

DOMESTIC

EAST AFR. PROT.

15795

REC'D
REC'D 11 MAY 09



15795

Individual

Accuracy

909

May

Previous Paper:

23

1395

Subsequent Paper

Estimates - 1909-10.

Expenditure - to be kept within the limit of approved estimate for 1908-9. This will involve reduction of £115,714. Proposed economies on Public Works, at Home, Immigration, Justice, Finance, & Agric Deptts. take us to maintenance of proposed paper on Travelling Expenses & Appropriation. Revenue - notices in Stationery character - take us to direct taxation of which matters but the school fees - Outrages export duties & such - report a letter to be correct making of Home, Justice & Finance receipts.

Mr. Arthur...

The immediately necessary thing is to let the O.A.S. have some sort of indication of the position of affairs and the ~~expenditure~~ ^{actual} which he must modify the estimates of expenditure. This can be done readily if we take a decision ~~provision~~ on the main question of the further reduction of the estimates which the Treasury insist upon. I do not think it possible to make out a case for resisting the reduction or have ourselves effected a net reduction of £10,500, and the Treasury, now wish to cut down by another £11,500 with a view to reducing the expenditure to the level of that approved for last year. On the half and half principle they are perfectly justified. The revenue is stationary and the expenditure therefore ought not to show any increase, I would propose to accept

S.R.A.

E. E. W. 1100-1100

1739

2022

request that you will
distribute them among
the various firms
interested in the
chamber in this city
and to the editors
of the leading
publications which
deal with such matters,
including the Commercial
Supplement of
The Times

I am...

DES.

To you conc 295 3 June
and 3 June
295 3 June

295 3 June

1739 (Part of Paper)

the necessity of the further reduction without ~~more~~
 demur. We must do so unless we are prepared to fight out
 with the Treasury the whole question of the half and half
 principle. ~~Even if we wished to do so we must proceed the~~
~~work in the middle of the financial year, and not try to~~
~~slide it on to the estimates, with the prospect of not~~
~~knowing where we are until the year is over. These estimates~~
~~estimate has pretty well run its course.~~

As the Treasury point out, towards the further
 reduction of £11,500 net reductions a total of £11,500
 £1200 have already been effected. ~~separate decisions.~~
 There thus remains £7,300 to be struck off. I think we
 may decide at once that the expenditure of £2,000 on
 Mineral Surveys, which was not suggested by the Governor
 but was put in here, must go. The precise way in which
 the remaining £5,300 can be obtained must be considered
 carefully in detail later, ~~possibly~~ in consultation with
 the O.A.G.

At present I ~~would~~ propose to telegraph to the
 O.A.G. that the estimates are sanctioned subject to a total
 net reduction of £22,000; that towards this amount the
 following main reductions have already been decided upon,
 namely, Post Office special expenditure £4,000

New Government Offices at Mombasa and Nairobi £10,000
 Police Dept £2,000, and say that a despatch will
 be sent by mail as to the further reductions required and
 the details of the estimates. (We had better not mention
 the Quarantine Station and the Mineral Survey in our telegram
 as they do not figure in the original estimates and the
 mention

mention of them would only confuse the O.A.G. ^{in the absence of} without the
 necessary explanations. We should follow up the telegram
 by a despatch by next Friday's mail (May 14th) confirming
 the telegram and sending a copy of our letter to the
 Treasury submitting the estimates & a of this reply, say-
 ing that there has not been time to go into the details
 involved, but that a further despatch will be sent as
 soon as possible.

The paper should then be returned to the Depart-
 ment for the drafting of a despatch on the details of
 the estimates and for consideration of the points raised
 by the Treasury, particularly those relating to revenue.

JAB
 May 12
 W. Fiddle to see.

*I agree it must be admitted
 that the views expressed in this
 letter are, speaking generally,
 sound; and we had better
 agree to the reductions with
 a good grace.*

W. F. 13

JAB 13.5

25
 $\frac{145}{145}$
C. H. V

W. Read

I now submit drafts to the

O. G. G., the Treasury, the A. S., for
Constitution

Tab.

May 25

O. G. C. , the Treasury, the A. S. , for
Comptroller.

213.

May 25

The reply to this Letter the following
Number should be quoted.

3007/2

C. O.
15795
REC'D
MAY 20 1909

184

4601
09.



TREASURY CHAMBERS.

10th May 1909

Sir,

I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Austrebus's letter of the 27th February last (4563/1909), transmitting the Estimates of the British East Africa Protectorate for the year 1909-10 and I am now to request you to submit to the Earl of Crewe the following reply.

The Estimates as originally drafted showed a deficit of £226,346 towards which a grant in aid of £155,500 was proposed, the remainder (£70,846) being met from the Protectorate's balances; Lord Crewe however, has been able to recommend modifications of the original estimates producing a net decrease in expenditure of £10,496 and a corresponding reduction in the Grant in Aid, which is now placed at £145,000. My Lords agreed to this figure as the provision for 1909-10 in the Estimate for Colonial Services, as the Estimates were not presented to This Board in time to admit of adequate examination, but Their approval was provisional only with a view to meeting the requirements of Parliament and they now direct me to offer the following observations on the proposals of the Secretary of State.

