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**THE
DEVELOPMENT PROGRAMME
1960/63**

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THE DEVELOPMENT PROGRAMME, 1960/63

CHAPTER I—INTRODUCTION

The development programme for the three years 1960/63 has been prepared on similar lines to the 1954/57 and the 1957/60 programmes, and it is not proposed to repeat general observations on the need for planning or on the past history of development in Kenya, both of which have been fully expounded in earlier Sessional Papers. It is sufficient to say that the main purposes behind the formulation of a capital budget on a three-year basis are continuity in planning, and the co-ordination and clarification of the objectives of such planning.

2. There are five chapters which follow this brief introduction. In Chapter II a review is made of the country's economy with particular reference to the changes in the 1954/58 period. Chapter III contains an estimate of the funds which the Government considers likely to become available to finance this development programme.

3. In the first part of Chapter IV some of the factors which affect the various allocations within the programme are discussed, and the objectives of the programmes are outlined in the latter part, supported by Tables 10 to 13 setting out the gross and net allocations.

4. Chapter V proceeds to break down the summary given in Chapter IV, into the detail of projects and schemes and for convenience a table of the financial allocations under each head is given at intervals in the text. Finally, Chapter VI deals with the recurrent implications of carrying out this programme of development.

CHAPTER II—THE EXPANDING ECONOMY

In this chapter the growth of the Kenya economy is reviewed, with particular reference to the 1954/58 period. Separate sections of the chapter deal with the growth of the national income, capital formation, population and employment—including tables on the growth of the school population—external trade and the balance of payments, the growth of agriculture, industrial development and communications, and the tourist industry. Reference is also made in the concluding sections of the chapter to the manner in which the Government's development programme has been financed, and the part played by the commercial banks, the insurance companies and building societies. Finally, figures are given showing the relationship of taxation to the national income.

Domestic Income

2. The rate of growth of the domestic income of Kenya since 1947 has been high. On the basis of the domestic income series available since 1947, this was 13 per cent per annum at current prices. The greatest expansion took place between 1947 and 1951, when the average rate of growth was 21 per cent. Then, during the first two years of the Emergency, there was a setback, when the rate dropped to less than 3 per cent, but it recovered to an average of 10 per cent over the years from 1954 to 1958.

3. A revised series of domestic income estimates has recently been compiled for the period 1954/58, and it is hoped that this series will eventually be extended back to 1947. This new series is based on better information and more detailed statistics than were available when the first series was compiled.

4. Between 1954/58, in the terms of the new series, the gross domestic product increased by 32 per cent, nearly half this increase being between 1954 and 1955, which was the peak year for Emergency expenditure. In the following two years the rate of growth was 7 per cent and 6 per cent respectively, but in 1958 the economy changed little. It is not believed that in the immediate future the rate of growth is likely to exceed 5 per cent per annum.

5. The very large increases of the first years of the post-war decade were due not only to an inflow of capital and increased immigration, but also to the opportunities available for the development of certain secondary industries, and to expansion in the agricultural industry stimulated by high prices. However, the terms of trade have moved against primary producing countries, such as Kenya, and, in the absence of the discovery of minerals or a rapid increase in the demand for agricultural products in the world market—leading to increases in prices—Kenya's development in the period covered by the 1960/63 plan can be expected to be steady rather than spectacular.

6. Table 1 shows the composition of Kenya's gross domestic product on the eve of the new planning period.

7. Agriculture does not now occupy such a dominant position in the money economy as it did in the past. Agricultural products still form the greater part of the export income of Kenya, but the gross cash product of agriculture now accounts for only some 23 per cent of the gross cash domestic product. There has been a considerable expansion, both in the African and non-African sectors, and the Swynnerton Plan is expected to lead to an even greater expansion of production in the years ahead.

8. There has also been an increase in the importance of the manufacturing industry. In 1958 the gross domestic product of manufacturing was 13 per cent of the total.

TABLE 1.—GROSS DOMESTIC PRODUCT, 1954-58
(a) By Industrial Origin

£ million at factor cost

Industry	Total Gross Product, including imputed product outside the recorded monetary income				
	1954	1955	1956	1957	1958
Agriculture	53.25	53.54	59.84	61.11	62.79
Livestock	16.50	17.43	18.35	19.78	20.07
Forestry	2.28	2.75	3.19	3.11	3.11
Fishing and Hunting	1.93	1.74	1.90	1.23	1.37
Total	73.96	75.46	83.28	85.23	87.34
Mining and Quarrying	0.89	1.28	1.36	1.26	1.15
Manufacturing	14.14	17.44	18.18	19.80	20.52
Construction	6.31	8.04	9.34	9.63	8.38
Electricity and Water	1.24	1.45	1.75	2.09	2.20
Transport, Storage and Communication	11.84	15.18	15.78	18.64	17.69
Wholesale and Retail Trade	21.59	25.34	25.83	27.48	26.39
Banking, Insurance and Real Estate	1.38	2.22	2.52	2.83	3.26
Rents (including house ownership)	4.83	5.26	5.80	6.65	7.51
General Government:					
Administration	6.68	10.03	9.20	9.72	9.89
Public Health and Education	2.52	2.74	3.15	3.88	4.73
Agricultural and Related Services	1.31	1.51	1.58	1.88	1.78
Local Authorities	1.61	2.26	2.29	2.53	2.89
Defence	1.78	2.68	2.54	2.12	1.11
Overseas Governments (local employees)	0.04	0.08	0.05	0.06	0.06
Total (General Government)	13.94	19.30	18.81	20.19	20.46
Services	7.90	10.09	10.73	12.11	13.11
TOTAL GROSS PRODUCT	158.02	181.06	193.38	205.91	208.01

TABLE 1—(Contd.)

(b) By Type of Factor Income

£ million

	1954	1955	1956	1957	1958
RECORDED MONETARY ECONOMY					
Paid Employment:					
Public	22.93	31.14	31.17	34.91	34.37
Private	35.95	44.10	46.80	50.84	51.13
Total (Employment) ..	58.88	75.24	77.97	85.75	85.50
Operating Surplus:					
Public	1.96	2.31	2.10	2.22	2.68
Private	46.78	51.93	59.28	59.60	60.19
Total (Operating Surplus) ..	48.74	54.24	61.38	61.82	62.87
Rental Surplus:					
Public (including Government) ..	1.16	1.24	1.34	1.50	1.63
Private (including Householders)	3.67	4.02	4.46	5.15	5.88
Total (Rental Surplus) ..	4.83	5.26	5.80	6.65	7.51
TOTAL RECORDED MONETARY ECONOMY	112.45	134.74	145.15	154.22	155.88
IMPUTED PRODUCT OUTSIDE RECORDED MONETARY ECONOMY	45.57	46.32	48.23	51.69	52.13
TOTAL GROSS PRODUCT ..	158.02	181.06	193.38	205.91	208.01

9. On the income side, the level of profits and surpluses increased by 29 per cent between 1954/58, but since 1956 has remained fairly static at around £62 million. By contrast, the total return for paid employment has increased by 45 per cent since 1954 to a total of £85 million.

Capital Formation

10. The gross capital formation of the Colony is shown in Table 2, and a distribution is given by five main categories. It is estimated that since 1950 a total of over £300,000,000 has been invested in Kenya, of which £121 million, or 38 per cent, has been on public account, which includes Government activities, the activities of High Commission Services in Kenya, and of local government. This table illustrates that investment by private enterprise has still the dominant part to play in the development of the country. It should also be borne in mind that the estimates of capital formation are confined to the recorded monetary economy, and do not take into account much of the land improvement that has been brought about through the Swynnerton Plan. A remarkable transformation in the land through consolidation, clearing, terracing and fencing has been achieved, largely through the efforts of the farmers themselves, and represents capital improvements of great economic significance in certain areas.

TABLE 2.—GROSS CAPITAL FORMATION IN THE RECORDED MONETARY INCOME
£'000

	Residential Building	Non-Residential Building	Construction	Transport Equipment (See last column)	Plant and Machinery	Total	Of which Passenger Cars
PRIVATE SECTOR							
1950 ..	3,164	2,807	700	2,676	4,336	13,683	1,335
1951 ..	3,289	2,595	700	4,261	6,374	17,219	2,260
1952 ..	4,013	3,430	900	3,924	8,084	20,351	2,104
1953 ..	3,395	3,960	1,100	2,881	8,080	19,416	1,752
1954 ..	2,985	3,433	1,300	4,978	5,353	18,049	3,185
1955 ..	3,670	4,166	1,300	6,622	8,381	24,139	3,772
1956 ..	6,801	5,297	1,700	7,101	10,253	31,152	3,889
1957 ..	6,874	4,525	2,000	8,302	8,681	30,382	4,568
1958† ..	5,200	3,449	2,500	7,818	6,168	25,135	4,344
PUBLIC SECTOR							
1950 ..	1,528	1,838	3,268	643	1,070	8,347	
1951 ..	1,132	1,763	3,103	1,125	1,110	8,233	
1952 ..	1,464	2,328	4,593	814	1,203	10,402	
1953 ..	1,785	2,839	6,137	900	1,431	13,092	
1954 ..	2,477	2,045	8,100	2,734	1,385	16,741	
1955 ..	2,499	2,652	8,165	4,112	1,537	18,965	
1956 ..	2,129	3,436	5,642	1,553	2,169	14,929	
1957 ..	1,739	3,608	8,508	656	2,035	16,546	
1958† ..	1,817	2,587	8,015	592	920	13,931	
COMBINED PRIVATE AND PUBLIC SECTORS							
1950 ..	4,692	4,645	3,968	3,319	5,406	22,030	
1951 ..	4,421	4,358	3,803	5,386	7,484	25,452	
1952 ..	5,477	5,758	5,493	4,738	9,287	30,753	
1953 ..	5,180	6,799	7,237	3,781	9,511	32,508	
1954 ..	5,462	5,478	9,400	7,712	6,738	34,790	
1955 ..	6,169	6,818	9,465	10,734	9,918	43,104	
1956 ..	8,930	8,733	7,342	8,654	12,422	46,081	
1957 ..	8,613	8,133	10,508	8,958	10,716	46,928	
1958† ..	7,017	6,036	10,515	8,410	7,088	39,066	

†1958 figures subject to final adjustment.

Population and Employment

11. The General Census of 1948 gave a population total of 5,399,000. A new census is planned for 1961, and the best estimates of the population for the year 1958 show a growth to 6,351,000, distributed as follows:—

African	6,080,000
Asian, Arab and Other	206,000
European	65,000

It is estimated that the African population is increasing at the rate of about 1½ per cent per annum. The natural increase of the Asian population has been of the order of 2½ per cent per annum, while immigration has accounted for a further 2½ per cent per annum over the last ten years. The rate of growth of the European population has been about 1 per cent natural increase, and some 6 per cent to 7 per cent increase from immigration.

12. When the gross domestic product is divided by the total population, the amount *per capita* in 1958 was approximately £33. With the population growing at between 1½ per cent and 2 per cent per annum the gross domestic product

must also increase by this rate at least, in order to maintain existing standards of living. If internal prices are rising, then it is necessary for the gross product to expand by more than this percentage if the standard of living is to remain the same.

13. The urban population of Kenya is of the order of 500,000, of which the City of Nairobi accounts for some 234,000. Nearly all the Asian population is found in the urban centres, and some two-thirds of the European population is also found in urban or peri-urban areas. Over half the wage bill of Kenya—which amounts to some £84 million—is paid in urban centres, and Nairobi accounted in 1958 for nearly 42 per cent of the total wage bill.

14. In the scheduled areas—which include the main European farming areas—the gross receipts from some 3,540 farms in the crop year 1957/58 were estimated at some £31 million. The number in employment in 1958 was 250,000, and this labour force—of which 99 per cent was African—received in wages some £11 million.

15. The African Land Units have a population of about 5½ million, which relies almost entirely on farming activities. It is estimated that in 1958 the value of the cash return to African farmers for produce exported from their districts was over £9 million. There are also—as yet unrecorded—the proceeds of sales of produce within districts, which are substantial. In addition, there is a growing volume of earnings from outside agriculture from trade, transport and construction, as well as an increased volume of wages from employment.

16. 1955, which was the peak year for Emergency expenditure, was also the peak year for employment in Kenya, when the total number rose to 615,000. Public service employment has fallen as Emergency expenditure has decreased, but employment in private enterprise and agriculture continued to grow until 1957. Total employment in 1958 was 593,000 but, in spite of this decline in the number employed, the total wage bill grew steadily in all sectors. The employment censuses show that the public services employ 27 per cent; private industry and commerce 31 per cent; and agriculture and forestry 42 per cent of the total number employed.

17. An assessment of the economic characteristics of the population must include an examination of the facilities for training. In 1958 there were 15,142 secondary school pupils in Kenya—equivalent to 2.5 per cent of the numbers in employment. Table 3 (b) shows that in 1958, 1,434 Kenya students were undergoing advanced education outside the country, and that 9,748 Kenya pupils were undergoing local training of various types. The figures in the table emphasize that the Government is doing its utmost to develop the human resources of Kenya in step with the development of natural resources.

TABLE 3
(a) Schools and School Population

European	1946	1953	1955	1959	Estimated 1963
Schools	29	48	57	60	66
Pupils Primary ..	2,439	5,508	6,762	9,043	9,850
Pupils Secondary ..	772	2,009	2,283	3,189	3,800
TOTAL ..	3,211	7,517	9,045	12,232	13,650

TABLE 3—(Contd.)

Asian, Arab and Goan	1946	1953	1955	1959	Estimated 1963
Schools	90	139	143	174	185
Pupils Primary ..	16,861	29,882	33,037	43,140	67,399
Pupils Secondary ..	833	4,711	5,547	10,907	11,776
Teacher Training ..	11	125	171	353	475
TOTAL ..	17,705	34,718	38,755	54,400	79,650

African	1946	1953	1955	1959	Estimated 1963
Schools	2,291	3,375	3,488	4,785	5,257
Pupils Primary* ..	208,185	330,190	392,879	667,105	840,000
Pupils Secondary ..	395	1,729	2,167	4,894	8,320
Teacher Training ..	738	2,038	2,459	3,867	4,600
TOTAL ..	209,318	333,957	397,505	675,866	852,920

*Includes Intermediate Schools.

(b) Further Education (1959) Students

Overseas:

United Kingdom	1,018
India and Pakistan	485
North America	165
Other Countries	63
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	1,731

East Africa:

Makerere University College	354
Royal Technical College of E.A.	175
Teacher Training	4,227
Medical Training	412
Trade Schools	2,517
Agricultural and Veterinary	139
Railway Training	481
Ministry of Works and Road Authority	753
Posts and Telecommunications	600
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	9,658

TOTAL ..

11,389

External Trade and the Balance of Payments

18. Export earnings are derived mainly from agricultural products, and are sufficient to meet only the cost of imports of consumer goods, plus about half the cost of imported producer materials. Imports of capital goods, and the remainder of the imports into Kenya, are financed by means of an inflow of capital; the receipt of grants; the return from services rendered in the inter-territorial sphere; or by the running down of overseas assets.

19. If new capital inflows and the receipt of grants and other income are not sufficient to finance imports and other payments, the burden of the adjustment falls mainly on the sterling balances of the commercial banks. The liquid assets of the banking system are to a large extent held overseas, and a fall in these assets is equivalent to a decline in the liquidity position of the banks. The sterling balances of the commercial banks fell by £29 million during the period 1954/57, but rose again by some £4 million in 1958, partly as a result of the rise in British Bank Rate to 7 per cent in September, 1957, which led to corresponding increases in interest rates in East Africa, and reduced the local demand for overdrafts.

20. Of Kenya's exports, coffee (36%) remains the principal income-earner. In 1958, coffee, tea, sisal and wattle provided 58 per cent of the total. Three cattle products (meat, dairy products and hides and skins) contributed 11 per cent more. Two other farm products (pyrethrum and maize) contributed a further 11 per cent. Soda ash is the only major non-agricultural export, and in 1958 it amounted to 4 per cent of the total value of exports. These ten principal exports were valued in 1958 at £24.4 million.

21. There has been some change in the destination of exports in the post-war decade, with a move away from Commonwealth markets to foreign countries. In 1954 foreign countries took 42 per cent, but by 1958 were taking 54 per cent. The main increases were in exports to Western Germany, the United States of America and Japan.

