. I understand that Major Smith's report on his estimates is being sent to the Colonial Office separately.

Land Office.

66. The Land Office increase of £5,070 provides for 4 new appointments all of which have already been reported to the Colonial Office, viz: a Conveyancer and three inspectors of farms and the transport vote has also had to be increased accordingly. Further the clerical establishment has been reorganised and a better class of clerks provided for.

The £1,500 for rapid settlement has been inserted on the recommendation of the Land Board, and has also been specially reported to the Colonial Office.

Public Works Department
Staff.

67. The Public Works Department vote shows an increase of £2,362 in Staff. This increase is in the opinion of the recently appointed Commissioner of Works most necessary

in order that better organized supervision may be possible although there is a smaller programme of work than for the current year. I attach a minute by the Commissioner of Works dealing with the Public Works Department Staff and containing certain recommendations as to permanent appointments.

Public Works Recurrent.

58. Public Works Recurrent is increased by 21,404. The maintenance and repairs votes must necessarily increase annually as more roads and buildings have to be maintained. Reductions have been made in Transport vote and in the provision for furniture.

The contribution to the Nairobi Municipality will take the form of rates in accordance with Colonial Office instructions. The increased contribution to the Kisumu Municipality is to cover increase in bush cutters, repairs to existing township roads, treeplanting and water rate payable to the Railway Department.

Public Works Extraordinary.

59. The Public Works Extraordinary Schedule figures at 257,955 of which 25,800 is revoted as against £104,824 for the current year. Omitting the revoted items, the general subheads of the Schedule compare as follows:-

New Works

	1907-08. £.	1908-09. £.
New Works and Buildings.	82,555	24,283
Alterations and additions to buildings.	4,508	5,167
Special repairs to buildings.	-	916
Land and buildings to be acquired.	1,981	1,120
Roads and bridges.	4,625	15,000
Miscellaneous.	5,155	5,679
Total	104,824	52,155

Use of Officials.

70. The large decrease in New Works and Buildings is due to a very great extent to no provision being made for housing officials in Mombasa or Nairobi. Owing to the large number of officials in these places for whom no Government quarters are available, a very considerable capital sum would be required to erect a sufficient number of Government quarters. As the present state of the finances of the Protectorate do not appear to warrant any such large expenditure, it has been decided to rent houses or give house allowances, a system which, though less economical in the long run, does not involve any immediate large outlay. I have already, in a separate letter, made certain suggestions as to the arrangements which will be necessary to ensure a sufficient number of

houses

houses being erected by private enterprise for the use of officials.

Important New Works.

71. A number of the items included in the estimates are for the continuation or completion of works already commenced. These call for no comment. Of the new works the most important are:-

Malindi Pier	£ 2,000.
Court House and Judges chambers at Nairobi	1,500.
Quarters for 5 European Clerks.	1,000.
Reformatory at Nairobi	1,000.

Malindi Pier.

72. The Malindi pier has been constantly mooted in past years. In fact provision to commence it was actually included in the 1903-04 estimates but was subsequently deleted. When the monsoon is blowing, it is at times impossible to land at Malindi and there is the greatest difficulty in shipping the large quantity of grain which is exported from that Port. Moreover there is now a considerable Colony of cotton planters who require facilities for shipping their produce.

Court House and Judges' quarters.

73. The £1,500 provided for a Court House and Judges' chambers in Nairobi is the commencement of a more expensive scheme which has not yet been worked out in detail. At

present

present there is very bad accommodation for the Sessions Judges, there being no proper Court House in Nairobi. It is proposed eventually to erect a Court House with quarters for the Judges and the £1,500 is for the commencement of this building.

Quarters for postal Clerks.

74. Quarters for the postal clerks have been provided for in lieu of rents or allowances, in order that a specially designed building can be erected, which will accommodate the European Staff of the Nairobi Post Office. The Postmaster General wishes to employ lady clerks in the Nairobi Post Office and is, I understand, addressing you on the subject.

Reformatory.

75. In paragraph 46 I have already alluded to the reformatory, which it is proposed to erect on the Nairobi experimental farm. The £1,000 will provide full accommodation for the juvenile offenders and the supervising staff.

Additions to Mombasa Government House.

76. Under "Alterations and additions to buildings" £1,000 is provided for "extensions to Government House at Mombasa, the existing house was originally erected not for the Governor but for the Sub-Commissioner of the Province and there is very inadequate accommodation for Government House entertaining.

Item 18, Stables and boys rooms at New Government House Nairobi £300, will not be

required

required, provided authority is received to complete the building this financial year, and will be available for reallocation or may be deleted.

Acquisition of Land.