In order to effect a proper comparison of these estimates

The Under Secretary of State,
Colonial Office.

estimates with those of the current year it is necessary to eliminate in each case the "remanet" expenditure. The deferment of the services for which this expenditure was voted produces in the year of original charge a saving exactly corresponding to the increase involved in the next and as there is no surrender to the Exchequer of the surplus balances the postponement of the date of charge has in itself no effect upon the taxpayers of this country. On this basis then the Estimates of this year may be compared with those now submitted in the following manner.

	1908-9.	1909-10.	Increase + Decrease -
Estimated Gross Expenditure	803,638	750,227	- 53,411
<u>Deduct Remanet</u>	<u>108,885</u>	<u>25,400</u>	<u>- 82,485</u>
Estimated New Expenditure	694,753	723,827	+ 29,074
Estimated Revenue	<u>533,439</u>	<u>534,377</u>	<u>+ 938</u>
Deficit	161,314	189,450	+ 28,136
Grant in Aid	<u>138,000</u>	<u>145,000</u>	<u>+ 7,000</u>
Drawn from balances	23,314	44,450	+ 21,136
Surplus of balances	<u>20,913</u>	<u>32</u>	<u>- 20,881</u>
Total Estimated balance (excluding Remanet Expenditure on 31st March)	44,227	44,482	+ 255

It will be seen from this statement that while the estimate of the Protectorate's Revenue has remained practically stationary the new expenditure, even after the reductions effected by the Secretary of State, has considerably increased. The actual amount of this increase

shown

shown above is £29,074, but for purposes of comparison with the estimates of last year £17,500 may be deducted from this figure on account of Customs Revenue transferred for the first time to Uganda's Revenue Account and shown under the Expenditure Estimates of the East Africa Protectorate. The net increase thus becomes £11,574.

My Lords share the opinion of the Secretary of State that the state of affairs shown by this account is unsatisfactory. Even the proposed increase in the grant in aid of £7,000 is only sufficient to meet the deficit after the balances have been exhausted. My Lords are anxious not to take too serious a view of this depletion of the balances. They see considerable objection to the accumulation of large surpluses and consider that so far as possible the needs of the year should be met out of the provision for the year. They have recognised in the past that the Grants in Aid have been reduced by drawing on these accumulated funds, and that this process could not continue indefinitely. But the balances, besides reducing the grants in aid, have served in the past to provide a fund out of which to meet the unforeseen requirements of the year without recourse to the Imperial Exchequer. The present Estimates provide no such margin for contingencies and this feature in them causes My Lords a certain amount of anxiety.

They regard it, therefore, as especially necessary at the present juncture to criticise the growth of expenditure. So long as the Revenue does not increase, any addition to expenditure in the future will involve a corresponding burden upon the British taxpayers which in

Their

Their Lordships' opinion would not be justified by the financial position either of the Protectorate or of this country. These considerations compel My Lords to request that the expenditure for the current year (ignoring the £17,500 above mentioned) may be kept within the figure of the approved Estimate (omitting revotes) for 1908-9. The transfer of Customs Revenue to Uganda will produce a corresponding increase in the deficit which My Lords recognise to be inevitable, but Their proposal will involve a reduction of £11,574, say £11,500, in the figures put forward in the letter under reply. Net reductions amounting in all to £4,200⁺ have already been effected by the decisions of This Board (communicated in the Treasury Letters of the 19th February (3689) and the 11th ^{with} ~~alter~~ (1871)), with regard to the proposed Police Depot, and Quarantine Station at Mombasa, respectively. There thus remains a sum of £7,300 to be struck off. While appreciating the economies which Lord Crewe has already been able to effect My Lords trust that it will not be found impracticable to limit the expenditure still further. They do not desire to prescribe the items of expenditure which should be reduced but it occurs to Them that the reorganisation of the Police offers an opportunity for effecting the whole of the suggested saving under this Head. This expectation is strengthened by the remarks of the High Commissioner of Uganda upon the Police in that Protectorate. If the conditions of the force in East Africa are in any degree similar it would appear that very considerable changes might be made without danger to efficiency.

Should,

7/10/08
 6118
 4810

) Should, however, it not be practicable to make the whole of the reductions required under this Head My Lords would suggest that the proposed expenditure of £2,000 on the Mineral Survey might be deferred. This service is manifestly one which can be postponed and in any case before agreeing to the expenditure involved My Lords would be glad to receive Lord Crewe's assurance that the authority of This Board would be obtained to the terms of any concessions which might be made to private Companies as a result of the investigation.