	1954	1958
	£	£
West Germany	3,204,000	6,200,000
U.S.A.	1,668,000	3,205,000
Japan	274,000	1,461,000
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	5,146,000	10,866,000
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22. In the 1954-1957 period, producer capital goods constituted about one-quarter of the total value of Kenya's imports, but a decline in investment in 1958 led to a fall to about one-fifth. Producer materials, including oil and petrol imports, have accounted for about one-third of the import bill throughout the 1954-1958 period. An increase in this group is expected with the progress of development of secondary industries.

23. As shown above, exports from Kenya are mainly of primary products, while imports are of manufactured goods. Over the last five years prices of these groups have not moved in step, and Kenya has suffered an unfavourable change in her terms of trade of some 13 points. This means that in 1958 a larger volume of exports was required to pay for a given volume of imports than was the case in 1954. The cause was the reduction in the price of primary products on the world market. The import price index has remained generally stable. It is possible that the price to Kenya of imports from industrialized countries may fall, but there is a danger of a further fall in the price of our main agricultural export—coffee, and it is hoped that during the 1960/63 period the terms of trade will not worsen.

Agriculture

24. The policy under successive development programmes of devoting a major part of capital expenditure to agricultural services and research is bearing fruit in increased production over a large range of agricultural products, and in rising standards of husbandry. The increase in production has been pronounced in European areas, and major changes of no less significance are taking place in the pattern of farming in the African Land Units.

25. In the scheduled areas the development has been directed towards more intensive mixed farming, and has been assisted by loans to farmers, by farm planning, by the provision of soil conservation services and by a large-scale programme of research. The cattle population has risen by some 21 per cent since 1954, and more than half is kept primarily for beef. The quality of the dairy herds has been improving rapidly, so that by 1958, 91 per cent consisted of grade cattle. Milk production has increased by 38 per cent since 1954, and may be expected to rise further as yields improve. Between 1954-58 the value of dairy exports has doubled, and meat exports increased by 3½ times.

26. Investment in the scheduled areas in the five years since 1954 is estimated to have amounted to at least £23 million, the bulk of which was found from the private sector. The greatest investment has been in plantations, although the expansion of livestock farming—with the development of fencing and water supplies—has absorbed considerable sums.

27. In the African Land Units the transformation of the pattern of farming has taken place within the framework of the Swynnerton Plan. In the lands of high potential the emphasis has been on land consolidation, farm planning, improvement of water supplies, livestock improvement and the development of cash crops. In the pastoral areas the emphasis has been on soil and water conservation, afforestation, grazing control, destocking and tsetse eradication. Land consolidation has progressed more rapidly than was expected, especially in the Central Province, with the result that these areas are now poised for a great leap forward over the next few years. The extent of the progress will depend on the maintenance of extension and advisory services, on research, and on the availability of capital for the development of cash crops for farm and water development, and for the construction and improvement of roads. Table 4 gives some indication of the growth of agriculture since 1954.

TABLE 4.—AGRICULTURAL PRODUCTION STATISTICS

(a) Scheduled Areas Production

Principal Products	Unit	1954/55	1957/58	
		Quantity '000	Quantity '000	Value £'000
Coffee	Tons	11.5	18.7	8,306
Sisal	„	34.4	41.1	2,144
Tea	„	7.8	9.8	3,044
Wattle	„	19.0	24.1	300
Wheat	„	132.6	102.1	2,927
Maize	„	141.7	120.6	2,372
Barley	„	17.2	27.6	646
Oats	„	10.3	11.9	240
Pyrethrum	„	2.0	3.4	955
Milk	Gal.	45,082	53,539	4,186
Livestock for Slaughter:				
Cattle	Head	59.3	76.5	2,483
Sheep	„	53.1	41.5	210
Pigs	„	46.5	79.6	708
Wool clip	Lb.	1,461*	1,815	318

*1955/56

TABLE 4—(Contd.)
(b) Non-Scheduled Areas Production

Principal Products Marketed	Unit	1955	1958	
		Quantity '000	Quantity '000	Value £'000
Coffee	Tons	1.0	3.7	1,266
Wattle	"	49.7	27.3	268
Maize	"	91.8	71.6	1,117
Cotton Lint	"	3.1	6.5	348
Copra	"	0.6	2.0	129
Groundnuts	"	1.8	2.4	118
Rice	"	5.7	5.3	138
Pineapples	"	5.1	8.5	71
Pyrethrum	"	0.3	0.4	89
Cashew Nuts	"	1.5	1.9	58
Hides	Number	502	471	304
Skins	"	12,559	916	152
K.M.C. Purchases:				
Cattle	Head	42.9	25.3	310
Sheep and Goats	"	101.6	130	155

Industrial Development and Communications

28. Table 5 gives a general indication of industrial production as revealed by the survey carried out in 1957. It should be noted that the employment figures quoted in this table differ from the employment survey figures given in earlier paragraphs, and this is because the industrial production survey covered only firms employing five or more persons. It will be seen that manufacturing provides 61 per cent of the value of gross production, and that manufacturing industries employ 47 per cent of the labour force. The building and construction trade provide 37 per cent of the total value of production, but also employ 47 per cent of the labour force. Mining and quarrying are mainly of importance for the building and construction industry.

29. The building and construction industry is of great importance in any developing country, and changes in its activity have effects throughout the economy. Activity in this industry declined temporarily in 1958, but there appears to have been a recovery in 1959, which is expected to be maintained during the 1960/63 period.

TABLE 5—INDUSTRIAL PRODUCTION IN 1957

Industry	Employment		Value of Gross Production	
	Persons	%	£'000	%
Mining and Quarrying ..	7,864	6	1,656	2
Manufacturing (1) ..	56,185	47	59,633	61
Building and Construction (2)	56,185	47	36,173	37
TOTAL	120,234	100	97,462	100

NOTES: (1) Includes electricity.

(2) Includes public building and construction.

30. A study has been made of the source of the main raw materials used by manufacturing industries in Kenya, and Table 6 shows that manufacturing, based on agricultural processing, was valued at £33 million in 1957, or 58 per cent of the total of all manufacturing, excluding electricity. Food products accounted for over half this total, while drinks and tobacco accounted for a further 35 per cent. Manufacturing activities, based mainly on Kenya's mineral resources, amounted to £8.6 million, or 15 per cent of the total, while of the remaining £15 million the majority depended on imported raw materials.

TABLE 6.—ANALYSIS OF MANUFACTURING INDUSTRY BY TYPE OF RAW MATERIAL

	Gross Production 1957 (£'000)	
A. LOCAL RAW MATERIALS—		
1. Agriculture:		
(a) Food—		
Meat Products	2,962	
Dairy Products	2,236	
Canned Fruit and Vegetables	650	
Grain Mill Products	7,107	
Bakery Products	1,600	
Confectionery Products	100	
Coffee Roasting	459	
Sugar, Fats and Miscellaneous	1,863	
	<hr/>	16,977
(b) Drink and Tobacco—		
Beer	4,170	
Mineral Waters and Squash	1,018	
Tobacco	6,438	
	<hr/>	11,626
(c) Agricultural Raw Materials—		
Jute, Sisal and Coir Products	716	
Leathers, Shoes	514	
Tanning and Leather Goods	334	
Sawn Timber	1,567	
Furniture	874	
Joinery and Other Wood Products	371	
	<hr/>	4,376
		<hr/>
TOTAL AGRICULTURE		32,979
2. Minerals:		
Basic Chemicals	3,194	
Soap	959	
Miscellaneous	661	
Clay and Concrete Products	664	
Cement and Other Mineral Products	2,833	
Miscellaneous Manufacturing	309	
	<hr/>	8,620
		<hr/>
TOTAL LOCAL RAW MATERIALS		41,599

TABLE 6.—ANALYSIS OF MANUFACTURING INDUSTRY BY TYPE OF RAW MATERIAL—(Contd.)

					Gross Production 1957 (£'000)	
B. IMPORTED RAW MATERIALS—						
1. Repair Industry:						
Machinery Repairs	..	..	..	..	1,132	
Motor Repairs	..	..	..	..	3,064	
Rolling Stock Repairs	..	..	..	..	2,568	
					<hr/>	6,764
2. Clothing and Textiles						
Upholstery	..	..	..	..	1,355	
	..	..	..	..	98	
					<hr/>	1,453
3. Paper Bags and Boxes						
Printing and Publishing	..	..	..	..	600	
	..	..	..	..	2,243	
					<hr/>	2,843
4. Retreaded Tyres						
Rubber Shoes	..	..	..	..	344	
	..	..	..	..	369	
					<hr/>	713
5. Metal Products						
Metal Bodies	..	..	..	..	2,820	
Miscellaneous Manufacturing	..	..	..	..	324	
	..	..	..	..	50	
					<hr/>	3,194
						8,203
TOTAL IMPORTED RAW MATERIALS						<hr/>
						14,967
TOTAL ALL MANUFACTURING GROUPS						<hr/>
						56,566

31. With the expansion of manufacturing industries, there is competition between local products and imports. Table 7 shows those products where the imported article has been almost completely ousted from the local market by the local product. This is true particularly for tobacco, beer and cement, and a commanding position has been obtained for local shoes, soap, aluminium, hollowware and metal doors. It is expected that this process will go on, and that local production will cover an increasingly wide range of products as the size of the local market grows.

32. In the field of communications it is estimated that between 1950/58, £20.3 million was spent in Kenya on improvements and extensions to track and harbour facilities, and £9.6 million on new rolling stock and watercraft. As a result of this investment by the E.A. Railways & Harbours Administration, both port and rail facilities are now capable of handling far larger volumes of traffic. The Kenya Government has undertaken an extensive programme for the improvement of road communications and in June, 1959, a start was made on a £4 million contractor-finance project. Airport facilities have been greatly improved with the new international airport at Nairobi, which cost £2.6 million. The E.A. Posts & Telecommunications Administration has also invested £4.2 million in Kenya since 1950.

TABLE 7.—SECONDARY INDUSTRY

Industry	GROSS PRODUCTION		IMPORTS	
	1956	1957	1956	1957
	£	£	£	£
Canning (Fruit and Vegetables) ..	826,000	650,000	151,000	118,000
Confectionery	103,000	100,000	321,000	384,000
Sugar	827,000	1,117,000	1,692,000	1,687,000
Tobacco	3,077,000	6,438,000	70,000	76,000
Beer	3,870,000	4,170,000	99,000	137,000
Beer Malt	250,000	266,000	171,000	30,000
Clothing and Textiles	1,248,000	1,355,000	765,000	640,000
Shoes	905,000	884,000	142,000	224,000
Furniture (excluding Metal) ..	985,000	874,000	109,000	106,000
Paper Bag and Box	399,000	600,000	426,000	519,000
Fertilizers	47,000	88,000	657,000	768,000
Soap*	1,044,000	959,000	185,000	250,000
Pharmaceutical Products	119,000	153,000	590,000	850,000
Paint*	†40,000	†130,000	668,000	564,000
Insecticides	N.A.	192,000	439,000	468,000
Bricks and Tiles	233,000	213,000	51,000	77,000
Refractory Tiles*	31,000	19,000	62,000	57,000
Cement*	2,239,000	2,818,000	216,000	109,000
Bottles	N.A.	N.A.	200,000	160,000
Salt	199,000	179,000	65,000	27,000
Sawn Timber	1,886,000	1,567,000	2,000	6,000
Metal Goods Industry:— of which				
(a) Aluminium Hollow-ware ..	430,000	609,000	42,000	28,000
(b) Steel Drums, Tanks & Guttery	720,000	510,000	458,000	415,000
(c) Cans & Containers of Tin Plate	400,000	660,000	N.A.	Negligible
(d) Wire Nails	80,000	110,000	72,000	24,000
(e) Metal Doors & Window Frames	N.A.	527,000	210,000	63,000
1. Total of import saving industry ..	19,958,000	25,188,000		
2. Value of Goods still imported in import saving industry group ..			7,863,000	7,787,000

*New factory in 1958.

†Estimated.

The Tourist Industry

33. Kenya has long been famed for the wealth of her wild animal life. National Parks have been gazetted in the principal game areas, and a programme of development—roads, water-holes, safari lodges, poaching control—has aimed at improving the amenities of these parks. In the three-year period 1957/60 total expenditure on the National Parks was £217,200, and on the Game Department £250,000, making a total of £467,200.

34. While there will always be a significant market for expensive hunting safaris, the future expansion of the tourist industry must depend on putting Kenya's wild animal life and scenery within the reach of more modest incomes. In this connexion, Kenya's coastline is a major asset, particularly in relation to neighbouring territories—Uganda, the Belgian Congo and the Central African Federation. There has been an important expansion of hotel facilities on the coast in recent years, as well as in Nairobi.

35. The tourist industry depends on holiday visitors, but business visitors are also a major source of tourist spending and there is an important

category of "in transit" visitors, through the airport at Nairobi and the port of Mombasa. As visitors to one East African territory frequently visit also one or more of the others, the value of tourist spending has to be estimated on an East African basis. In 1958 there were 58,000 visitors to East Africa, and their average length of stay was 17 days. It is estimated that the value of tourist expenditure in East Africa in 1958 was £6.4 million.

Finance

36. The Government's 1954/57 development programme envisaged the borrowing of £11.75 million, and the 1957/60 plan envisaged the borrowing of a further £18 million, or a total of nearly £30 million for the 1954/60 period. Although no division between local and overseas sources of funds was given when these plans were drawn up, it was thought that the major part of these loan funds would come from London. This has not proved to be the case and, since 1st January, 1954, the Government has only been able to borrow £4,225,000 on the London market. However, no less than £14,425,000 was raised by the Government locally between 1st January, 1954, and 1st October, 1959, of which £3,992,000 was contributed by the East African Currency Board.

37. The successful use of all internal resources has made possible the maintenance of the level of expenditure envisaged in the 1954/60 period. For example, over £2½ million has been obtained by the run-down of funds, or by finding other sources of finance for expenditure formerly met by the Government. The Cereals Finance Corporation, for instance, has taken over the task of financing sugar imports, and this has enabled £800,000 to be paid into the Development Fund. Arrangements with a hire-purchase company have made possible the redemption of the £750,000 Motor-car Advances Fund, and it is expected that £300,000 will be obtained from this source before 1st July, 1960, and a further £450,000 in the 1960/63 period. £306,527 have been found from the Ministry of Works Deferred Emoluments Fund; £300,000 from the Treasury Main Clearance Account; £201,510 from the Ministry of Works Supplies and Services Fund; £200,000 from the Mechanical Transport and Plant Renewals Fund; and £140,000 from the Mombasa Water Supply Renewals Fund.

38. Total assistance from the Colonial Development and Welfare vote between 1st January, 1954, up to 30th June, 1960, will amount to over £8½ million, including £5½ million for the Swynnerton Plan. Very valuable help, totalling over £1 million, has also been obtained from the International Co-operation Administration. £500,000 has been obtained by mortgage from Barclays Overseas Development Corporation for office buildings, and £250,000 from the Sceptre Trust for staff housing. The need for the Land Bank to draw on Government funds has been reduced by allowing the bank to accept deposits of up to £1 million, and the needs of the Local Government Loans Authority have also been catered for to some extent by allowing the Authority to accept deposits from local authorities in Kenya.

39. In addition, short-term sources of finance have been developed, and the Government has proved its ability to finance a deficit of over £4 million in the Development Fund from time to time. Savings Bonds, giving a tax-free return, have been issued, and interest on Post Office Savings Bank accounts has been made free of tax.

40. Mention has been made of the £4 million contractor-finance project, and the Government has arranged short-term finance for the building of the Embakasi Village. The Government has also agreed to a £1,500,000 African housing programme by the Nairobi City Council going ahead on a contractor-finance basis.

41. In all these ways the Government has succeeded in maintaining the tempo of development, and has encouraged the creation of a local market, both in gilt-edged stocks and in the provision of short-term credit.

42. Although comprehensive statistics of the investment activities of all insurance companies are not available, it is believed that these companies have collected in East Africa some £3 million per annum in the form of premiums, in excess of outgoings, and have invested a substantial part of this amount locally in Government stock issues, and in other local projects—in particular, the construction of office buildings.