77. £1,110 is included for land acquisition. All the pieces of land which it is proposed to purchase are urgently required by the Government for buildings, roads &c.

Monorail.

78. Under Miscellaneous £5,000 is included for a monorail. It has not yet been decided where it will be constructed, but it is believed that it will be of great value in districts where the labour supply for transport purposes is uncertain, or where tsetse fly exists. If the experiment is a success it is proposed to extend the monorail system in future years.

New Roads & Bridges.

79. A lump sum of £15,000 has been inserted for New Roads and Bridges. It is proposed that a Roads Board, with official and unofficial representation, shall be appointed to deal with this sum and decide which roads are most necessary. This is considered preferable to providing for certain definite roads.

Perusal of Estimates
by Mr. Churchill.

80. In conclusion I would state that the Right Honourable Winston Churchill went through the draft estimates in detail, when in Nairobi,

and,

and, though a number of items which appeared in the draft passed by him have since been deleted, no additions of any importance have been made to them with the following exceptions in the Public Works Schedule:-

- (a) Reformatory for juvenile prisoners. £ 1,000.

This, as already stated, and, in accordance with Mr. Churchill's suggestions, is to be erected on the Government Farm.

- (b) Purchase of Land at Malindi £ 355.

The necessity for this purchase was not known until after Mr. Churchill had left.

- (c) Honorail experimental construction. £ 5,000.

Before he left the country Mr. Churchill instructed me to make this provision.

- (d) Roads vote increased from £9,844 to £15,000. This increase was made after a large number of other items had been deleted from the estimates.

I have the honour to be,
Sir,

Your most obedient Servant.

(SD) C. C. BOWRING.

Treasurer.

P. W. D. ANNUAL ESTIMATES 1908-9Minute by the Commissioner of Works.PROPOSED INCREASES OF PAY.The Assistant Director.

I have entered a salary of £450 per annum for this officer - that is an increase of £50 per annum. This salary is not extravagant, and I trust it will be passed, because Mr. Tanner has now served for more than four years, has acted twice (18 months once, & 3 months next time) as head of the Department, and has proved his value to Government; moreover his work and responsibilities are increasing year by year. His value I know by personal experience.

The Chief Accountant.

In his case regarding his application for leave I have proposed that his future salary should be £300 by £10 to £400 a year, and I have shown cause why this should be done.

The Accountant Nairobi.

Mr. S. E. J. Howarth was appointed to this post with effect from 1/4/06; but he really worked from May 6th 1905 in the same position. His present salary is £200 a year. He is a very well educated man, and thoroughly knows his duties, which are of a

most

most onerous nature, as he is responsible for accounting for over £70,000 this year, and for submitting the accounts to the Head P.W.D. Office. He is gazetted Officer and he is now well worth £250 a year. I therefore recommend that his letter of appointment be cancelled with effect from 1/4/08 and that a new one granting him a salary of £250 per annum for three years be issued from this date.

NEW APPOINTMENTS.

The Assistant Architect. £250 by £25 to £300. We require another architect to help the Architectural Draftsman - who I propose to call the Government Architect - because under the new system of making detailed estimates for each work we shall have far more detailed drawings to do than we have at present.

Quantity Surveyor. £250 by £25 to £300. This Officer will be required to frame detailed estimates. At present we only have rough estimates based on the cubic contents of buildings, and there are no estimates of any description for bridges. If we are to carry on our work satisfactorily and economically, we must have detailed estimates, with proper schedules of rates - especially if works are carried out by contract instead of by daily labour. That they should be carried out by the former system instead of the latter I am convinced, but before we can do so, we must have correct detailed estimates which the present staff has no time to prepare.

THE CLERICAL STAFF.

The increase under this head is due to the facts

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facts brought forward in the memos from the Assistant Director to the Director (herewith attached) and by the Director of Public Works, and also to my appointment. I have carefully gone through the Lists of Clerks &c. and have fixed the scale at the least minimum on which I think the work can be carried on efficiently. The scale however is only to be experimental for one year, as at the end of that time I hope to gain experience which will show if it should be increased, or if it can be safely lowered.

The only increase in salary of importance is that relating to raising the salary of the Head Clerk from Rs.120 to Rs.180 per mensem. He has served five years on the Uganda Railway and five in the Office of the Director of Public Works, and has therefore 10 years of approved service, and has done much hard work.

The new appointments require no special licence as they have been added to provide for increase of work in connection with the working of the office itself, and of preparing detailed plans and estimates.

OFFICERS TO BE MADE PERMANENT IN THE P.W.D.