8 In view of Lord Elgin's remarks in paragraph 30 of the Colonial Office letter of the 29th February 1908 forwarding the Estimates for last year My Lords would enquire whether the time has not yet arrived when the Immigration Department might be dispensed with. If this course were practicable a further saving of nearly £900 would be possible under this head. My Lords would suggest also that some economies might be practicable in the provision for the Forestry, Survey and Agricultural Departments without prejudicing the prosperity of the Protectorate. The expenditure under these heads has grown very rapidly in recent years and My Lords are not clear whether the return has altogether justified the outlay.

9 As regards the provision for the travelling Inspector, I am to enquire whether the death of Menela, who is reported to be in a precarious condition, will affect the question of this officer's removal from his duties. It will be remembered is to supply the British Consulate at Adis Ababa with information as to the activities of the tribesmen

tribesmen across the frontier, but should Menelek's successor be less well disposed towards the maintenance of order Mr. Zaphiro's services in this respect might no longer be required. In any case I am to enquire whether the expense of his retention might not be borne, in part at any rate, by the frontier tribes who benefit by his presence, whether by the imposition of transit dues on goods sent through their territories to the Coast or otherwise.

10 The most serious aspect, however, of the present Estimates is the stationary character of the Revenue, which is only maintained at the level of last year by the anticipated increase in Hut Tax. An increase, however, in this Head is not, as My Lords apprehend, necessarily a sign of developing prosperity, inasmuch as it may be due to more efficient or more extended control, whereas the marked decline in the Customs receipts is a most discouraging symptom of the Protectorate's financial condition. These figures in fact do not appear to justify the large and increasing expenditure of past years and My Lords cannot but feel some hesitation in agreeing to the further expenditure of large sums upon developing the industrial resources of the Protectorate until the returns show a better result.

11 In this connection I am to enquire whether any direct contribution is made to the funds of the Protectorate by the white settlers, and whether any steps are to be taken or can be taken to increase the hut tax in relation to increasing prosperity among the native population.

My

My Lords would be glad to be informed also what steps have been taken in accordance with the suggestion contained in Their Letter of the 1st April 1908 (4030/00) to cover the expenses of education by the collection of fees.

Finally I am to draw the attention of the Secretary of State to paragraphs 20-24 of the Treasurer's Report of 21st July last on the accounts of the Protectorate for 1907-8 with regard to the Export duties. My Lords are far from wishing to diminish any of the existing sources of Revenue, but it appears to Them that the imposition of duties of this character, on articles at any rate in which the Protectorate has not a monopoly, must prejudice the industries of the country and its consequent prosperity. The estimated receipts for the current year from these duties in East Africa amount only to £7,500, but My Lords assume that any action which might be taken with regard to them in this Protectorate would also have to be applied to Uganda where their yield is greater. In these circumstances They would be glad to have a report shewing the estimated cost of collecting the taxes (including of course the prevention of smuggling) and the capabilities of the Protectorates to meet the loss of Revenue that would be entailed by their abolition, either by the imposition of new or graduated forms of direct taxation or by an increase in the other heads of existing Revenue.

I am to add with regard to the proposed method of showing the transfer of Customs Receipts to Uganda that My Lords agree with the Secretary of State that the sum in question should not be shown as an increase of East Africa's expenditure. They note, however, that the amount £17,500 is a net figure arrived at by deducting the contribution (£3200) to be made by Uganda towards the expenses of collection from the gross sum (£20,700) of receipts to be transferred. My Lords consider that neither of these sums should appear in the body of the Estimates for East Africa or in the Account submitted to Parliament, but should be deducted from the Heads of Customs (Revenue) and Customs Department (Expenditure) respectively, a footnote being inserted in the Accounts of both Protectorates showing the changes which have taken place.

In the case of Uganda the sum of £20,700 will be carried as a final receipt to the Customs Head of Revenue, the Head of Expenditure "Treasury Customs and Savings Bank" being increased by the contribution of £3,200 towards cost of collection.

I am,

Sir,

Your obedient Servant,

J. Murray

W.B.

tu
14

Y / 15795

Ea P.

192



~~Handwritten mark~~

DRAFT.

Ea P. N. 264

Handwritten initials

For

14th May 1907

MINUTE.

- Mr. ~~Full~~ 14/12
- Mr. ~~Bondles~~ 14
- Mr. Just f3
- Mr. Antrobus.
- Mr. Cox.
- Sir C. Lucas.
- Sir F. Hopwood.
- Col. Seely.
- The Earl of Orewa.

Sir, I have the honour to confirm my telegram of ~~the~~ even date informing you that the Estimate for the current year have been sanctioned subject to a total net reduction of £22,000, and that towards this same amount the following main reductions have

Received May 10.
15795
Copies already made
sent

Copy 20. 4/may

already been decided

upon

Postoffice Special Expenditure -
£24,000

New Post Office at Nairobi
Nairobi - £10,000

Police Depot - £2,500.

2. A copy of the
letter in which the
Estimates were submitted
to the Ld. of the

Treasury has already
~~been sent to you~~
~~in my dispatch of 14th of March~~
been sent to you

and I now enclose

a copy of the
Treasury
Lords' reply.