43. The building societies have played a valuable part in providing finance for housing, and the value of savings collected in the last six years in Kenya through this medium has been some £5.4 million.

44. The commercial banks have also had a most important part to play in the development of the Kenya economy. An index of the increasing use of the banking system by the public is the proportion of the money supply created by bank credit. Between 1947 and 1950 this proportion was only 20 per cent, but between 1954 and 1958 the proportion has averaged 51 per cent. With increasing opportunities for local investment, loans and advances granted by the banks have risen to as much as 77 per cent of the total value of current deposits, whereas between 1950 and 1954 this figure amounted to only 39 per cent. The banks have assisted local development by permitting the ratio of loans and advances to the total value of current deposits to rise above conventional limits, and by running down their sterling reserves—as indicated in paragraph 19.

45. During the past four years the ratio of taxation to the gross domestic product has remained at approximately 14 per cent, as is shown in Table 8. The ratio of direct taxes to total taxation rose steadily from 25 per cent in 1947 to 50 per cent in 1957/58, but is likely to fall to about 44 per cent by 1960.

46. A slower rate of growth in revenue is foreseen in the immediate future. The rate of growth of the recurrent expenditure of the Government will have to be adjusted accordingly if increases in the rates of taxation are to be avoided. The most immediate budgetary problem is the absorption into the Colony budget of the final residue of expenditure on Emergency account.

47. The gross public debt services charge in 1958 was equivalent to 1.25 per cent of the gross domestic income. There is room for an increase in this percentage without disrupting the prudent management of the Colony's affairs.

TABLE 8—TAXATION AND THE DOMESTIC PRODUCT

	1954	1955	1956	1957	1958
Gross Domestic Product (£m) ..	160	183	195	205	207
Direct Taxation (£m)	10.55	10.63	12.01	13.28	13.69
Indirect Taxation (£m)	11.09	14.22	14.93	13.71	14.36
Total Taxation (£m)	21.64	24.85	26.94	26.99	28.05
Taxation as a percentage of Gross Domestic Product	14	14	14	13	14
Direct Taxation as a percentage of Total Taxation	49	43	45	49	49

CHAPTER III—FUNDS AVAILABLE FOR DEVELOPMENT

There is little prospect during the next three years of any substantial surplus on the Colony account being made available to assist in financing the development programme. It is necessary, as in recent years, to finance the development programme by a combination of loan funds and grants. The estimate of £16.5 million of loan funds, given in Table 9, is the maximum which the Government considers that it may be possible to raise from the local market, on the London market and by way of Exchequer Loan from Her Majesty's Government. This estimate has been arrived at after allowing for the Nairobi City Council raising part of its requirements directly on the local market. It has also been borne in mind that it will be necessary for the Government during 1961 to repay or convert the £2,925,000 4 per cent local loan raised in 1954.

2. The next item in Table 9 is £620,000 to be raised by mortgage towards the cost of the construction of housing or Government offices. Negotiations for raising £250,000 for housing have already been completed and of this it is hoped to spend £30,000 in 1959/60. It is hoped that it will prove possible to raise another £400,000 for offices and staff housing during the period.

3. The Uganda Loan—as explained in the section on European Education in Chapter V—will be used for the construction of additional places in Kenya Government secondary schools for Uganda children.

4. It is hoped to obtain £2 million from the International Bank for Reconstruction and Development, of which £1 million will be used for loans to African farmers and co-operative societies, and £1 million for the construction of main and feeder roads in the African areas of high agricultural potential. The negotiations for this loan have not yet been completed and, if they are not successful, it will be necessary for the Development Plan to be re-examined and adjustments made in order to ensure that adequate funds are made available for loans to African farmers.

5. Kenya's territorial grant from the Colonial Development and Welfare Vote for the four-year period from 31st March, 1960, to 31st March, 1964, is £5 million. It is proposed that about £4.56 million of this grant should be used during the 1960-63 development period leaving £440,000 for the first nine months of the next development period. It is likely that there will be some carry-over of schemes approved for 1960-63 and that, therefore, that a sum of over £500,000 will be available for the first nine months of the next period. It is also hoped to obtain some £150,000 from the C.D. & W. allocation for research. The amount obtained from this source will depend upon the approval of individual schemes.

6. It is estimated that £450,000 will be obtained from the running down of the Motor-car Advances Fund and other funds. The £100,000 from the Mombasa Water Supply Renewals Fund is related to expenditure on the North Mainland scheme referred to in the section on Water in Chapter V. The £750,000 for Public Works Non-recurrent will be covered by a transfer from Colony funds and is for minor projects which it is considered that it would be inappropriate to finance from loan funds.

7. The capital deficit of £1,156,037 is a formidable figure when it is remembered that the deficit in the Development Fund on 1st July, 1960, is likely to be of the order of £4 million, and it will be necessary for the Government to review the position each year in the light of the progress of expenditure, and the progress made in raising loan funds, and it may well be necessary for adjustments and reductions to be made in the programme.

TABLE 9—FORECAST OF AVAILABLE FUNDS, 1960-63

	£
1. Loan Programme	16,500,000
2. Mortgage Finance Projects	620,000
3. Uganda Loan for Secondary Education	269,000
4. International Bank Loan for African Agriculture and Roads	2,000,000
5. Colonial Development and Welfare Grants—	
(a) Territorial	4,559,801
(b) Research	139,740
6. Motor-car Advances Fund and Other Funds	450,000
7. Mombasa Water Supply Renewals Fund	100,000
8. Transfer from Colony Revenue for Public Works Non-recurrent	750,000
	<hr/>
	25,388,541
9. Capital Gap	1,156,037
	<hr/>
Net Amount to be financed as in Table 12	£26,544,578

Note.—Items 1, 2, 3, 4, 6 and 9 above equal the sum of £20,995,037 shown in the “Loan Fund” column of Table 12. Item 5 (a) appears as the total of the second column, and items 5 (b), 5 (c), 7 and 8 total £1,600,000 as in the third column of Table 12.

CHAPTER IV—SUMMARY OF THE PROGRAMME

The Government's 1960/63 programme had to be drawn up in the light of the general picture given in Chapter II of an economy expanding on both the agricultural and industrial fronts, but at a slower rate than in the 1947/51 period, and in the light of the estimate of funds likely to be available, given in Chapter III. The comparatively moderate rate of growth foreseen sets a further limitation on the size of the Government's programme, in addition to that imposed by the limitation on the funds available. Even with a rate of growth of 5 per cent the annual increase in the public debt on a programme involving the use of £16.5 million of public loan funds over three years will inevitably absorb a fairly large proportion of the expected increase in revenue at existing rates of taxation, which—if development in the private sector is not to be hampered—must be kept at a moderate level.

2. The Government's programme is a reflection of its various activities. The Government, as an employer, has to find money for the housing of its employees—in particular, those who are required to live in institutional housing. The Government, as a business, has to find money for essential accommodation. However, the construction of housing, barracks, police stations, offices and prison buildings is merely Government capital expenditure, and cannot be regarded as contributing towards the development of the country, or to an increase in the national income, except to the limited degree that these projects will provide employment for local resources and labour.

3. The Government, as a landlord, has to find money for the development of its forest estate. This is important from the protective and revenue point of view, but expenditure on forests cannot give an immediate return.

4. The Government, as the main source of finance for certain basic services, has to find money for roads, airports, schools, hospitals and water supplies, and also for the essential programmes of local authorities, except to the extent that the Nairobi City Council can meet its needs by direct borrowing. Expenditure on roads, which will be at a higher rate in 1960/63 than in previous development programmes, is essential and—purely from the point of view of cost—with the increase in traffic, the main roads are becoming in many areas as expensive to maintain to a gravel standard as to a bitumen standard. The school and hospital programmes are linked to the Government's general programme for the expansion of social services, and must be limited by the ability of the Government to find from taxation the recurrent costs. Expenditure on water supplies is, again, essential, and is related to the growth of urban centres, and has an obvious importance in the development of the country. For example, if the Mombasa Major Water Supply Project had not been carried out, the Mombasa Oil Refinery would not now be going ahead.

5. The main emphasis of the programme—as for previous programmes—is to encourage the development of those economic activities which will provide the means to service the capital required for other long-term economic projects and desirable social services, and provide the basic services needed for development in the private sector of the economy.

6. It may seem that the allocation for industrial development is small but capital for industrial development comes mainly from private sources, and is dictated by the size of the market which, in turn, in Kenya depends to a considerable degree on the increase in the cash incomes of the great majority of the population, which depends on farming. The Government's contribution towards industrial development cannot be measured merely by the allocation of capital funds in the programme. The maintenance of a low rate of company tax is a far more potent incentive to private enterprise. Steps to encourage investment have also been taken by the abolition of estate duty and the income tax concessions for new hotels and extensions to existing hotels catering for the tourist industry. The customs tariff is designed to permit, in general, the free import of raw materials required by local industries, and local industrial firms can also obtain assistance from the provision made annually in the Colony Estimates for *ex gratia* payments to assist secondary industries.

7. The main concentration of the Government's programme is on the development of agriculture, in which sphere the Government has to provide loan capital and agricultural and veterinary advisory and research services. The cost of these agricultural and veterinary services will be borne partly on the Colony Budget and partly on the Development Budget. The use of capital funds to meet part of the cost of these services is justified at the present stage of development, when the most immediate impact on the national income is likely to be made by the successful encouragement of the growing of an increasing acreage of cash crops for which markets can be found at profitable prices. Loans to farmers and technical advice and assistance are by themselves of little value, unless the idea of farming as an economic activity, instead of as a mere means of subsistence, becomes generally accepted. This change of attitude has already taken place in many areas, as is shown by the rapid progress of land consolidation, which depends upon the willing co-operation of the farmers concerned. Nearly 40 per cent of the programme is for the development of natural resources, and over 65 per cent for economic services.

8. The problem—as stated in Sessional Paper No. 77 of 1956/57—is to arrive at a position where the cumulative process of investment leads to higher production, higher incomes and increased consumption, which, in turn, leads to further investment. The Government's programme is designed to set—and keep—these forces in motion, and to ensure that the increase in revenue at the existing rates of taxation generated by the programme shall fully cover the recurrent implications to the Government of the programme, as outlined in Chapter VI.

9. The programme itself is divided into Ministerial allocations and expenditure heads, but because a Ministry may have, for example, both social and general services under its control, summaries of gross expenditure by economic classifications have been given in Table 11. The summary of the gross Ministerial allocations is given in Table 10, and in both Tables 10 and 11, comparative figures, with percentages, are given for the 1957/60 Programme.

10. To facilitate the administration and planning of the building programme, it has been decided to transfer to the allocation of the Ministry of Works, a number of votes, such as Government Offices and Judicial Buildings, previously shown under other Ministries. Where this has been done, the 1957/60 figures have been adjusted for comparative purposes from those given in Sessional Papers No. 77 of 1956/57 and No. 5 of 1958/59.

11. It will be seen from a comparison of percentages in both the economic summary (Table 11) and the summary of Ministerial allocations (Table 10) that few changes, particularly in the economic classifications, have been made in the general pattern of expenditure. The only major innovation is the inclusion of an amount for the Nairobi City Council in the Local Government allocation. In comparing the actual percentages of allocations in Table 10 as between the 1957/60 and the 1960/63 programmes, no comparable item appears in the former to match the amount of £1.5 million in the latter. So in the last column of Table 10, the percentages have been adjusted to exclude the Nairobi City Council.

12. Of the adjusted falls in Table 10, the drop of nearly 10 per cent in Agricultural expenditure is due to the completion of the Mombasa Pipeline project at a cost to the Kenya Government in 1957/60 of £2,310,000. The fall of 0.7 per cent in Health is due largely to a transfer of minor projects to Public Works Non-recurrent and to the transfer of all sewerage projects to the Local Government Loans Authority. The drop in Housing of 0.75 per cent is caused by the inclusion of the Colonial Development Corporation loan in 1957/60. The completion of the new Nairobi Airport in 1957/60 is responsible for the fall in the Commerce and Industry allocation of 2.2 per cent.

13. Of the adjusted increases in Table 10, in Local Government the increase of 3.48 per cent is due to a much slower rate of actual expenditure in 1957/60 than was originally anticipated when the initial allocation for that period of £2,080,000 was made. The increase in the Ministry of Forest Development is occasioned by the decision of the Government to regard part of the cost of developing plantations, up to the stage of first thinning, as a charge to the Development Exchequer, and not to be borne entirely by the annual Colony Account. In addition the Supplementary Forest Development Scheme has been taken over from the Emergency Fund. The increase of 4.86 per cent under Works relates to the additional loan from the International Bank for roads. The detail of all the allocations has been commented upon under the appropriate Ministry in Chapter V.

14. Table 12 subdivides the Ministerial allocations shown in Table 10 into the expenditure sub-heads, and also into divisions, showing how the finance for particular schemes or group of schemes may be obtained. The four divisions used are Loan Funds, C. D. & W. Territorial Grants, other Grants and Appropriations-in-Aid. It is emphasized that at the planning stage, the division between "Loan Funds" and "Grants" is a very tentative one, especially as the latter relates in the main to grants from Colonial Development and Welfare Funds for schemes which are subject to the approval of the Secretary of State.

15. The statement of the volume of the Ministry of Works programme is given in Table 13, which, in conjunction with the size of Ministry's organization in the Colony Vote, forms the basis for the computation of the General Works Staff expenditure. No difficulty is anticipated in executing this programme of works over the three-year period, although experience shows that the actual progress in any one financial year is often slower than estimated at the time of preparing the annual estimates. As the value of the Ministry of Works programme is no greater than in the current 1957/60 period, it will not be necessary to expand the existing staff of the Ministry. It should be noted that

the true gross development expenditure on behalf of those Ministries having a substantial Ministry of Works programme is approximately 20 per cent in excess of the net figures shown in Table 12. It is not proposed to apportion out these figures of gross expenditure, as was done in the 1957/60 programme. Table 13 shows also those projects for which agency fees are charged by the Ministry of Works. The agency element of the projects, for which no fee is actually collected, is included in the assessment of the General Works staff expenditure.

16. It is the Government's intention that, where a recurrent service previously financed entirely from Development Funds is now regarded as an integral part of the normal Colony organization for the foreseeable future, wherever possible the service should be transferred to the Colony Vote. But in order that this burden can be absorbed gradually into the annual Colony estimates, it is proposed to make a reducing contribution from the Development Vote over each year of the 1960/63 programme. It has been possible to apply this principle entirely or in part to the following items:—

Co-operative Development, Soil Conservation Service, ALDEV administrative staff, Hydraulic Branch and Land Consolidation Surveys.

TABLE 10—SUMMARY OF GROSS ALLOCATIONS BY MINISTRIES

Ministry	Revised 1957-60*		Proposed 1960-63		
	£	%	£	%	%†
Chief Secretary	1,071,636	3.82	1,074,000	3.91	4.10
Agriculture, etc.	10,478,164	37.34	7,091,724	25.84	27.44
Defence	1,554,600	5.54	1,428,001	5.21	5.49
Local Government	645,435	2.30	3,000,000	10.93	5.78
Health	958,129	3.41	710,000	2.58	2.74
Housing	2,305,132	8.21	1,910,000	6.96	7.47
Education	2,217,597	7.90	2,184,000	7.95	8.40
Lands and Surveys	655,327	2.34	670,000	2.44	2.49
Forests, Game, etc.	379,264	1.35	1,344,500	4.91	5.17
Commerce and Industry	1,482,893	5.28	808,750	2.95	3.11
Works	5,472,212	19.50	6,323,300	23.04	24.36
Finance and Development	844,542	3.01	900,000	3.28	3.45
	<u>28,064,931</u>	<u>100.00</u>	<u>27,444,275</u>	<u>100.00</u>	<u>100.00</u>

*No account is taken of any supplementary provision to be voted during 1959/60.
 †Adjusted by the exclusion of the allocation for the Nairobi City Council of £1.5 million.