The Director of Public Works (if he is not already permanent and on this question there seems to be some doubt) with effect from 17/4/00 - the date on which he joined the Uganda Railway - because he has really been only transferred from one Branch of Engineering to another, and has had no change of Profession. Moreover he has had no "break in service."

I have only been here for a short time, but I cannot speak too highly of Mr. Ross' abilities as an Engineer, and of the credit he is due for the number of buildings constructed, and roads and bridges made, since he became Director. I have found him most loyal and hard working, and he has placed his experience and abilities at my disposal without reserve.

The Executive Engineer Nairobi Mr. Esprit. The services of this officer, who will shortly have leave due, deserve recognition, because of good work done in the colonies and especially at Nairobi where his duties are of a most onerous nature. He has never spared himself and has suffered in health on this ground. I recommend that he be made permanent from the date of his first employment in the East Africa Protectorate viz. - June 23rd 1905 as I consider two years quite sufficient time to test any trained Engineer who is in a temporary appointment, and at the end of that time, if he is recommended, he should be made permanent with retrospective effect - provided that there is a vacancy in the permanent Cadre of the P.W.D. No mention has been made hitherto of such a Cadre but one will have to be fixed in the next five or six years.

The Executive Engineer Malvasha. I have not met Mr.

Blair as yet, but the Director of Public Works recommends that he be made permanent from 15/6/05 and I accept his view.

Mr. Cresswell, Assistant Engineer. (on leave) I have proposed that he be made permanent on a separate minute.

The Chief Accountant. Of Mr. Sergeant's abilities I have already spoken. He should be made permanent from June 29th 1905.

The Accountant Nairobi. I have also spoken highly of Mr. Howarth, and I think he should be made permanent from 6/5/05 as he has had continuous service without break, and has been carrying out the same duties in

the

the same office under different designation from that date.

The Architectural Draftsman. To be called in future The Government Architect. Mr. Dod - student of the R.I.B.A. a conscientious hard working promising young officer of proved ability, may, perhaps, for private reasons regarding his ambition to rise in his profession at home, be leaving us for good. I have therefore made arrangements in the estimates to meet this contingency.

I have suggested an alteration of title because this may be some inducement to keep a valuable officer, and it will enable us to get another promising young man should Mr. Dod leave. As another inducement in order to keep Mr. Dod I suggest that he may be made permanent from April 1st 1906. I do not want to lose him and to have to get a new Architect, who would have to work under conditions and climate novel to him.

The Storekeeper. Mr. Gregory. Of this Officer I cannot speak too highly. Of late his work has come before me a great deal owing to the inspection of R.W.D. Stores &c. by the Deputy Auditor General from England, and I can see how thoroughly he knows his duties. He has I am told on competent authority brought order out of chaos in a short time. He has only been here a little over a year, but he arrived in the East Africa Protectorate as a trained man.

I recommend that Mr. Gregory be made permanent from September 15th 1906.

On the question of future pay of officers in the

the P.W.D. in years to come I am not in a position to give an opinion as I have been for so short a time in the E.A.P. As regards the few recommendations which I have made, I put them forward, with the sure belief that something must be done in individual cases to improve the position of certain deserving officers of the P.W.D. As regards these officers being made permanent, I lay great success on this because some of them are working out their temporary agreements, and are likely to look out for fresh work, and this must unsettle them and interfere with their duties no matter how conscientiously they work. Therefore in order to get full value out of officers of proved worth, and to keep them from anxiety as regards their future, moreover to reward them for past good service, they should be made permanent from the dates which I have mentioned in this note. My recommendations are reasonable and I trust they will meet with due consideration from His Excellency.

In the future an ideal R.W.D. will, in my opinion, be one with a small staff of elite permanent engineers, and a number of temporary ones taken on for, say, three to five years, the number varying according to the ^{amounts} available for expenditure by the P.W.D. year by year.

In conclusion I desire to call attention to the enclosed diagram shewing the expenditure and cost of P.W.D. Establishment in years gone by. A perusal will show how low the rates of works to establishment has been, and how hard pressed the P.W.D. staff must have been to utilize the sums voted. They had no carefully prepared plans and estimates, made and studied

(7)

studied, months before hand, which would have been a great guide to them; they have had large Indian and Native labour forces to guide and control with insufficient means, and have had really to work from hand to mouth. Next financial year such pressure may not take place - except in Nairobi where it must continue - and time will be given for consolidating the Department, and for the preparation of detailed plans and estimates, and surveying for important roads and irrigation works so as to provide a large programme of expenditure in 1909-10 and subsequent years.

Sd/- G. K. Watts.

COMMISSIONER OF WORKS.

Mombasa,

October 26th 1907.