~~There is not time~~

I regret, however

before the 193
mail closes, to enter
into the details involved,
but a further despatch
will be sent to you
at the earliest as
soon as possible
discussing the further
reductions which must
and the details of
be made in the
estimated expenditure
for the year.

I have

7/15795

E.A.P. ~~21~~
Incor

Sent 11/5
5.20
Telegram

14 May

DRAFT.

Cinema.
Nairobi

MINUTE.

- Mr. Parkin 14/5
- Mr. Porter 14
- Mr. Just. f-3
- Mr. Antrobus.
- Mr. Cox.
- Sir C. Lucas.
- Sir F. Hopwood.
- Col. Seely.
- The Earl of Crew.

Emphatics

Estimates for current year

Sanctioned ^{slap pen} subject to

~~that~~ reduction of
punchplane ^{net} ^{divergent}
£22,000

Following

main reductions (already)
^{sandwich} have been settled
decided upon.

Office special expenditure

£2,000 New Government

Offices at Nairobi and
Mombasa ^{publock} £10,000 Police

Dept ^{negotiable} £2,500 ^{subsidy} Despatch

Copy as of June

2/15

Respatch ^{see following} ^{received}
to further reductions
and details of estimates

Treasury E. A. P. 195
15795

Copying Dept.
Please make with
copies of these for
printing
of 13.

DRAFT.

Comptroller &
Auditor General

MINUTE.

- Mr. Baker, May 25
- Mr. Read, 27
- Mr. Just.
- Mr. Antrobus.
- Mr. Cox.
- Sir C. Lucas.
- Sir P. Hopwood.
- Col. Seely.

The Earl of Crewe.

Copy to Treasury, Feb 27.
(on 15795)

Treasury to C. A. May 10 (Printed)
(15795)

S. G. to C. A. 14 May 14
(on 15795)

S. G. to C. A. 29 May 14
(on 15795)

12
14 June

Sir,
May

I am directed by
the Earl of Crewe to
transmit to you, for
your information, a
copy of the Estimates
of Revenue & Expenditure
of the E. A. P. for the
financial year 1909-1910,
and a copy of a
copy of the

copy of the

with the Treasury and
with the O.A.G. of the
P.E. on the subject.

The alterations
made in the proposed
Estimates as the
result of ^{the} correspondence

are summarised in
addressed
the despatch to the
O.A.G. on the 3rd

4 June.

J. H. ...

R.H.A.



copy all major
notes except those in
brackets

Treas./15795/1909.
East Africa Protectorate.

DRAFT.

EAST AFRICA PROTECTORATE

295
The Officer Administering
The Government of
The East Africa Protectorate.

Downing Street,
3 June 1909.

Mr Butler, 4 May 25 Sir,
Mr. Read 29
Mr. ... 210

With reference to my despatch

Mr. Antrobus, 28/5 No. 264 of the 14th May, I have the honour
Mr. Cor. to transmit to you a copy of a ~~letter~~

Sir G. Lucas.
Sir F. Hopwood.
Col. ...

The Earl of Crewe.
The ...
The ...

Treasury on the subject of the Estimates
of the East Africa Protectorate for the
year 1909-10. A copy of the letter in

which the Estimates were submitted to
the Treasury was sent to you in my des-
patch No. 110 of the 1st March last, and

a copy of the Treasury letter in reply

7 added to ...
Copy Treas 3 June
Copy O.A.G. 4 June
3 2/5
-1651-12

(on 2/5)

Handwritten signature/initials

was sent to you in my despatch No. 264 of the 14th May.

1. You will see that the Lords Commissioners of the Treasury ^{part} ~~approve~~ of the ^{part} ~~Estimates~~ subject to a reduction of the expenditure by £11,500 in addition to the ^{net} ~~reduction~~ ^{of} £10,496 (say £10,500) suggested to their Lordships in the letter from this Office of the 27th of February. ^(on 27 Feb 1913) The total reduction thus required in the Estimates as submitted in Sir J. Hayes Sadler's despatch No. 21 of the 14th of January ^{is £22,000} is £22,000.

2. The object of this reduction is to ^{bring} ~~reduce~~ the effect of the expenditure to the level of the similar expenditure of last year ^{excluding "reserves"} ~~including~~ in each year, and ^{excluding} ~~including~~ a sum of £11,500 to be made to Customs duties, ^{part}

past year was £694,753 and the proposed expenditure for the current year is £717,023, an increase of £22,270. At the same time the estimated revenue shows no appreciable increase. In the circumstances I feel that it is impossible to demur to the ^{proposal} ~~request~~ of the Treasury that the new expenditure allowed for the current year shall not exceed that originally approved for the year just terminated. The Estimates are therefore sanctioned subject to a ^{net} ~~total~~ reduction of £22,000. The manner in which this is to be effected will be discussed later in this despatch. It will be observed that a Grant-in-Aid of £145,000 was provided before the Estimates had been considered in detail by the Treasury. This sum is more than sufficient to balance the Estimates of the Protectorate when the reduction of £22,000 has been effected, ^{but} ~~and~~ you will understand that it is only available up

part
1913

to

to the limit of the approved expenditure.