TABLE 11—ECONOMIC CLASSIFICATION OF GROSS EXPENDITURE

Nature of Expenditure	1957-60 Revised Estimate		1960-63 Proposed Allocation		Remarks
	£	%	£	%	
A—ECONOMIC SERVICES					
1. Communications—					
Roads	2,250,000	8.02	3,500,000	12.76	
Airports and Aerodromes ..	1,167,075	4.16	558,750	2.03	
Posts and Telecommunications	110,250	0.39	—	—	
TOTAL A-1	3,527,325	12.57	4,058,750	14.79	
2. Natural Resources—					
Agriculture (including Land Bank, Land Consolidation, etc.)	7,611,423	27.12	7,548,724	27.50	See Note (a)
Water and Irrigation	4,928,629	17.56	1,702,000	6.20	See Note (b)
Forests, Game and Fisheries ..	379,264	1.35	1,344,500	4.90	
Mineral Development	98,068	0.35	115,000	0.42	
TOTAL A-2	13,017,384	46.38	10,710,224	39.02	
3. Industrial Development	107,500	0.38	150,000	0.55	
4. Local Government Works	625,435	2.23	3,060,000	11.15	See Note (c)
A—TOTAL ECONOMIC SERVICES	17,277,644	61.56	17,978,974	65.51	
B—SOCIAL SERVICES					
1. Education	2,407,383	8.58	2,268,500	8.27	See Note (d)
2. Health	903,205	3.22	650,000	2.37	
3. Housing Schemes	1,630,275	5.81	1,160,000	4.22	
4. Broadcasting	351,000	1.25	3,000	0.01	
5. Miscellaneous	73,370	0.26	120,000	0.44	See Note (e)
B—TOTAL SOCIAL SERVICES	5,365,233	19.12	4,201,500	15.31	
C—SECURITY SERVICES					
1. Internal Security	933,513	3.33	1,283,000	4.68	
2. Defence	651,206	2.32	145,001	0.53	
C—TOTAL SECURITY SERVICES	1,584,719	5.65	1,428,001	5.21	
D—GENERAL ADMINISTRATIVE SERVICES					
1. Staff Housing	838,849	2.99	1,142,800	4.16	See Note (f)
2. Offices and Buildings	918,960	3.27	743,000	2.71	See Note (g)
3. Public Works Non-Recurrent ..	591,080	2.11	750,000	2.73	Not divided into other economic classifications.
4. General Works Staff	1,218,904	4.34	1,200,000	4.37	
5. Supplies and Transport Department	269,542	0.96	—	—	
D—TOTAL GENERAL ADMINISTRATIVE SERVICES	3,837,335	13.67	3,835,800	13.97	
GRAND TOTAL	28,064,931	100.00	27,444,275	100.00	

NOTES on 1960/63 apportionments—

(a) Includes Head D.1, Sub-heads C & D; D.2, Sub-heads A, B & E and Sub-head D, items 1 and 2; D.3; D.10, Sub-head B & D.14.

(b) Includes Head D.2, Sub-heads C & D Item 1; D.4 and D.13 Sub-head B.

(c) Includes £2,940,000 from Head D.6 & D.10, Sub-head A.

(d) Includes Heads D.1, Sub-head E; D.9. and £39,500 from D.13, Sub-head C.

(e) Includes £60,000 from Head D.6 and D.7, Sub-head C.

(f) Includes £150,000 from Head D.1; D.8, Sub-head A and the balance from D.13, Sub-head C.

(g) Includes £270,000 from Head D.1 and the balance from D.13, Sub-head C.

TABLE 12—SUMMARY OF EXPENDITURE BY SUB-HEADS, 1960/63

Ministry and Sub-head	Loan Funds	C.D. & W. Territorial Grant	Other Grants	Net Provision	Appropriations-in-Aid
	£	£	£	£	£
HEAD D.1—CHIEF SECRETARY					
A. Administration Buildings	171,200	—	—	171,200	—
B. African Courts	248,800	—	—	248,800	—
C. Land Consolidation	311,000	—	—	311,000	250,000
D. Co-operative Development	48,000	—	—	48,000	—
E. Community Development Field Projects	45,000	—	—	45,000	—
TOTAL HEAD D.1	824,000	—	—	824,000	250,000
HEAD D.2—AGRICULTURE					
A. Miscellaneous Services	578,000	1,383,000	—	1,961,000	62,500
B. Research Services	93,506	287,456	128,740	509,702	100,602
C. Irrigation Schemes	382,000	—	—	382,000	370,000
D. Allev Services	385,025	330,000	—	715,025	84,975
E. Loans	1,300,000	—	—	1,300,000	—
TOTAL HEAD D.2	2,738,531	2,000,456	128,740	4,867,727	618,077
HEAD D.3—VETERINARY SERVICES					
A. General Services	35,000	117,000	—	152,000	—
B. Tsetse Control	230,000	—	—	230,000	—
C. Stock Control	10,030	147,270	—	157,300	31,620
D. Field Services, Non-scheduled areas	16,500	163,500	—	180,000	—
E. Stock Marketing, Non-scheduled areas	300,000	—	—	300,000	—
TOTAL HEAD D.3	591,530	427,770	—	1,019,300	31,620
HEAD D.4—WATER					
	455,000	—	100,000	555,000	—
HEAD D.5—INTERNAL SECURITY AND DEFENCE					
A. Police	970,000	—	—	970,000	—
B. Prisons	313,000	—	—	313,000	—
C. Military	145,001	—	—	145,001	—
TOTAL HEAD D.5	1,428,001	—	—	1,428,001	—
HEAD D.6—LOCAL GOVERNMENT					
A. Local Government Loans Authority	3,000,000	—	—	3,000,000	—
HEAD D.7—HEALTH					
A. Government Medical Services	247,800	259,000	—	506,800	—
B. Grants to Health Services	113,200	30,000	—	143,200	—
C. Social Services	60,000	—	—	60,000	—
TOTAL HEAD D.7	421,000	289,000	—	710,000	—
HEAD D.8—HOUSING					
A. Government Staff Housing	750,000	—	—	750,000	—
B. Housing Schemes	1,160,000	—	—	1,160,000	—
TOTAL HEAD D.8	1,910,000	—	—	1,910,000	—
HEAD D.9—EDUCATION					
A. African Education	492,950	443,050	—	936,000	—
B. Arab Education	33,000	—	—	33,000	—
C. Asian Education	452,100	131,400	—	583,500	—
D. European Education	128,000	82,000	—	210,000	—
E. Higher Education	5,000	—	—	5,000	—
F. Special Schemes	25,001	—	—	25,001	—
G. Technical and Trade Education	76,374	46,125	—	122,499	—
H. Uganda Supplementary Scheme	269,000	—	—	269,000	—
TOTAL HEAD D.9	1,481,425	702,575	—	2,184,000	—

TABLE 12—SUMMARY OF EXPENDITURE BY SUB-HEADS, 1960/63—(Contd.)

Ministry and Sub-head	Loan Funds	C.D. & W. Territorial Grant	Other Grants	Net Provision	Appropriations-in-Aid
	£	£	£	£	£
HEAD D.10—LANDS AND SURVEY					
A. Road and Sewer Construction on Crown Land	120,000	—	—	120,000	—
B. Land Consolidation Surveys	275,000	275,000	—	550,000	—
TOTAL HEAD D.10	395,000	275,000	—	670,000	—
HEAD D.11—FOREST DEVELOPMENT GAME AND FISHERIES					
A. Forest Development	375,000	—	—	375,000	—
B. Supplementary Forest Development Scheme	—	675,000	—	675,000	—
C. African District Council Forests	120,000	—	—	120,000	—
D. Game	7,500	—	11,000	18,500	—
E. Fisheries	6,000	—	—	6,000	—
F. National Parks	150,000	—	—	150,000	—
TOTAL HEAD D.11	658,500	675,000	11,000	1,344,500	—
HEAD D.12—COMMERCE AND INDUSTRY					
A. Geological Survey	100,000	—	—	100,000	—
B. Industrial Development	150,000	—	—	150,000	—
C. Airports and Aerodromes	368,750	190,000	—	558,750	—
TOTAL HEAD D.12	618,750	190,000	—	808,750	—
HEAD D.13—MINISTRY OF WORKS					
A. Roads	3,500,000	—	—	3,500,000	—
B. Hydraulic Branch	100,000	—	—	100,000	—
C. Government Offices and Buildings	773,300	—	—	773,300	—
D. Public Works Non-recurrent	—	—	750,000	750,000	—
E. General Works Staff	1,200,000	—	—	1,200,000	—
TOTAL HEAD D.13	5,573,300	—	750,000	6,323,300	—
HEAD D.14—FINANCE AND DEVELOPMENT					
A. Land and Agricultural Bank	900,000	—	—	900,000	—
*GRAND TOTAL	20,995,037	4,559,801	989,740	26,544,578	899,697

*See note to Table 9.

TABLE 13.—PROGRAMME OF WORKS

Head and Ministry	M.O.W. (Non-fee)	M.O.W. (Fee)	Other Agencies	Total Works
	£	£	£	£
D.1 African Affairs	90,000	—	150,000	240,000
D.2 Agriculture	100,000	—	30,500	130,500
D.3 Veterinary Services	80,000	—	40,000	120,000
D.4 Water	555,000	—	—	555,000
D.5 Defence	1,541,000	261,000	70,000	1,872,000
D.6 Local Government	—	—	3,000,000	3,000,000
D.7 Health	470,000	—	200,000	670,000
D.8 Housing	743,500	—	880,000	1,623,500
D.9 Education	908,400	—	1,129,500	2,037,900
D.10 Lands and Surveys	10,000	—	120,000	130,000
D.11 Forests, etc.	4,500	—	231,000	235,500
D.12 Commerce and Industry	488,750	—	—	488,750
D.13 M.O.W.	594,600	—	15,000	609,600
TOTAL	5,585,750	261,000	5,866,000	11,712,750
Total M.O.W. Works	5,846,750			

CHAPTER V—ANALYSIS OF THE PROGRAMME

CHIEF SECRETARY (HEAD D.1)

SUB-HEAD A—ADMINISTRATION BUILDINGS

In paragraphs 124-127 of Sessional Paper No. 77 of 1956/57 the general policy of closer administration was enunciated, and the remarks made then are no less pertinent today. The Government intends to pursue the policy of closer administration through the expansion of sub-station and locational centre facilities within the limits of finance available. But the first priority in 1960-63 must be to consolidate some of the work initiated in the 1957-60 programme, when works were undertaken at 32 sub-stations. One new sub-station at Butere in North Nyanza at a cost of £18,000 is planned, but the remainder of the funds will be used for stores and armouries, Tribal Police and other staff housing, Chief's offices, lock-ups, etc., in existing sub-stations and locational centres throughout the Colony. An allocation of £171,200 is proposed.

SUB-HEAD B—AFRICAN COURTS

A new commitment has arisen as a result of Government's assumption of responsibility as from 1st January, 1958, for African courts, previously provided by African district councils and the African Trust Fund. Expenditure on this is divided between the purchase of existing courts and ancillary housing from African district councils at an agreed valuation of £175,000, and the erection of new buildings and housing at a cost of £73,800. The purchase of existing buildings, as opposed to renting them, is a variation on the policy set out in Section (13) of White Paper No. 1 of 1957/58. The Government does not intend to provide housing for court staff when they can live at home and travel daily to work.

SUB-HEAD C—LAND CONSOLIDATION

The policy initiated on a small scale in Central Province in 1956/57 and expanded so successfully in 1957/60, so that registration of title has already been completed in the districts of Kiambu and Nyeri, is to be continued. In the 1960/63 programme it is planned to complete the bulk of the work in Central Province in the remaining districts of Fort Hall, Embu and Meru. In the other Provinces, provision is made for both existing and new schemes in Elgon, North and Central Nyanza and Kericho Districts of the Nyanza Province; in Nandi, Baringo, Elgeyo-Marakwet and West Suk Districts of the Rift Valley; in Machakos District of the Southern Province and in Taita District of the Coast Province. By the end of the 1957/60 programme the acreages of land consolidation should be 868,000 acres in Central Province, 188,000 in Nyanza and 45,000 acres in the Rift Valley Province. For the new programme, assuming the local people continue ready and willing to participate in the various schemes, it is thought that in the same areas the following additional acreages will be consolidated:—

Central Province, 200,000 acres; Nyanza, 770,000 acres; and Rift Valley, 240,000 acres.

In the Central and North Nyanza Districts, there is, as yet, no demand for registration following the consolidation process and holdings are not being surveyed at this stage. The cost per acre will, therefore, be considerably less than that of the Central Province during the 1960-63 development period, but expenditure will be required afterwards to complete the process by registration. The small cost per acre in the Rift Valley Province is due to the fact that there is no fragmentation, holdings are much larger, and the nature of the country makes survey much cheaper. After the initial work of consolidation and demarcation, there follows the demand for registration and for the issue of individual

titles. To this end, the Land Control (Native Lands) Ordinance and the Native Lands Registration Ordinance have been enacted by the Legislative Council. Land Registration offices have to be established in each district, to enable titles and all transactions to be registered, and the expenditure will be covered by registration fees levied under the Ordinance.

SUB-HEAD D—CO-OPERATIVE DEVELOPMENT

In recognition of the important part which the Department of Co-operative Development plays in the development of African co-operatives towards the production and marketing of cash crops, it is proposed to make an allocation of £48,000, in the form of an annually reducing grant towards the recurrent expenditure of the Department, the staff of which will be shown entirely in the ordinary Colony Estimates. The grant will be £24,000, £16,000 and £8,000 respectively in each of the three years from 1960/61 onwards.

SUB-HEAD E—COMMUNITY DEVELOPMENT FIELD PROJECTS

An allocation of £45,000 is proposed in order to assist a wide variety of field projects, particularly those which contain a large element of local self-help. Examples of the type of project, which rank for assistance towards the purchase of equipment and materials or in the construction of buildings, are women's clubs, youth clubs, and special community campaigns for improved housing, health, hygiene and husbandry. In recent years there has been considerable assistance from the International Co-operation Administration for this work, and also from UNICEF, and it is expected that further assistance will be available in the period 1960-63, particularly from UNICEF. This allocation from loan funds is regarded as the Government's matching contribution to outside assistance.

TABLE 14

Head D.I—Ministry of African Affairs

SUB-HEAD A—ADMINISTRATION BUILDINGS—	£	£
Item 1—Butere Sub-station	18,000	
Item 2—Locational Centres (including purchase of Chief's Offices)	64,340	
Item 3—Sub-station buildings	60,760	
Item 4—Tribal Police and other Staff Housing ..	28,100	
		171,200
SUB-HEAD B—AFRICAN COURTS—		
Item 1—Purchase of Buildings from African District Councils	175,000	
Item 2—Court Building and Staff Housing ..	73,800	
		248,800
SUB-HEAD C—LAND CONSOLIDATION—		
Item 1—General Staff	89,000	
Item 2—Central Province	296,000	
Item 3—Nyanza Province	130,000	
Item 4—Rift Valley Province	46,000	
		561,000
SUB-HEAD D—CO-OPERATIVE DEVELOPMENT		48,000
SUB-HEAD E—COMMUNITY DEVELOPMENT FIELD PROJECTS		45,000
		1,074,000
GROSS TOTAL		1,074,000
SUB-HEAD Z—APPROPRIATIONS-IN-AID—		
Land Consolidation Fees		250,000
		1,324,000
NET TOTAL HEAD D.I		<u>£824,000</u>

MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY AND WATER RESOURCES

For a general review of the factors affecting the agricultural programme, reference is invited to Chapter II, paragraphs 24-27, and to Chapter IV, paragraph 7. The Ministry's allocation is divided into three accounting heads, but it is emphasized that this division in no way corresponds with the departmental subdivision of the Ministry.

AGRICULTURE (HEAD D.2)

SUB-HEAD A—MISCELLANEOUS SERVICES

Item 1—Field Staff.—An allocation of £1,300,000 is proposed, representing a contribution from the Development Fund towards the personal emoluments and related charges of some of the agricultural staff employed in the non-scheduled areas. The posts include some 115 Assistant Agricultural Officers and 800 Agricultural and Assistant Agricultural Instructors, and are shown in the Colony Estimates. An additional allocation of £90,500 is included for housing, buildings and equipment.