4. I share the feeling expressed by the Lords Commissioners of the Treasury that the present state of the finances of the Protectorate ~~are far from~~ ^{is} ~~satisfactory~~. The

absence of any balance from which ~~any un-~~

foreseen ~~expenditure~~ ^{and unavoidable} can be met without

having recourse to a ^{supplementary} Grant-in-Aid makes it

more than ever imperative that the expendi-

ture for the year shall be kept rigorously

within the approved limit, and ~~you will~~

~~understand~~ ^{I desire it to be} that it will not be possible for

me to recommend to the Treasury any additional

expenditure unless it can be shown that it

can be met by savings in other directions, ~~that it~~

~~will be met in any other~~

5. I trust that ~~what is said in the~~

~~correspondence with the Treasury and in this~~

~~dispatch on the subject of the Estimates,~~

~~will not be interpreted in any way as conveying~~

dissatisfaction with the manner in which the

Estimates

DRAFT

Estimates were framed. I recognise fully the care with which that process was carried out

and the very great difficulty of cutting down

the demands which in a ^{new territory} ~~country~~ like East

^{Provinces} Africa ~~are~~ in all sincerity believed to be

required by the needs of the ^{country} ~~Protectorate~~.

It is nevertheless necessary to face the

existing situation, and to take every step

which is practicable to relieve the financial

position, even at the expense of inconvenience

and of the postponing ^{ment} of expenditure which

might ^{possibly} result in the more rapid development ^(c)

~~of the country.~~

6. It will now be convenient that I

should make the ^{necessary} following observations on the

details of the Estimates.

^{to Lieutenant}
Head of Governor's Department and
Secretariat.

^{from the correspondence}
You will see ~~that~~ I have not been able,

in the existing state of the Protectorate's

finances,

to the limit of the approved expenditure.

4. I share the feeling expressed by the Lords Commissioners of the Treasury that the present state of the finances of the Protectorate ~~are far from~~ satisfactory. The absence of any balance from which ~~any~~ unforeseen ^{and unavoidable} expenditure can be met without having recourse to a ^{supplementary} Grant-in-Aid makes it more than ever imperative that the expenditure for the year shall be kept rigorously within the approved limit, and ^{I desire it to be} ~~you will~~ understand that it will not be possible for me to recommend to the Treasury any additional expenditure unless it can be shown that it can be met by savings in other directions, ~~which will be a~~

5. I trust that ~~what is said in the~~ ^{you will not misinterpret these observations} correspondence with the Treasury and in this despatch on the subject of the Estimates, ~~will not be interpreted in any way as conveying~~ ^{is any way as implying} dissatisfaction with the manner in which the

Estimates

Estimates were framed. I recognise fully the care with which that process was carried out and the very great difficulty of cutting down the demands which in a ^{new territory} ~~country~~ like East Africa ^{Provinces} are in all sincerity believed to be required by the needs of the ^{country.} Protectorate.

It is nevertheless necessary to face the existing situation, and to take every step which is practicable to relieve the financial position, even at the expense of inconvenience and of the postponing ^{ment} of expenditure which might ^{possibly} result in the more rapid development ~~of the country.~~

6. It will now be convenient that I should make the following observations on the details of the Estimates.

^{Treasurer}
Head of the Treasury Department, and

finances

Alterations in printed Estimates

Alterations in printed Estimates

Alterations in printed Estimates

on X-ray 16/5

Alterations in printed Estimates

finances, to recommend the suggested provision for a Shorthand-writer for the purpose of reporting the Debates of the Legislative Council.

Head B. Provincial Administration.

Provision has been inserted for the Protectorate's share of the salary and expenses of the Inspecting Officer for the Abyssinian Boundary. This involves an addition of £200 to the Estimates.

Plus £450.

Head C. Port & Marine Departments.

It has not yet been possible to decide what course shall be taken to replace the service maintained by the Steamship "Juba". The provision made in the Estimates for this service must therefore stand for the present.

Head D. Local Departments

Since the letter of the 7th of February to the Treasury was written, the increase

(a. 263)

14/5/53

increase of £50 in the salary of the Registrar Mr Palathorpe at Nairobi has been approved, and I understand that the salary is personal to Mr Palathorpe. The suggested increase of £35

in the salaries of the other two Clerks has, as you are aware from a separate despatch, not been approved. The decrease under this Head is therefore £35.

The provision of £300 for expenditure on Legal Libraries appears to me to be excessive. I should be glad to be informed on what the money is to be spent.

Head E. Police.

I am unable to approve of the revival of the post of Assistant-Commissioner of Police. The provision of £450 made for this Officer should therefore be cut out. It has been explained to you in the correspondence relating to the establishment of a Police Depot, that it is still necessary to provide for the

Minus £35.

Minus £450.

training of Police Officers at Dublin, and a sum of £929 (the amount approved last year) must be added to the Estimates for this purpose.

alterations in printed Estimate

Plus £929.