Included in this general item is the cost of providing the necessary supervisory and advisory staff in areas where tea is to be developed as an African small-holder's cash crop. Subject to the satisfactory conclusion of negotiations with the Colonial Development Corporation, seven factory units will be started, each supported by 1,200 acres of tea. The finance for the factories will be raised independently by the Colonial Development Corporation in conjunction with the trade, but Government has agreed to guarantee the standard and the availability of the field services, necessary to produce high quality leaf. The approximate ratio is one Assistant Agricultural Officer and five instructors to each factory unit, but these officers will not be exclusively employed on tea supervision, and will form part of the general field staff. It is proposed that all development should be financed by loan funds, repayable over about 13 years, and that of the amount required, one-quarter should be raised by the Government and three-quarters by the Colonial Development Corporation. The potential area for tea development of this nature in the Central Province alone is estimated at 300,000 acres.

Item 2—Agricultural Education.—Training courses are run at three centres in Nyanza, five in Central Province, and one each in Southern, Rift Valley and Coast Provinces. In addition, there is the Siriba Training Centre which will run courses up to the diploma level in agriculture, to replace the facilities now to be discontinued at Makerere. To the expansion at Siriba, contributions of £40,000 from the Rockefeller Foundation and of £10,000 from the Hindocha Trust are being made in the period. Courses at the other centres include not only training for farmers but also, at certain centres, instruction for the junior staff of the Agriculture Department. A total allocation of £315,500 is proposed, offset by appropriations-in-aid of £50,000, and of this, £33,970 relates to capital works and permanent equipment and £281,530 to recurrent expenditure on staff and other charges. The number attending courses each year will be over 11,000 farmers and staff, an increase of 7,000 over the 1959/60 level.

Item 3—Soil Conservation.—It is the intention that after the end of the 1960-63 Programme this service will no longer be financed from loan funds, and an annually reducing allocation of £100,000, £70,000 and £40,000 is proposed for each year of the programme towards the recurrent costs of the existing service. An amount of £10,000 is proposed for any non-recurrent expenditure including buildings and new equipment. The fees accrue solely to the Colony Vote.

Item 4—Dam Construction Units.—Owing to a falling off in demand it is proposed to close down the dam construction units. A gross allocation of £12,500 only, fully covered by corresponding receipts, is allowed in order to cover residual commitments.

Item 5—Farm Planning and Advisory Service.—An allocation of £83,000 recurrent and £2,000 non-recurrent for new equipment is proposed to maintain the existing service and staff in the scheduled areas. The comparable service in the non-scheduled areas is included under Item 1 of this Sub-head. 212,300 acres had been planned by the end of 1958, and it is estimated that 500,000 more acres will be completed by the end of 1963, at the rate of 100,000 acres per annum.

SUB-HEAD B—RESEARCH

Item 1—Market Studies.—An allocation of £22,990 is proposed to continue the existing service which employs two market research officers and two economic assistants. In view of the increased production following progress in land consolidation and from the introduction of more cash crops, it is considered important to supplement the work of the Economic Research Division of the Treasury and of the normal commercial agencies in seeking markets.

Item 2—Farm Cost Research.—This is a scheme financed in full by a C.D. & W. Research Grant to study farm production costs and efficiency in farming operations. The scheme started in 1959/60 and it is planned to extend it to African areas. An allocation of £21,260 is proposed to allow for two economists.

Item 3—Testing of Agricultural Machinery.—It is proposed to continue this scheme for three years, subject to Uganda and Tanganyika each contributing 25 per cent of the cost, and a further 25 per cent being found from C.D. & W. Research Funds. The technical staff of six are engaged on testing and modifying agricultural machinery to meet East African conditions, and the work is allied to that of the United Kingdom National Institute of Agricultural Engineering. A gross allocation of £48,064 and a net of £24,032 including the C.D. & W. grant is proposed, of which £12,016 is to be found from loan funds.

Item 4—General Research.—A total allocation of £218,000 is proposed, including £20,000 for non-recurrent expenditure on farm buildings and equipment. The recurrent element of £198,000 contributes to the Research Division staff and their other charges. The Provincial Research stations involved are the Experimental Stations at Mtwapa in Coast Province, Katumani in Southern Province, Embu in Central Province, Kakamega and Sotik in Nyanza Province, and Kitale, Eldoret and Ol Joro Orok in Rift Valley Province. Sub-stations covering different conditions within a province are also financed from this allocation. The work is carried out by Agricultural Research Officers and supporting staff under the administrative and general control of the senior provincial Agricultural Officers, but under the technical direction of the Chief Research Officer. The work concerns problems of a general farming nature, such as patterns of farming, alternative cash and food crops and animal husbandry problems. The special commodity stations are not financed from this source.

Item 5—Plant Breeding Research.—The staff connected with this scheme is concerned mainly with wheat and maize breeding and the control of rust in wheat. The service receives an annual contribution of £13,400 from the Cereals Producers Board, and the pathological work on rusts and maize breeding is the subject of a C.D. & W. Research Grant. A gross allocation of £10,000 for non-recurrent expenditure on buildings and of £80,000 for recurrent expenditure reflected in posts shown in the Colony Vote is proposed.

Item 6—Pasture Research.—This allocation of £58,220 includes £52,220 of recurrent expenditure and £6,000 of non-recurrent for buildings and equipment provides for the continuation of the existing service, including the former I.C.A. Scheme.

Item 7—Mealy Bug Research.—This is a C.D. & W. Research scheme financing one entomologist engaged on research into the problems of mealy bug. An allocation of £6,400 is proposed.

Item 8—Coffee Research.—The gross allocation of £81,870 recurrent relates to staff and their other charges expenditure engaged on general coffee research and research into coffee berry disease. The Coffee Board of Kenya will be making a contribution of £30,870 and it is intended to seek a C.D. & W. Research grant of £19,000. In addition, an allocation of £10,000 is proposed for non-recurrent expenditure on water supplies, equipment and buildings mainly at the Jacaranda and Rukera stations.

Item 9—Irrigation Research.—This allocation of £53,500 provides for the continuation of research stations at Kano for the Lake Victoria area of Nyanza and at Mwea-Tebere for the Mount Kenya area of Central Province.

SUB-HEAD C—IRRIGATION

Item 1—Mwea-Tebere.—A gross allocation of £250,000, fully covered by revenue accruing from the tenants, is proposed to continue this scheme which was started to reabsorb and resettle members of the Kikuyu and Embu tribes, who were displaced as a result of the Emergency. The scheme is at present limited to the settlement of 1,250 families on 5,000 acres at a gross cost to date of approximately £200 per acre. The net cost to loan funds after deducting revenue, C.D. & W. and I.C.A. grants and the approximate grant element of Emergency Funds is considerably less. It is the Government's intention to review the present halt in expansion in two or three years' time, in the light of available finance, of further suitable tenants, and of the demand for irrigated cash crops, to see whether further expansion would be justified up to the theoretical optimum level of 13,580 acres.

Item 2—Tana River.—A gross allocation of £432,000 and a net of £332,000 is proposed to maintain the settlement of exiles on the Tana River. The total area to be developed is 1,200 acres.

Item 3—Perkerra.—A gross allocation of £70,000 offset by appropriations-in-aid of £20,000 is proposed to enable the scheme to continue on a restricted acreage and on a trial basis for a further three years. The scheme is of considerable importance for Baringo District and the intention is to establish it on an economic footing by a system of mixed farming combining cattle and crops.

SUB-HEAD D—ALDEV SERVICES

Item 1—Technical Services.—An allocation of £170,000 is proposed to cover the maintenance of existing technical and field staff, together with their other charges including the replacement and purchase of vehicles and equipment. It is not the Government's intention to continue financing expenditure on the general Administrative staff from loan funds, and as from 1960/61 these will be absorbed into the Ministry's own headquarters organization and financed from revenue.

Item 2—Rural Development Schemes.—An allocation of £330,000 is proposed for various schemes in the non-scheduled areas. These include grants and loans for general agricultural betterment schemes, grazing control schemes, bush clearing, afforestation, settlement and pilot schemes to relieve congestion in eroded and overpopulated areas. The detail of schemes to be assisted in any one financial year is worked out by the African Land Development Board, in consultation with the local agricultural committees.

Item 3—Water Supplies.—An allocation of £300,000 is proposed for various schemes in the non-scheduled areas, based on proposals submitted by district and provincial agricultural committees. The allocation also covers the small dam construction units. It is the Government's intention that assistance should continue to be applied in the African areas on a £ for £ basis, in order to stimulate local interest and self-help. In other cases the amount may be provided as a loan to an African district council. Revenue is estimated at £84,975.

TABLE 15

Head D.2—Agriculture

SUB-HEAD A—MISCELLANEOUS SERVICES—	£	£
Item 1—Contribution to Field Staff	1,390,500	
Item 2—Agricultural Education	315,500	
Item 3—Soil Conservation	220,000	
Item 4—Dam Construction Unit	12,500	
Item 5—Farm Planning and Advisory Service ..	85,000	
	<hr/>	2,023,500
SUB-HEAD B—RESEARCH—		
Item 1—Market Research	22,990	
Item 2—Farm Cost Research	21,260	
Item 3—Testing of Agricultural Machinery ..	48,064	
Item 4—General Research	218,000	
Item 5—Plant Breeding Research	90,000	
Item 6—Pasture Research	58,220	
Item 7—Mealy Bug Research	6,400	
Item 8—Coffee Research	91,870	
Item 9—Irrigation Research	53,500	
	<hr/>	610,304
SUB-HEAD C—IRRIGATION SCHEMES—		
Item 1—Mwea-Tebere	250,000	
Item 2—Tana River	432,000	
Item 3—Perkerra	70,000	
	<hr/>	752,000
SUB-HEAD D—ALDEV SERVICES—		
Item 1—Technical Services	170,000	
Item 2—Rural Development Schemes	330,000	
Item 3—Water Supplies	300,000	
	<hr/>	800,000
SUB-HEAD E—LOANS—		
Item 1—Land Development Loans	300,000	
Item 2—Agrarian Loans	1,000,000	
	<hr/>	1,300,000
GROSS TOTAL		<hr/> <hr/> 5,485,804
SUB-HEAD Z—APPROPRIATIONS-IN-AID—		
Item 1—Rockefeller Foundation Grant	40,000	
Item 2—Hindochoa Trust Grant	10,000	
Item 3—Dam Construction Fees	12,500	
Item 4—Testing of Agricultural Machinery— Territorial Contributions	24,032	
Item 5—Cereals Producers Board	40,200	
Item 6—Coffee Board of Kenya	30,870	
Item 7—Canning Crops Board	5,500	
Item 8—Irrigation Revenue—Mwea-Tebere ..	250,000	
Item 9—Irrigation Revenue—Tana River ..	100,000	
Item 10—Irrigation Revenue—Perkerra	20,000	
Item 11—Revenue—ALDEV Services	84,975	
	<hr/>	618,077
NET TOTAL HEAD D.2		<hr/> <hr/> <u>£4,867,727</u>

SUB-HEAD E—LOANS (*see also pages 55-56 for the Land Bank allocation*)

Item 1—Land Development Loans.—An allocation of £300,000 is proposed for farm development loans payable under the provisions of the Agricultural Ordinance, 1955, in scheduled areas. These loans, issued only against adequate security, are used for a variety of purposes ranging from the erection of farm buildings and water supplies on fairly long terms, to the purchase of machinery, livestock, the introduction of horticultural crops, and the clearing of bush on short to medium terms not exceeding 15 years. This allocation is supplemented by the amount credited back to the Agricultural Land Rehabilitation Fund, and it is estimated that £175,000 will be available for relending in this way in 1960-63.

Item 2—Agrarian Loans.—An allocation of £1,000,000 is proposed, subject to the successful conclusion of negotiations with the International Bank for Reconstruction and Development, in order to relend the money to African farmers, to African co-operative societies, and to finance the development of cash crops in the African land units. This item forms part of a larger project for the development of areas of high potential, which includes, in addition to expenditure on land consolidation, agricultural and veterinary services, an amount for the construction and improvement of main and feeder roads in those areas. Details of roads are given under Head D 13, Sub-head A.

VETERINARY SERVICES (HEAD D.3)

SUB-HEAD A—GENERAL SERVICES

Item 1—Research Laboratory, Kabete.—An allocation of £15,000 is proposed for non-recurrent expenditure on a new Virology Production Unit, Laboratory equipment, a new cold store and some buildings.

Item 2—Naivasha Experimental Station.—An allocation of £13,500 is proposed for non-recurrent expenditure on irrigation from Lake Naivasha for the growing of lucerne, on new farm equipment and buildings, including some institutional housing.

Item 3—Staff Housing, Embakasi.—An amount of £1,500 is required in July, 1960 to meet the cost of the Department's allocation of housing at the Airport Village.

Item 4—Artificial Insemination.—An allocation of £5,000 for the purchase of stud bulls is proposed for the expanded A.I. Service.

Item 5—Artificial Insemination Scheme—Non-Scheduled Areas.—This is a new scheme to expand the A.I. Service particularly in areas where the holdings have been recently consolidated, in order to assist in the up-grading of stock and to increase milk yields. The estimate for the three years is £117,000, after which the service will be financed by fees or local grants.

SUB-HEAD B—TSETSE CONTROL

An allocation of £230,000, including £16,500 for non-recurrent expenditure, is proposed to continue work on Tsetse control in both the scheduled and non-scheduled areas of the Colony. The staff will be shown in the Colony estimates with an Appropriation-in-Aid from development funds. Much of the work will be the maintenance of existing clearings and control measures. It is hoped that with I.C.A. Technical Assistance, research into the control of bush regeneration may be carried out during the period. Tsetse Control Experimental Stations are maintained in the Masai, Kiboko and Gedi areas. The targets for the new programme are the maintenance of some 65,240 acres of bush clearing, 4,500 acres of new bush clearing, and in the Nyanza riverine areas the spraying of vegetation over some 550 miles.

SUB-HEAD C—STOCK CONTROL

A gross allocation of £188,920 including £44,000 non-recurrent expenditure is proposed to cover expenditure in connexion with stock routes, holding grounds, the provision of improved marketing facilities. Expenditure in the Coast area is offset by an Appropriation-in-Aid estimated at £31,620 approximately in the form of a bonus from the Kenya Meat Commission. The allocation covers expenditure throughout the Colony.

SUB-HEAD D—FIELD SERVICES—NON-SCHEDULED AREAS

An allocation of £180,000, including £20,000 for non-recurrent expenditure is proposed for the continuation of livestock improvement in the non-scheduled areas, previously financed under the Swynnerton Plan. The staff will be shown in the Colony estimates.

SUB-HEAD E—STOCK MARKETING—NON-SCHEDULED AREAS

An allocation of £300,000 of which £35,850 relates to non-recurrent expenditure is proposed for the continuation of the existing African Livestock Marketing Organization and for the establishment of a market fostering section, the primary purpose of which is to assist in providing markets for the surplus cattle in the non-scheduled areas. The organization actually purchases stock in certain areas and either sells to the Kenya Meat Commission or disposes through its own abattoirs at Archer's Post and Baringo.

TABLE 16

Head D.3—Veterinary Services

SUB-HEAD A—GENERAL SERVICES—	£	£
Item 1—Research Laboratory, Kabete	15,000	
Item 2—Naivasha Experimental Station	13,500	
Item 3—Staff Housing, Embakasi	1,500	
Item 4—Artificial Insemination	5,000	
Item 5—A.I. Scheme	117,000	
	<hr/>	152,000
SUB-HEAD B—TSETSE CONTROL		230,000
SUB-HEAD C—STOCK CONTROL		188,920
SUB-HEAD D—FIELD SERVICES, NON-SCHEDULED AREAS		180,000
SUB-HEAD E—STOCK MARKETING, NON-SCHEDULED AREAS		300,000
		<hr/>
GROSS TOTAL		1,050,920
SUB-HEAD Z—APPROPRIATIONS-IN-AID—		
Item 1—K.M.C. Bonus		31,620
		<hr/>
NET TOTAL HEAD D.3		<u>£1,019,300</u>

WATER (HEAD D.4)**SUB-HEAD A—WATER SUPPLIES**

Item 1—Gazetted Supplies.—The Government intends to hand over its water supplies in County Council areas to the local authority, and negotiations with a number of Councils are now in progress. This allocation of £275,000 is intended to finance capital works in areas where the local authority either does not exist or is not yet ready to assume responsibility. Actual projects are to be shown in the annual development estimates. Finance for local authority schemes is found through the Local Government Loans Authority.