Head III: Prisons.

You will have learned from a separate despatch that the increased salary proposed for the holder of the office is approved, subject to the reduction of the number of the posts to £10 and to the condition that the same shall be considered as personal to Mr. Hill, the present holder of the appointment.

(2 salary) 1845

Head IV: Medical Departments

You will have learned from a separate despatch that the establishment of the Quarantine Station at Mombasa is not at present approved. The saving of £1,300 which it was anticipated that the establishment of such a station would effect by the abolition of the three-quarter share of the cost of the

Sanitary

Alterations in printed Estimate

DRAFT

Sanitary Station at ^{London} ~~Nyasaland~~ cannot therefore be effected. The Estimate of the Medical Department must therefore stand.

Head V: Hospitals and Dispensaries.

It was proposed in the letter to the Treasury of the 27th February, that the provision for an additional Nurse should be disallowed. In view of the representations which you have since made to me in your despatch No. 62 of the 2nd February,

(see 1846)

I have requested the Lords Commissioners of the Treasury to allow the provision for the additional Nurse to stand. The provision for a Matron was, however, not discussed when the Estimates were submitted to the Treasury, and I consider that the creation of this appointment should be postponed until it can be seen what relief is afforded by the addition of the sixth Nurse. The Estimate under this Head can therefore be reduced by the salary

of

of the Matron, namely, £190.

*alterations in
proposed estimate.*

Minus £190.

Head XVI. Education.

The provision made under this Head may be allowed to stand pending the receipt of Professor Frazer's report.

Head XVII. Bombay Agency.

As you are aware from a ^{very} ~~separate~~ ^{copy of the 2nd of April} despatch, the salary of the Agent General at Bombay has been increased by £100, of which £50 will fall upon the funds of the East Africa Protectorate. The Estimates must therefore be increased by this amount.

Plus £50.

Head XVIII. Post Office & Telegraphs.

I understand from Sir J. Hayes Sadler's telegram of 27th 1906 that the need for an additional Postal Clerk and Telegraphist had become urgent, and it was therefore suggested to the Treasury ^{in the letter from the office of the 27th of Feb^r} that the eleventh Postal Clerk provided for in the Estimates, should be appointed as from the beginning of the financial

*(see
21/2/06)*

year

*alterations in
proposed estimate.*

*(see
16/5/06 16/9/03)*

year instead of from the 1st October next.

I now find from your despatch of 14th 20th 1906 and your telegram of 14th 18th 1906 that I was wrong in thinking that this was the case. The addition of £80 to the Estimates which was suggested in the letter to the Treasury on the subject, is therefore not required.

I regret that in the present state of the Protectorate's finances the special expenditure of £4,000 on telephones and telegraphs cannot be approved.

Minus £4,000.

There was some talk of the Treasury separately to the effect that the sum of £4,000 was to be taken from the estimate of 1906.

Head XXIII. Agricultural Department.

I am unable at present to approve of the creation of the appointment of an Agricultural Assistant. The sum of £325 proposed for this appointment should therefore be cut out.

Minus £325.

*(see
12/5/06)*

^{It will have been learned from my informant that the sum of £325 is not proposed at present to approve of the appointment of a Tobacco Expert, and the sum approved for the Tobacco Department, namely £675, will therefore be saved.}

Minus £675.

Alteration in
proposed Estimates

Alteration in
material works

You will also see from the corres-
pondence (with the Treasury on the subject of the Estimates) that the creation of a Chemical

Division cannot at present be approved.

Minus £650.

Item 28. Public Works Department.

You will learn from a separate des-
patch that I have approved of the proposal

that Mr Howarth, the Assistant Accountant,

should be placed at once on the maximum salary

of his appointment, namely £250. This involves an

addition of £40 to the Estimates.

Plus £40.

You will learn from the same despatch
that the Treasury have ^{not} seen their way to

approve of the increased salary proposed for

Mr Hunt, the Head Clerk at Kisumu, and that

his salary must therefore be put at its former

figure of £160 instead of the £200 provided

in the Estimates.

Minus £40.

You will learn from the same despatch

that approval has been given for raising the

of the Government

Keeper

from

Plus £30.

Keeper from £120 to £150.

Head ~~of~~ Public Works Extraordinary.

DEPART

near 4
611

Minus £2,500

Minus £10,000.

As you are aware from separate cor-
respondence, it is not possible at present to
approve of the establishment of a Police Dept.
at Nairobi. There is no likelihood that
approval will be given for this project during
the course of the current year, and the pro-
vision made for it, namely £2,500, should
therefore be cut out.

You will see from the letter ad-
dressed to the Treasury on the 27th⁴ February
that the provision of £10,000 for the erection
of Government Offices at Mombasa and Nairobi
must also be removed.

In view of the necessity for raduc-
tion, the provision of £2,000 for Mineral
Survey, ^{which was} suggested in the letter to the Treasury
of the 27th February can no longer be justified

the

7

the Estimates.