Item 2—Mombasa.—£30,000 provision is included to enable works started in 1959/60 to be completed and also to extend reticulation in newly developed areas.

Item 3—Mombasa North Mainland Scheme (Loan to Mombasa Pipeline Board).—This scheme, of a total value of £240,000 undertaken by the Mombasa Pipeline Board was started in 1959/60 and the capital, which is loaned to the Board is obtained by the sale or transfer of investments in the Mombasa Water Supply Renewals Fund. The total allocation in 1960/63 is £100,000 assuming £140,000 worth of work to be completed in 1959/60.

Item 4—Non-Gazetted Supplies.—This is a small allocation of £5,000 for the completion of schemes in hand at the close of the current programme. It has been found that with the majority of such schemes in the past, once the supply is installed, the demand increases so as to justify the gazettement of the supply. It is not therefore proposed to continue a separate allocation for such schemes.

Item 5—Rural Water Supplies.—A total allocation of £65,000 is proposed of which £45,000 is required for the replacement of supplies in the Northern Province, and £20,000 for works in the scheduled areas. An allocation of £300,000 for supplies in the non-scheduled areas is included in Head D.2 Sub-head D Item 3, and is administered by the ALDEV Board and Provincial Agricultural Committees in the non-scheduled areas.

Item 6—Dam and Borehole Subsidies.—A total allocation of £80,000 is proposed in order to pay subsidies in all areas of the Colony for approved dams and boreholes. In recent months the amount of subsidy for works in the drier areas has been increased, in order to stimulate development there.

TABLE 17

Head D.4—Water

SUB-HEAD A—WATER SUPPLIES—	£
Item 1—Gazetted Supplies	275,000
Item 2—Mombasa	30,000
Item 3—Loan to Mombasa Pipeline Board ..	100,000
Item 4—Non-gazetted Supplies	5,000
Item 5—Rural Water Supplies	65,000
Item 6—Dam and Borehole Subsidies	80,000
TOTAL HEAD D.4	<u>£555,000</u>

MINISTRY OF INTERNAL SECURITY AND DEFENCE (HEAD D.5)

The maintenance of law and order is a matter of supreme importance to the economic development of the territory. The major development problem facing the Government in this field is the replacement of inadequate and insanitary temporary buildings, in order that the security forces can be properly housed. It

will be seen from the subsequent information under the expenditure sub-heads of the Defence votes, that the major portion of the total of £1,919,000 relates to housing and accommodation schemes.

SUB-HEAD A—POLICE

The allocation of £970,000 includes a special scheme of £250,000 to provide staff housing in the Nairobi Area for 212 officers, of which £220,000 will be spent in 1960-63. The money will be lent against a mortgage of the land and buildings to the Sceptre Trust Ltd. Over and above this there is an amount of £537,500 to be found from loan funds for staff housing in other centres including the completion of lines at Nyeri, payment for the lines at Embakasi Village and the new lines at Nakuru (£200,000).

At the Police Training School it is proposed to continue the replacement of the old dilapidated temporary buildings and an allocation of £120,000 is included for this purpose. £30,000 is included for a new headquarters and housing for the Dog Section in Nairobi. The remaining item in the Police vote is concerned with the development of Police Stations at various places scattered throughout the Colony. Expenditure of £62,500 covers the replacement of temporary structures and the resiting of some stations for security reasons.

SUB-HEAD B—PRISONS

The total allocation for the Prisons Department is £313,000 and this is subdivided as to £10,000 for the completion of the Shikusa Training Centre where the work is being carried out by the prisoners themselves, and £150,000 for the next phase of the Kamiti Prison and Training Centre. A large proportion of the Kamiti expenditure is to provide staff housing to replace temporary accommodation of the "A" frame type.

To alleviate the overcrowding in existing prisons an allocation of £70,000 is proposed for a new short-term prison to provide accommodation for 300 prisoners. In addition an allocation of £80,000 is proposed for staff housing at existing prisons throughout the Colony to replace temporary dilapidated accommodation and to reduce overcrowding in areas where married families have to share single quarters. £3,000 is included for the purchase of land for a new prison at Nakuru.

SUB-HEAD C—MILITARY

It is hoped that the U.K. Government will be able to assume financial responsibility for capital works for the E.A. Land Forces as from 1st April, 1961. However it is proposed to carry on with the African lines and ancillary services for Kenya's K.A.R. Battalion at Langata Cantonment and it is expected that £130,000 will be spent in the first nine months of the planning period. Discussions are at present taking place with the Tanganyika and Uganda Governments regarding joint command and reserve projects, and token provision only is being made. An allocation of £15,000 is proposed for store and office accommodation for the Kenya Regiment including the provision of two additional quarters at regimental headquarters.

TABLE 18

Head D.5—Ministry of Internal Security and Defence

SUB-HEAD A—POLICE—	£	£
Item 1—Police Training School, Nyeri	120,000	
Item 2—Staff Housing	537,500	
Item 3—Special Staff Housing Scheme	220,000	
Item 4—Dog Section Headquarters	30,000	
Item 5—Police Stations	62,500	
	970,000	970,000
 SUB-HEAD B—PRISONS—		
Item 1—Shikusa Training Centre	10,000	
Item 2—Kamiti Prison and Training Centre	150,000	
Item 3—Staff Housing	80,000	
Item 4—Short-term Prison, Central Province	70,000	
Item 5—Purchase of Land	3,000	
	313,000	313,000
 SUB-HEAD C—MILITARY—		
Item 1—Accommodation Kenya K.A.R. Battalion at Langata	130,000	
Item 2—Kenya Regiment	15,000	
Item 3—Command and Reserve Projects	1	
	145,001	145,001
TOTAL HEAD D.5		£1,428,001

MINISTRY OF LOCAL GOVERNMENT (HEAD D.6)

SUB-HEAD A—LOCAL GOVERNMENT LOANS AUTHORITY

A basic allocation of £1,500,000 is proposed as a loan to the Local Government Loans Fund operated by the Authority, to make loans to local authorities for such purposes as they may be authorized by law to borrow money. It is estimated that in addition a sum of £500,000 will be available for relending from the repayments of interest and principal on loans made in previous years. In total the Authority will have about £2 million at its disposal, as compared with a total of £2,500,000 of essential projects submitted by local authorities as likely to require finance during the next three-year programme. It is estimated that approximately £1,120,000 of the amount available will be required for Sewerage and Water Supply schemes with which the Authority has agreed to assist, including two major sewerage schemes at Mombasa and Kisumu. In view of the general shortage of capital the Authority will continue to give priority to essential economic projects such as water supplies, sewerage and roads and drains in urban areas. It is unlikely that there will be sufficient funds to provide loans for much in the way of social services, but the Authority has discretion to decide what loans will be granted from the funds available.

There is an additional allocation of £1,500,000 to be made to the Authority because the Nairobi City Council is unlikely to be able to raise independently all the money required to finance its approved capital programme. This programme provides for expenditure at the rate of £1 million per annum and it is estimated that of this £500,000 per annum can be raised by the Council locally or overseas and this will leave a balance over the 1960/63 programme of £1.5 million for which the Council will have to apply to the Local Government Loans Authority.

TABLE 19

Head D.6—Local Government

SUB-HEAD A—LOAN TO THE LOCAL GOVERNMENT LOANS FUND .. £3,000,000

MINISTRY OF HEALTH (HEAD D.7)

The allocations for Health Services are limited by the ability of the Colony to finance the recurrent expenditure in new hospitals and health centres. The Government recognizes the valuable contribution from non-Government bodies towards improving medical facilities.

SUB-HEAD A—GOVERNMENT MEDICAL SERVICES

Item 1—Nandi Hills Hospital.—An allocation of £5,000 is proposed to complete this Government hospital, which was started in the current programme, and towards which the Tea Growers' Association made a gift of £12,000.

Item 2—Hospitals, Nyanza Province.—It is proposed to erect two new hospitals in the Nyanza Districts to serve populous areas which are remote from the existing hospitals. Each hospital will consist of 45 beds and the estimate of £40,000 each includes institutional housing.

Item 3—Provincial Mental Wards.—An allocation of £29,000 is proposed in order to erect a special ward and treatment unit (£5,800) at each of the five provincial hospitals, for the treatment of mental disease. At present the pressure on the facilities at the central Mathari Hospital is insupportable. With the provision of these wards, it will be possible to provide treatment, including electro-convulsive therapy, at centres nearer to the patient's home, with the object of enabling him to return to normal life and work at an early date.

Item 4—Institute for Criminal Lunatics.—An allocation of £150,000 is proposed to provide a Colony institute for 150 criminal lunatics. At present there are no adequate facilities for these people. It is considered imperative that accommodation be provided in order that adequate security and medical supervision can be arranged for criminal lunatics. It is hoped that this will also relieve the present overcrowding at Mathari.

Item 5—Staff Housing.—A total allocation of £150,800 is proposed, of which £16,311 represents the payment for departmental housing at Embakasi, the village for Nairobi Airport. Of the balance £20,000 is to provide a separate Residents' Mess at the King George VI Hospital, Nairobi, in order to release the top floor of the Rahimtulla Wing which is urgently required for the accommodation of patients, and the remainder (£114,489) is for institutional staff housing at various hospitals in the Colony. It is the Government's intention that only those staff whose duties make it absolutely essential for them to reside within the hospital compound will be regarded as eligible for institutional housing financed by this item. Other medical staff will normally be required to seek housing either through the Government pool or on local authority estates or privately.

Item 6—Tuberculosis Research.—This is the continuation of a survey started in the 1957/60 programme, with the assistance and co-operation of the World Health Organization and the Nairobi City Council. It is intended to complete the Nairobi survey in 1960/61, and then to extend to other areas. An allocation of £12,000 is proposed, which is the Government's matching contribution to the assistance from the W.H.O. and UNICEF.

Item 7—Medical Buildings.—An allocation of loan funds of £80,000 is proposed for major projects connected with existing institutions, which are not considered to be in the category of Public Works Non-recurrent to be financed from revenue. In general these will be projects of the order of £5,000 and above, and it will be noted that an allocation of £90,000 has been included in P.W.N.R. for revenue financed projects of say £5,000 and below. Details of projects under this item will be agreed in connexion with the annual estimates.

SUB-HEAD B—GRANTS FOR HEALTH SERVICES

Item 1—Health Centres.—An allocation of £30,000 is proposed to assist local authorities in the construction of Health Centres. The funds will largely be used to build Health Sub-centres in areas which have not yet achieved Public Health Authority status—and to institute a Health Centre Training School at an existing Health Centre. The centres play a vital part not only in curative but also in promotive and preventive medicine, particularly in the rural areas.

Item 2—Non-Government Hospital Projects.—A total allocation of £113,200 is proposed in order to make capital grants on a £ for £ basis, to the various bodies responsible for the running of non-Government hospitals, towards the actual cost of building extensions and permanent equipment. This is in continuation of the existing Government policy, and a provisional list of projects which it is expected will rank for assistance is given below:—

Aga Khan Hospital.
Catholic Mission Nursing Home.
Mombasa and Coast European Hospital.
Mount Kenya Hospital.
Nairobi European Hospital.
Nakuru War Memorial Hospital.
Nanyuki Cottage Hospital.
Pandya Memorial Clinic.
Sundry Mission Hospitals.

SUB-HEAD C—SOCIAL SERVICES

An allocation of £60,000 is proposed to enable the Government to pay percentage grants not exceeding 45 per cent of the capital cost of certain approved social service projects. It is the Government's intention that such grants in the main should be paid to the local authority, and the Ministry hope to divert a considerable proportion of this sum towards child welfare projects.

TABLE 20
Head D.7—Health

SUB-HEAD A—GOVERNMENT MEDICAL SERVICES—	£	£
Item 1—Nandi Hills Hospital	5,000	
Item 2—Hospitals, Nyanza Province	80,000	
Item 3—Provincial Mental Wards	29,000	
Item 4—Institute for Criminal Lunatics	150,000	
Item 5—Staff Housing	150,800	
Item 6—Tuberculosis Research	12,000	
Item 7—Medical Buildings	80,000	
		506,800
SUB-HEAD B—GRANTS TO HEALTH SERVICES—		
Item 1—Health Centres	30,000	
Item 2—Non-Government Hospital Projects	113,200	
		143,200
SUB-HEAD C—SOCIAL SERVICES		60,000
TOTAL HEAD D.7		£710,000

MINISTRY OF HOUSING (HEAD D.8)

The allocation to the Ministry of Housing is divided into the funds for the erection of housing for Government staff, and grants and loans to local authorities for specific housing schemes.

SUB-HEAD A—GOVERNMENT STAFF HOUSING

In Sessional Paper No. 77 of 1956/57 the Government stated its general housing policy to be to move away from the responsibility for housing its officers, except in so far as it is unavoidable to continue to provide housing at institutions, for expatriate officers and at out-stations where no other housing is available (*vide* paragraphs 100–103 and Appendix “C” of Sessional Paper No. 77 of 1956/57). In general, progress towards fulfilling this policy has been very disappointing. But the Government considers the policy to be the right one to pursue, and is restating its intention to ensure that before any funds are expended, whether from the Government Staff Housing Vote or for any Ministerial allocation for institutional housing or for housing in out-stations, the Ministry of Housing shall confirm that the proposal is in accordance with the Government’s housing policy. In the 1957/60 programme (*vide* paragraph 106 of Sessional Paper No. 77 of 1956/57) very substantial allocations for staff housing were included in Ministerial allocations other than that of the Chief Secretary who was responsible at that time for Government staff housing. But in the 1960/63 programme the allocations have been drastically reduced.

In July, 1960, the Government has to make payment for the staff housing erected by the Nairobi County Council at the Nairobi Airport village of Embakasi. The amount is included under the allocations of the user Ministries, subdivided as to the following departments:—

		£
Immigration	6,500	(in Government Staff Housing Vote).
Police	57,500	
Veterinary	1,500	
Works	163,700	
Commerce & Industry	70,000	
Health	16,311	

It is proposed to make a total allocation of £750,000 for Government staff housing which is roughly apportioned as follows:—

		£
<i>(a) Nairobi and Reserve</i>		
Immigration, etc., Embakasi	6,500	
Low Density	80,000	
Medium Density	25,000	
High Density	98,500	
Unallocated Reserve	105,000	
<i>(b) Central and Nyanza Provinces at £100,000</i>	200,000	
<i>(c) Rift Valley Province</i>	80,000	
<i>(d) Coast Province</i>	70,000	
<i>(e) Southern Province</i>	50,000	
<i>(f) Northern Province</i>	35,000	
Total		£750,000

It is estimated that this amount will provide 35 officers with low density, 47 officers with medium density and 1,200 officers with high density housing.

SUB-HEAD B—HOUSING SCHEMES

Items 1 and 2.—An allocation of £880,000 is proposed for local authority housing schemes of which £40,000 is intended for 50 per cent grants for the cost of services such as roads, water, drains and sewers, and the balance of £840,000 is for a loan to the Central Housing Board to enable the Board to relend the money to local authorities to finance suitable schemes.

The growth of building societies in recent years has been remarkable, and the public investment has been restricted to the provision of guarantees in certain cases by the local authorities and the Government for such loans. This of course involves the Government in a contingent liability in cases of default.

It is the Government's intention to amend the Housing Ordinance to remove any racial restrictions on the activities of the Central Housing Board, but it is emphasized that the loans will only be provided for those schemes which cannot for various reasons attract private enterprise, and this policy implies a concentration on high density, "low income group" housing in the major urban centres of the Colony. Within this general overall statement of policy the Board has freedom to decide what loans are to be made within the limits of available finance. The allocation should be sufficient to house some 3,400 families.

Owing to the fact that of the schemes financed in the past, £2 million has been provided by a loan from the Colonial Development Corporation, the redemption of which is spread over 25 years, whereas the relending to local authorities is spread over periods up to 40 years, it may be necessary for the Board to utilize some of its loan allocation to cover the interim gap between its income and its outgoings. Ultimately the situation will rectify itself and the free capital of £607,382 originally granted to the Board will be unencumbered.