7. The net effect of these alterations is a reduction of the estimated expenditure by £17,366. A further reduction of £4,634 is therefore required to effect the net total reduction of £22,000. I would suggest that it should be effected in the following way.

(1) It has ~~always~~ been understood that the reorganization of the Police Force would eventually result in a reduction of the expenditure. ^{It is true that in the} ~~The~~ Estimates for the current year ~~do not~~ show any substantial increase in expenditure, ^{under the 1909} but I would request that every effort should be made to ^{expedite} ~~make~~ the reorganization ~~desired~~ with a view to realising a substantial reduction of the expenditure on this Department within the limits of the current year. I trust that it will be possible to save £1,500 by this means.

(2) In view of the remarks on the subject of the Immigration Department, ^{which} ~~the~~ training

were

were made in paragraph 29 of the letter from this Office to the Treasury of the 29th of February 1909, submitting the Estimates for the year 1909-9, I have to enquire whether it is not possible to take immediately some step towards the abolition of this Department. It appears to me that it should be possible to save £400 on the cost of this Department in the course of the current year. ^{I am sure that the} ~~It is true that in the~~ ^{of which a substantial saving} I fear that I must look for a substantial saving on the proposed expenditure on measures to be taken for combating the diseases of stock. I feel bound to call upon you to endeavour to reduce the amount provided from £5,009 to £4,000. This still leaves an ^{and some} increase of expenditure of 33 per cent over that provided in last year's Estimates.

(4) The further reductions thus suggested, amount to £3,909. It appears to me that,

~~Minister~~ £400.

~~Minister~~ £2,009.

~~Minister~~ £1,500

been made in the ~~estimated~~ expenditure on
Public Works ^{Extraordinary} it should be possible to effect
the further saving of £725 which is still
required to make up the total of £22,000
under the Head of ^{the} Personal emoluments ~~of~~
the Staff of the Public Works Department.
^{should be desirable}
~~to postpone~~ to postpone making any appointments
to the Offices of Quantity Surveyor and Office
Superintendent at Nairobi, which ^{affair matters} ~~are provided~~
for the first time, in this year's Estimates,
pending ^{your consideration} ~~the receipt of your reply~~ to this
suggestion.

8. You will understand that the sugges-
tions made in the preceding paragraph are tenta-
tive only, and are not in the nature of pre-
cise instructions. If you are convinced that
the reductions which I have proposed are im-
practicable or even highly undesirable, I am
prepared to consider any alternative sug-
gestions which you may have to put forward,

provided

DRAFT

provided that ~~it is understood that~~ reduc-
tions of the total amount proposed ~~shall be~~
~~made somewhere~~ in the Estimates.

9. I have to call your attention ~~in~~
particular to the remarks made in the Treasury
letter of the 10th of May and the reply from
this Office on the subject of the revenue of
the Protectorate.

In his despatch submitting the
Estimates Sir J. Hayes Sadler indicated that
the financial position of the Protectorate
was engaging his earnest attention, and that
he proposed shortly to address me on the
financial situation as it will arise in con-
nection with the Estimates for 1910-11. I
presume that the enquiry which his remarks
appeared to indicate has been carried out, or
is in process of being carried out. In either
case I ~~shall~~ ^{should} be glad if you would bring into
relation with such enquiry, the remarks on the

subject

subject of Revenue to which I have called attention, and if you would furnish me in full detail with your observations on the various points indicated. You will notice that the points to which particular attention is called are the declines in the Customs Receipts, the possibility of direct taxation of White settlers, the question of increasing the hut tax in relation to increasing prosperity among the native population, and the ^{question of collection of fees} possible increase to covering the expenses of education by the collection of fees. You should report also on the question of ^{the} Export duties, with particular reference to their effect upon the export trade of the country, and the possibility of substituting for them some other source of revenue which will be not less in its yield, and ^{and you should at the same time forward a statement of the reasons why it can be ascertained, the way} 10. In the matter of the arrangement which has been made for transferring to Uganda the net Customs receipts due to that Protectorate,



of collecting such duties, including the cost of the prevention of smuggling. I should

you

you will observe that neither the gross sum of the receipts to be transferred, nor the contribution to be made by Uganda towards the expenses of collection, should appear in future in the body of the Estimates for East Africa, or in the Account submitted to Parliament, but should be deducted from the Heads of (Customs (Revenue)) and Customs Department (Expenditure) respectively, a foot-note being inserted in the Accounts of both Protectorates showing the changes which have taken place

I have, ~~also~~, the following ^{to make} ~~in the form of the~~ ^{in form of the} ~~examples~~ ^{examples}
 (a) a separate Head should be opened under "Revenue" for such

be glad also to have your observations on the suggestion made in the Treasury letter that the expense of employing a Travelling Inspector on the Abyssinian boundary might be borne in part at any rate by the Frontier Titles which benefit by his presence, whether by means of transit dues or produce sent through their territories to the Coast or otherwise.

are incurred by other ^{Govt} departments
and now appear under the ^{heads} of
Audit, Medical, Military, Post office, etc.

(b) Minor Public Works provided for
in 1902 should be limited to five each
instead of seven as at present.

(c) The details of Pensions and
gratuities should be transferred to
an appropriate

(d) It should be considered whether
much of the expenditure provided as
"special" would not be better
provided under the heading of

"Other charges" on the ordinary vote.
(e) The Estimates should be made
more compact, particularly by printing
on both sides of the paper.

I have &c.

Yours

are reimbursed by other ^{Govts} departments
as now appear under the ^{heads} ~~heads~~
Canteen, Medical, Military, Post office, etc.

(b) Minor Public Works provided for
should be limited to five each
instead of four as at present.

(c) The details of Pensions and
gratuities should be transferred to
an appropriate

(d) It should be considered whether
part of the expenditure provided as
"Special" would not be better
provided under the heading of
"Other charges" on the ordinary vote.

(e) An Estimate should be made
more compact, particularly by printing
on both sides of the paper.

I have to

Yours

10/11/1900



Treas./15795/1909.
East Africa Protectorate.

DRAFT.

Secretary
to the Treasury.

Downing Street,
3 June, 1909.

MINUTE.

Mr. Butler. May 25 Sir,

Mr. Read. 27

Mr. Just

* Mr. Antrobus. 28/5

Mr. Cox.

Sir C. Lucas.

Sir F. Hopwood.

Col. Seely.

The Earl of Crew.

To the Controller

I am directed by the Earl of Crew to acknowledge the receipt of your letter No. 4601/09 of the 10th May, relating to the Estimates of the East Africa Protectorate for the year 1909-10.

2. In the present state of the Protectorate's finances, Lord Crew does not feel that he is in a position to dissent to the proposed further reduction of the estimated expenditure for the current year, and he has therefore informed the

Officer

Copy to G. 25 June
3 off
1652012

Copy to G. 25 June
3 off
1652012

Officer Administering the Government of the Protectorate, in the despatch of which a copy is enclosed, that the Estimates are sanctioned subject to a net total reduction of expenditure of £22,000.

3. The reductions proposed in the letter from this Office of the 27th February amounted to £10,300. Since that letter was

written, various small adjustments have been made in the sum of the items there *as the result of separate correspondence.* *The nature of these adjustments will be seen from the 6th para. of the despatch to which reference is made for reductions.* The net result of ~~which~~ *them* has been to leave the total reduction at practically the same figure. It is

pointed out in the 6th paragraph of your letter that, since the Estimates were submitted to their Lordships, net reductions amounting to £4,200 have already been effected by the decisions communicated in your letters of the 19th February and the 11th March on the subject of the proposed

The result of a Police

tho. 1975

Police Dept. and the Quarantine Staff. *at the same time.* *Nairobi respectively,* and that there thus remains a sum of £7,300 to be struck off to effect the total reduction required by their Lordships.

4. Lord Crewe proposes to find this amount by postponing the Mineral Survey, for which he originally suggested that £2,000 should be provided, by cutting out the provision of ~~£2,000~~ ^{£675} for a Tobacco Division in the Agricultural Department, and by requiring the Officer Administering the Government to effect a further reduction of £1,000 under the Head of Police, a reduction of £400 under the Head of Immigration Department, of £2,009 under the ~~Head~~ ^{Head} of Resources to be taken for combating diseases of stock, and £725 in the personal emoluments of the Public Works Department, or of ~~of~~ ^{of} ~~equivalent~~ ^{equivalent} reductions in other directions which may con-

sider

total 17,000

consider more practical and desirable.

With regard to paragraph 9 of your letter, I am to observe that, if Menelek died and were succeeded by anyone less well disposed towards the maintenance of order on the Abyssinian frontier, it appears to His Lordship that Mr Zaphiro's services would be more in request than ever, as there is little doubt that, but for his presence on the frontier, there would be no sort of restriction on

raiding and looting by the Abyssinian frontier tribes. The Officer Administering the Government has been asked ^{whether} ~~whether~~ the ex-

penditure involved by employing Mr Zaphiro ~~can~~ ^{be} ~~not in any degree~~ by the imposition of transit dues on goods, ~~or in any other manner from the frontier tribes protected~~, but Lord Crewe has little hope that such recovery of the expense will be found to be practicable in present circumstances.

It will be seen from the letter addressed to the Officer Administering the

Government

DRAFT

Government, that his Lordship has called for a full report with regard to the questions relating to revenue which are raised in your letter under reply. On the receipt of that report his Lordship proposes to give careful consideration to the whole financial position of the Protectorate and to address the Lords Commissioners of the Treasury fully upon the subject. *It does not appear that any direct contribution is proposed to be made to the funds of the Protectorate by the whole settlers.*

With reference to the 12th paragraph of your letter, I am to state that no fees in respect of education are shown in the estimated receipts of the Protectorate for the current year, but it will be seen that the reference to the Officer Administering the Government on the subject of revenue ~~covers~~ ^{raises} the question of levying such fees.

I am, etc.,
(Sd.)