Item 3—Kibera.—The Government has approved in principle a scheme for the replanning of the Kibera area. It is estimated that in the 1960/63 programme the Government's share of this scheme will be of the order of £280,000, but full financial details have still to be worked out. The proposals have been discussed with and explained to the residents of Kibera.

TABLE 21

Head D.8—Ministry of Housing

	£
SUB-HEAD A—GOVERNMENT STAFF HOUSING	750,000
SUB-HEAD B—HOUSING SCHEMES—	£
Item 1—Loan to the Central Housing Board ..	840,000
Item 2—Fifty per cent Grant for services to Local Authorities	40,000
Item 3—Kibera	280,000
	<hr/>
	1,160,000
TOTAL HEAD D.8	<hr/> <hr/> £1,910,000

MINISTRY OF EDUCATION (HEAD D.9)

The allocation of development funds to education is limited as much by the ability of the Colony to bear the recurrent costs which are generated by the building of new schools as by the general shortage of capital. It will be seen from Chapter VI that the ultimate recurrent effect of projects listed in Head D.9 is estimated at nearly £600,000 per annum and no provision is included in this for the increased grants for primary and intermediate education in the African Land Units where the capital works are not a charge on the development programme. From recent trends it is considered that the annual recurrent expenditure on education, after allowing for fees resulting from increased enrolments, may well rise from a figure of £5.39 million net in the 1959/60 estimates to around £6.8 million to £7 million by the end of 1962/63.

The Government does not consider that it is feasible, irrespective of the merits of individual projects, to make an allocation in excess of £2,147,000 for the 1960/63 programme, in view of the high recurrent implications. But in subdividing this allocation as between the racial divisions, full consideration has been given to the policy declared in Sessional Paper No. 4 of 1958/59 on the Harper-Woodhead Report, particularly in relation to the needs of Asian education.

The size of the problem can best be gauged by tabulating (Table 3) the growth of schools and the school enrolments as between the years, 1946, 1953, 1955 and 1958, and estimating the facilities that will be available by the end of the 1960/63 programme. Expansion at the rates shown in Table 3 is likely to be needed for several more three-year programmes after 1960/63.

SUB-HEAD A—AFRICAN EDUCATION

In Table 22 below the total expenditure on African education has been broken down by the various Educational Regions. It is anticipated that the bulk of the work will be undertaken by the building teams from the Technical and Trade schools.

TABLE 22—BREAKDOWN OF EXPENDITURE ON AFRICAN EDUCATION BY REGIONS

Item	Coast	Nairobi	East Central	West Central	Western	Total
	£	£	£	£	£	£
1. Secondary	35,000	142,500	175,500	52,500	185,050	590,550
2. Teacher Training ..	—	—	62,750	68,000	66,100	196,850
3. Primary/Intermediate..	30,000	91,600	3,000	14,500	9,500	148,600
	£ 65,000	234,100	241,250	135,000	260,650	936,000

Item 1—Secondary Schools.—A total allocation of £590,550 is proposed in order to finance a number of essential projects connected with the expansion of African secondary education.

The following works are included:—

	£
(a) Continuation of work on Kiganjo and Njiri's Schools ..	50,000
(b) Continuation Njoro School	46,554
(c) Continuation Kericho School	18,600
(d) Higher School Certificate Classes	181,600
(e) 15 new Day Secondary Schools	155,500
(f) Secondary School accommodation—Taita £9,000 and Giriama £1,000	10,000
(g) Grant to Kapsabet Girls' School	5,946
(h) Completion of Butere School	26,400
(i) Homa Bay Boys' Boarding School	24,600

It will be seen that the projects listed above can be divided into three categories—

- (i) to complete projects started in the 1957/60 programme;
- (ii) to start Higher School Certificate classes in a number of schools in order eventually to do away with the necessity for comparable facilities at Makerere and the Royal Technical College;
- (iii) to provide day secondary schools particularly in the Central Province and Nyanza.

Item 2—Teacher Training.—A total allocation of £196,850 is proposed in order to develop the existing Teacher Training colleges at Kigari £36,000, Hunters' Trees £47,621, Kamwenja £26,750, Kitale £20,379, Kaimosi £28,502, Eregi £29,700 and Kabianga £7,898. This expansion is designed to increase the output of K.T.1 teachers for intermediate and secondary schools. It is considered that existing facilities can meet the basic needs of primary school expansion.

Item 3—Primary and Intermediate Schools.—An allocation of £148,600 is proposed mainly for the development of primary and intermediate schools in the settled areas and in the various townships of the Colony. The greater part relates to the completion of projects started in 1957/60 programme in Nairobi City and Mombasa. But an allocation of £12,000 is proposed for a Girls' Intermediate Boarding School in Masai where the nomadic population make day intermediate schools impracticable.

As regards the settled areas, the Government recognizes the present disparity of educational opportunity as between the African Land Units and the settled areas, and it is proposed to make a percentage contribution within the limits of available finance towards the capital costs of providing schools, particularly at the intermediate level.

SUB-HEAD B—ARAB EDUCATION

A total allocation of £33,000 is proposed in order to provide extensions to the three principal schools, namely:—

	£
Mombasa Girls' Primary (7 classrooms, ablutions, etc.) ..	11,400
Mombasa Boys' Primary (7 classrooms, ablutions, etc.) ..	11,400
Mombasa Secondary (6 classrooms, ablutions, etc.)	10,200

SUB-HEAD C—ASIAN EDUCATION

Item 1—New Primary Schools.—Two new schools are proposed at Nairobi (21 classrooms) £51,500 and Mombasa (21 classrooms) £47,000.

Item 2—Extensions: Primary Tuition.—Extra classrooms are to be added to existing schools in order to cope with the increases in enrolment and to endeavour to reduce the prevalence of double sessions. This programme is as follows:—

	£
Nairobi South (7 classrooms)	9,200
Nakuru (14 classrooms)	18,700
High Ridge (7 classrooms)	9,200
Kisumu (7 classrooms and sanitary facilities)	11,000
Kericho (5 classrooms and sanitary facilities)	7,400
Eldoret (7 classrooms)	9,200
Fort Hall (2 classrooms)	2,900
Thika (9 classrooms)	11,800

Total £79,400

Item 3—New Secondary Schools.—The following new secondary schools are planned:—

	£
Nairobi Boys'	69,250
Nairobi Girls'	49,250
Mombasa	69,250
Kisumu	51,250
Central Province	51,250
Kitale Phase I	22,250
	<hr/>
Total	£312,500
	<hr/> <hr/>

Item 4—Extensions: Secondary Tuition.—In order to complete classroom and laboratory accommodation up to the level required by the enrolment in existing schools, the following programme of works is proposed:—

	£
Thika (2 classrooms and 1 practical room)	5,500
Eldoret (science block)	8,500
	<hr/>
Total	£14,000
	<hr/> <hr/>

Item 5—Grants-in-Aid.—A total allocation of £79,100 is proposed for capital grants to be paid in accordance with the provisions of the Non-African Schools (Grant-in-Aid) Rules.

SUB-HEAD D—EUROPEAN EDUCATION

Item 1—New Secondary Schools.—A new school at Nakuru is planned at a cost of £59,800 including permanent equipment and lay-out of grounds. This will be a mixed school and a single boarding block for boys is being provided out of funds provided by the Uganda Government in Sub-head H below. It is intended that the majority of pupils will be day pupils and that this school will not be expanded into a full boarding school. At present there are no facilities for boys' secondary education outside the Nairobi area. The minimum of institutional housing is also provided.

Item 2—New Primary Schools.—Two new day schools are proposed in order to meet the requirements of the rising school population, and to relieve pressure on primary boarding facilities. They will be constructed at Naivasha (£12,250) and in the Spring Valley area of Nairobi (£9,950). The estimates include lay-out of grounds and permanent equipment in addition to the cost of the building.

Item 3—Grants-in-Aid.—An allocation of £6,500 is proposed in order to pay capital grants for additional classrooms at various private schools.

Item 4—Extensions: Primary Boarding.—While it is not the general intention to expand boarding facilities at European primary schools, the provision of some additional spaces for pupils is necessary, particularly at Kericho and Kitale. An allocation of £40,000 is proposed.

Item 5—Extensions: Primary Tuition.—An allocation of £26,500 is proposed in order to provide additional classrooms at existing schools, probably Machakos, Thika, Karen and Molo.

Item 6—Extensions: Delamere Boys' School.—The phased development of this day school which was started in the 1957/60 programme is continuing, with six more classrooms, and additional laboratory and ancillary accommodation, at a total cost of £13,500. The ultimate enrolment is expected to reach 360 pupils by 1962/63.

Item 7—Rebuilding: Prince of Wales School.—An allocation of £41,500 is proposed in order to replace a number of dilapidated wooden buildings.

SUB-HEAD E—HIGHER EDUCATION

The major part of the capital required for Higher Education is being found from special C.D. & W. grants for the period 1959/64, £1 million to Makerere and £0.8 million to the Nairobi college. These capital grants are subject to the territorial governments concerned agreeing to meet the additional recurrent costs.

An allocation of £5,000 only is therefore proposed for expansion at the Royal Technical College and Makerere College. The future development of the Royal Technical College is tied to the pace of establishing it as a territorial college forming an integral part of an East African University. But works required include a larger library, an additional science block for degree work, and expanded tuition facilities.

SUB-HEAD F—SPECIAL SCHEMES

It is proposed to make a grant of £10,000 for approved capital expenditure by the Kenya Society for the Blind on a £ for £ basis particularly for schemes connected with the education of blind persons.

The policy of the Government towards non-racial non-Government schools is at present under review.

SUB-HEAD G—TECHNICAL AND TRADE EDUCATION

Item 1—New Rift Valley School.—This project was deferred from the 1957/60 programme, and an allocation of £52,250 is proposed in order to construct a school with the necessary tuition and boarding accommodation for an intake of 50 students a year, making a total of 170 students in residence at a time. Four-year courses in carpentry and building will be run each for ten students, and a three-year course for 30 farm mechanics. A minimum of strictly institutional staff housing will also be provided.

Item 2—Kenya Technical Institute.—£40,000 is required for the completion of the workshop blocks at the Institute, work on which started in 1959/60. It is expected that 50 per cent of the cost will be found from C. D. & W. Funds. The total cost of the whole project is £170,000, of which £130,000 was voted during 1957/60.

Item 3—Extensions at Existing Schools.—An allocation of £30,249 is proposed in order to complete the schools at Kwale, Machakos and Sigalagala (Nyanza). Part of the allocation is required for housing, but wherever possible staff, particularly in the locally recruited subordinate grades, will be required to make their own housing arrangements.

SUB-HEAD H—UGANDA SUPPLEMENTARY SCHEME

As a result of discussions between the Governments of Kenya and Uganda, the Government of Kenya has agreed to guarantee a certain number of places in secondary boarding schools for Uganda children, in return for which the Uganda Government is providing the capital necessary to expand the boarding facilities to provide these places. The total amount of the loan is £350,000 phased over five years, and work will start in 1959/60. The projects to be undertaken over the whole period include a complete boarding block at three schools, the Duke of York, the Highlands School, Eldoret, and the new Nakuru mixed school, and a boarding annexe at the Eldoret school. It is estimated that in the 1960/63 programme work on the projects will cost £269,000. This work does not form part of the normal expansion of European secondary education for Kenya pupils, but it is included at the express request of the Uganda Government whose pupils will be paying fees which include both the interest element on capital borrowed and maintenance and sinking fund contributions. The final instalment of the loan will be payable in 1963/64, but expenditure proposals may be submitted for the balance in the 1962/63 estimates.

TABLE 23

Head D.9—Education

SUB-HEAD A—AFRICAN EDUCATION—	£	£
Item 1—Secondary Schools	590,550	
Item 2—Teacher Training	196,850	
Item 3—Primary and Intermediate Schools ..	148,600	
	<hr/>	936,000
SUB-HEAD B—ARAB EDUCATION—		
Item 1—Extensions—Primary Tuition	22,800	
Item 2—Extensions—Secondary Tuition	10,200	
	<hr/>	33,000
SUB-HEAD C—ASIAN EDUCATION—		
Item 1—New Primary Schools	98,500	
Item 2—Extensions Primary Tuition	79,400	
Item 3—New Secondary Schools	312,500	
Item 4—Extensions—Secondary Tuition	14,000	
Item 5—Grants-in-Aid	79,100	
	<hr/>	583,500
SUB-HEAD D—EUROPEAN EDUCATION—		
Item 1—New Secondary Schools	59,800	
Item 2—New Primary Schools	22,200	
Item 3—Grants-in-Aid	6,500	
Item 4—Extensions—Primary Boarding	40,000	
Item 5—Extensions—Primary Tuition	26,500	
Item 6—Extensions—Delamere Boys' School ..	13,500	
Item 7—Rebuilding Prince of Wales School ..	41,500	
	<hr/>	210,000
SUB-HEAD E—HIGHER EDUCATION		
		5,000
SUB-HEAD F—SPECIAL SCHEMES—		
Item 1—Grants-in-Aids—Kenya Society for the Blind	10,000	
Item 2—Non-racial Secondary Boarding School ..	1	
Item 3—Hospital Hill (Non-racial) Primary School	15,000	
	<hr/>	25,001
SUB-HEAD G—TECHNICAL AND TRADE EDUCATION—		
Item 1—New Rift Valley School	52,250	
Item 2—Kenya Technical Institute	40,000	
Item 3—Completion of existing Schools—Kwale, Machakos and Nyanza	30,249	
	<hr/>	122,499
SUB-HEAD H—(UGANDA SUPPLEMENTARY SCHEME)—		
Boarding Blocks, Highlands School, Eldoret, Nakuru Mixed Secondary School and Duke of York School		269,000
 TOTAL HEAD D.9		 <hr/> <u>£2,184,000</u>

LANDS AND SURVEYS (HEAD D.10)

SUB-HEAD A—ROAD AND SEWER CONSTRUCTION AFFECTING CROWN LAND

An allocation of £120,000 is proposed in order that the Government may make payment towards the cost of road and sewer construction, within the limits of available finance, as a frontager or a landowner. The Government is not legally liable under the Municipalities and Townships (Private Streets) Ordinance to pay apportionments in respect of roads, drains and sewers, but in order that such development may not be retarded, it is the Government's intention to assist where possible. In the past, expenditure of this nature has been financed from the Colony recurrent budget, but it is now proposed to use loan funds to finance this item. The two major projects which have been accepted are at Embakasi Village and in City Square, Nairobi. Other proposals from local authorities can only be accepted if the finance is available.

SUB-HEAD B—LAND CONSOLIDATION SURVEYS

An allocation of £550,000, of which all but £10,000 relates to recurrent expenditure on personal emoluments and other charges, is proposed for expenditure on Land Consolidation Surveys. This is closely related to Sub-head C of Head D.1 in the Ministry of African Affairs, because the work of consolidation, registration and the issue of title can only proceed, if the field surveys and preparation of maps are keeping in step. The amount represents a contribution to the continuation of the existing service, and no expansion is envisaged. But all the staff will be shown in the Colony Vote, together with other staff of the Survey Department, and the Development Fund allocation will be shown as an Appropriation-in-aid towards expenditure by the Survey Department on and in the African lands.

TABLE 24

Head D.10—Land and Surveys

SUB-HEAD A.—Road and Sewer Construction affecting Crown Land	£ 120,000
SUB-HEAD B—Land Consolidation Surveys	550,000
TOTAL HEAD D.10	<u>£670,000</u>

MINISTRY OF FOREST DEVELOPMENT, GAME AND FISHERIES (HEAD D.11)

SUB-HEAD A—FOREST DEVELOPMENT

Item 1—Development of Plantations.—The Development Fund in 1959/60 made a contribution towards the cost of developing plantations up to the stage of first thinning, during which expenditure might be regarded in commercial terms as chargeable to the capital as opposed to the revenue account. After reaching the stage of first thinning, expenditure is largely directed to the exploitation of the asset, as opposed to its creation in the earlier period. It is proposed to continue this contribution at the rate of £100,000 per annum during the 1960/63 programme. This amount is a general contribution to the gross expenditure on staff and other charges, shown in the Ministry's Colony Vote, and is not allied to any specific posts or items. The planting target, excluding the Supplementary Scheme and A.D.C. Forests, is 25,300 acres during this programme.

Item 2—Non-recurrent Expenditure.—An allocation of £75,000 is proposed for such items of non-recurrent expenditure as aerial mapping £1,000, housing £24,000, buildings £7,000, water supplies £5,500, roads £19,500, new vehicles and equipment £18,000, similar to the projects financed in the 1957/60 programme. The works include the establishment of the Lembus Forest Station, which was deferred from the current programme.

SUB-HEAD B—SUPPLEMENTARY FOREST DEVELOPMENT SCHEME

This is primarily a scheme to reabsorb landless and unemployed persons of the Kikuyu, Embu and Meru tribes on new forest stations, and it has been financed by contributions from the Emergency Fund up to the end of the financial year 1959/60. No further money will be available from the Emergency Fund and the continuation of the scheme is now part of the normal Development Programme. The recurrent expenditure on staff and other charges is shown separately in the Ministry's Colony Vote, and it is proposed to make a contribution to this of £200,000 per annum from the Development Fund. The work is connected with the extension of soft wood plantations within the general framework of the Craib Plan for the forests of the Colony and on the same basis as Item 1 of Sub-head A, it is considered reasonable to utilize Development Funds towards this expenditure of a capital nature incurred in developing the plantations up to the stage of first thinning. The acreage to be planted during this programme is 13,900, making a total of 21,970 acres since the scheme started. In addition, an allocation of £75,000 is proposed to cover capital expenditure of a non-recurrent nature on housing £20,000, buildings £17,000, roads £34,000, and new vehicles and equipment £4,000.

SUB-HEAD C—AFRICAN DISTRICT COUNCIL FORESTS

An allocation of £120,000 is proposed for the continuation of the existing schemes previously financed under the Swynnerton Plan. The major projects are in the districts of Machakos, Kitui, Taita, Baringo and West Suk. The Ministry will in future be fully responsible for these schemes, but will have available the advice and experience of the African Land Development Board. It is estimated that some 2,500 acres will be planted up each year.

SUB-HEAD D—GAME

Item 1—Buildings.—An allocation of £7,500 is proposed, of which £4,500 is for additional accommodation and stores in Isiolo Township, where two Game Wardens are being stationed. The balance of £3,000 relates to the provision of accommodation for Game Scouts throughout the Colony, and because of the nature of their control work, it is intended to purchase a number of portable huts, which can be dismantled and moved as the emphasis shifts to different areas.

Item 2—Fauna Research.—An allocation of £11,000 is proposed for the continuation of a three-year scheme of fauna research, which was started in 1959/60 and which is financed in full by a grant from C.D. & W. Research Funds.

SUB-HEAD E—FISHERIES

There is only one project for a grant of £6,000 to the Malindi Township Authority towards the capital cost of a wholesale fish market including refrigeration, which it is estimated will cost £12,000. The balance the authority intend to borrow from the Local Government Loans Fund. The local authority will be responsible for the recurrent costs and the operation of the market, which will provide for the first time adequate facilities for handling the catch.

SUB-HEAD F—NATIONAL PARKS

Item 1—Capital Grants.—An allocation of £75,000 is proposed in order to increase the level of Government's contributions to the Trustees of the Royal National Parks for expenditure on approved capital projects. This amount is an outright grant, and the Trustees make no provision for either repayment or interest, although, of course, these payments will continue to be borne in future years by the Public Debt. The main items to be financed include the construction of new roads (£37,000), the purchase of road machinery (£19,500), and the improvement of water supplies (£18,500).

Item 2—Expansion of Lodge Accommodation.—An allocation of £75,000 is proposed to expand certain of the more popular lodges in the National Parks, to enable larger parties of tourists to be accommodated and also fed. The catering facilities which it is proposed to introduce are of a fairly simple nature. The question of the responsibility for the running of these expanded lodges and restaurants and the details of how this money is to be administered are still under negotiation with the Trustees.

TABLE 25

Head D.11—Ministry of Forest Development, Game and Fisheries

SUB-HEAD A—FOREST DEVELOPMENT—	£	£
Item 1—Development of Plantations	300,000	
Item 2—Non-Recurrent Expenditure	75,000	
	375,000	
SUB-HEAD B—SUPPLEMENTARY FOREST DEVELOPMENT SCHEME—		
Item 1—Development of Plantations	600,000	
Item 2—Non-Recurrent Expenditure	75,000	
	675,000	
SUB-HEAD C—AFRICAN DISTRICT COUNCIL FORESTS		120,000
SUB-HEAD D—GAME—		
Item 1—Buildings	7,500	
Item 2—Fauna Research	11,000	
	18,500	
SUB-HEAD E—FISHERIES		6,000
SUB-HEAD F—NATIONAL PARKS—		
Item 1—Capital Grants	75,000	
Item 2—Expansion of Lodge Accommodation	75,000	
	150,000	
TOTAL HEAD D.11		£1,344,500

MINISTRY OF COMMERCE AND INDUSTRY (HEAD D.12)

SUB-HEAD A—GEOLOGICAL SURVEY

As in the current programme, an allocation of £100,000 is proposed in order to continue the primary geological survey of the territory. It had been hoped to obtain assistance from U.N.O. towards expenditure in 1957/60 but this was not forthcoming, and Kenya loan funds were used to a total of £98,068. The amount provides for the salaries, allowances and other recurrent expenses of staff engaged on the survey, whose posts are shown in the Colony Estimates. It is estimated that just over one-half of the total area of the Colony will have been mapped by the beginning of the new programme, and it is hoped to complete about three-quarters of the total area by the end of 1962/63.

SUB-HEAD B—INDUSTRIAL DEVELOPMENT

Item 1—Industrial Development Corporation.—An allocation of £150,000 is proposed for the Corporation which, throughout the current programme, has continued its activities on the scale possible with the finances made available to it in the past. The balance of free assets has now fallen to around £65,000 and this will be supplemented by loan repayments of the order of £50,000 during the 1960-63 programme. Other funds are tied up in equity holdings which the Corporation considers it would be unprofitable to realize at this stage. The total capital at present available to the Corporation is £466,061, of which £201,811 is free of interest. At the time of the preparation of the annual estimates it is Government's intention to review the financial position of the Corporation in detail and to make such allocations out of the £150,000 as are necessary in the light of the Corporation's existing and potential commitments. Though it is the Government's hope that private investment capital will be found for most local industrial development, including hotels, there will be a continuing need for assistance from the Corporation, in cases where a project is of considerable value to the Colony's economy and finance is not available entirely from normal commercial sources. The allocation takes into account any assistance that may be necessary to the hotel industry.

Item 2—Crown Estates Development Fund.—This is a revolving fund for the development of Crown land for industrial purposes and has a capital of £50,000. A token allocation of £1 is included to indicate general support for the purposes for which the fund was created, but in view of the uncommitted balance and the amounts due to be recovered from existing lessees no specific allocation is being made.

Item 3—African Industrial Estates Development Fund.—This revolving fund has a capital of £11,495 and was established to assist in the development of industrial plots outside the Crown lands. The first area scheduled for development is some seven acres at Karatina in the Nyeri District of Central Province, and if this scheme proves successful, it is possible that similar schemes will be started elsewhere. Preliminary planning has been started for an estate at Limuru, where land has been promised without charge by the Kiambu African District Council, and the possibility of a third estate in the Nyanza Province is being examined. No specific allocation for either of these two projects is being made, and a token amount of £1 is being included to indicate support in principle.

SUB-HEAD C—AIRPORTS AND AERODROMES

Item 1—Embakasi Housing.—An allocation of £70,000 is made as the Ministry's share for its housing in the village adjoining Nairobi Airport. This payment falls due in July, 1960.

Item 2—Nairobi Airport.—The major work to be undertaken in the 1960/63 programme is the extension of the runway and the provision of an additional taxiway to accommodate new long-range jet aircraft which are expected to come into service within the next two years. Discussions are still going on with the United Kingdom Ministry of Transport and Civil Aviation on the exact requirements and with the Colonial Office on the problems of financing this work. The provision of the additional taxiway is also tied to the increased use of the airport by the Royal Air Force. A provisional estimate of the total cost of the extensions is £380,000. It is proposed to apply for a 50 per cent grant from the C.D. & W. block allocation.

Other works which are required at the airport include extensions to the engineering stores (£12,000), additional stores in the terminal building (£8,000) and the provision of roads at the north-east end of the runway (£3,750) to provide access for fire and crash vehicles. This latter work cannot be started until the extent of the new runway extension is agreed.

The total allocation for Nairobi Airport is therefore £403,750, including the balance of the funds necessary for the runway and taxiway extensions which it is hoped will be available from outside sources.

Item 3—Mombasa Airport.—This is an estimated commitment of £25,000 in respect of contract retention money for the work to be executed in 1959/60, on bringing the east/west runway up to a standard suitable for use by Canadair aircraft.

Item 4—Miscellaneous Aerodromes.—An allocation of £60,000 is proposed, of which £55,000 relates to the improvement of Malindi aerodrome to a standard suitable for regular use by Dakota aircraft, and the balance of £5,000 for various improvements and extensions to aerodromes throughout the Colony.

TABLE 26

Head D.12—Ministry of Commerce and Industry						£
SUB-HEAD A—GEOLOGICAL SURVEY	..	..	..	..	..	100,000
SUB-HEAD B—INDUSTRIAL DEVELOPMENT—						£
Item 1—Industrial Development Corporation	..					149,998
Item 2—Crown Estates Development Fund	..					1
Item 3—African Industrial Estates Development Fund	..	..	..	..	..	1
						150,000
SUB-HEAD C—AIRPORTS AND AERODROMES—						
Item 1—Embakasi Housing	..	..	..	..	..	70,000
Item 2—Nairobi Airport	..	..	..	..	..	403,750
Item 3—Mombasa Airport	..	..	..	..	..	25,000
Item 4—Miscellaneous Aerodromes	..	..	..	..	..	60,000
						558,750
TOTAL HEAD D.12	..	..	..	..	..	£808,750

MINISTRY OF WORKS (HEAD D.13)

SUB-HEAD A—ROADS

An allocation of £3,500,000 is proposed for road development, including £1,000,000 being part of the proceeds of a loan which it is hoped to negotiate with the International Bank for road development in certain African areas of high agricultural potential. The allocation of £3,500,000 is not however the full measure of capital expenditure against Government funds on road reconstruction and improvement in the planning period. In 1958 the Government made known that it had invited offers to carry out substantial programmes of trunk road reconstruction and bituminization, whereby contractors would provide the capital required and receive payment in four annual instalments beginning in 1962. On this basis contracts were entered and a programme for a total expenditure of £4,000,000 was begun in July, 1959. Sessional Paper No. 8 of 1958/59 recorded the course of negotiations and the inception of the work. The first major payment under the terms of the agreement with the contractors is due in September, 1962, and the total payable in the Planning Period 1960/63 is expected to amount to approximately £500,000. Capital payments will be met from the Development Fund while the payments of interest on the value of work carried out by the contractors will be met from the Public Dept Vote in the Colony's recurrent estimates. Later repayments of principal on account of the £4,000,000 scheme will fall due in the years 1963/66.

The effect of these arrangements is, therefore, that the value of road improvements in the period 1960/63 will be of the order of £6,500,000. The work to be done under the Contractor-Finance Project will be the reconstruction and bituminization of the main skeleton of trunk roads in the Colony covering the

more developed areas, and should result in Nairobi being linked by bitumen roads with Nyeri, Kitale and Kisumu. The planning and administration of the contract is a charge to the normal Road Authority allocation (*see* Table 27).

The roads part (£1,000,000) of the International Bank project is to be devoted to improving road systems in African areas of high productivity. The work of improvement will consist of some realignment, hard surfacing, improved culverting and drainage and probably bituminization of certain heavily trafficked roads in areas where gravels are scarce. A schedule of roads has been agreed with representatives of the International Bank following consultations between the Road Authority and the interested Ministries based on agricultural production estimates and the state of existing communications.

Table 27 shows the proposed pattern of expenditure of the balance of £2,000,000, formulated by the Road Authority and accepted by the Government. The bias will, as in past programmes, continue to be towards road works stimulating and assisting the Colony's productivity but certain essential improvements in urban areas to which the Road Authority is committed must also be undertaken. Details of the programmes of local authorities to be financed by the allocations shown will be settled with the Road Authority, and expenditure by local authorities is generally no more than in previous programmes. It is emphasized that the Authority may apply to vary the schemes listed in the table, which represents the general intention to continue the development of the Colony's road system on the lines started in previous programmes. An amount of £20,000 is included for roads in the Northern Province which are required by the Police and the Provincial Administration.

TABLE 27—ROAD AUTHORITY CAPITAL PROGRAMME

1. GRANTS TO—	£	£
(a) Municipalities	125,000	
(b) County Councils	265,000	
(c) African District Councils	170,000	
	<hr/>	560,000
2. BRIDGES		50,000
3. LAND COMPENSATION		45,000
4. PLANNING AND SURVEYS		80,000
5. STAFF AND OTHER CHARGES		535,000
6. PLANNING AND ADMINISTRATION EXPENSES CONTRACTOR- FINANCE PROJECT		240,000
7. ROADS—NORTHERN PROVINCE		20,000
8. MAIN AND TRUNK ROAD WORKS—		
(a) Likoni Ferry Ramps	70,000	
(b) Machakos Road (Loan Repayment)	60,000	
(c) Mau Summit—Kitale	150,000	
(d) Mau Summit—Kericho—Kisumu	140,000	
(e) Eldoret—Kapsabet	50,000	
	<hr/>	470,000
TOTAL HEAD D.13, SUB-HEAD A, ITEM 2		<hr/> <hr/> <u>£2,000,000</u>

SUB-HEAD B—HYDRAULIC BRANCH

In the current programme an allocation was included in the Swynnerton Plan to augment the staff of the Hydraulic Engineer to carry out investigations and execute works for water supplies arising out of the Plan, and more particularly to design and lay out irrigation works under the Accelerated Swynnerton Plan. It has now been decided that the amount of loan funds to continue this work should be on the basis of a reducing annual grant, so that by the end of the 1960/63 programme the staff will thereafter be paid for in the recurrent budget. An allocation of £60,000 is proposed, being £30,000 in the first year,

£20,000 in the second and £10,000 in the final year of the programme. The residual amount to be borne on the Colony recurrent budget will depend on the size of staff necessary for the continuation of irrigation and allied work.

In addition a sum of £40,000 is proposed as a contribution to the costs of investigation and hydrological surveys carried out by the branch, including the purchase of technical equipment. This allocation had been included under the Water Development Vote of the Ministry of Agriculture in previous programmes.

SUB-HEAD C—GOVERNMENT OFFICES AND BUILDINGS

This is a new sub-head, bringing together a number of items previously shown under individual Ministries, but which are now grouped under the Ministry of Works which is responsible for the execution of the projects.

Item 1—Broadcasting.—An allocation of £3,000 is proposed in order to complete the Nairobi Studio Centre, the contract for which was signed in 1959/60, the completion date being August, 1960. The bulk of the funds out of the total contract price of £114,000 are being found within the 1957/60 scheme value of £351,000 for the Kenya Broadcasting Service, of that total two-thirds (£234,000) is subject to a special C.D. & W. grant. It is estimated that £7,000 of the £351,000 will be unspent at the end of the financial year 1959/60, and will be required in 1960/61, in addition to the loan fund allocation of £3,000 proposed above.

Item 2—Judicial Buildings.—An allocation of £20,000 is proposed for new Court houses at Kiambu and Nanyuki, where the existing accommodation has proved totally inadequate. At Kiambu facilities for two resident magistrates, and at Nanyuki for one, are required at an estimated cost of £12,000 and £8,000 respectively. £80,000 has been provided for a new Court-house at Nakuru.

Item 3—Labour Department.—An allocation of £100,000 is proposed to provide in one building a new Labour Office for Nairobi and a new home for the Statistical Section and the Central Registration Office. The existing Labour Office in temporary wooden buildings in Lugard Avenue has to be demolished for other development, and the Central Registration Office occupies an unsuitable rented building in Delamere Avenue. A further allocation of £15,700 is proposed for a new Labour Office in Mombasa to replace the existing temporary buildings in Coronation Avenue, the land of which is vested in the local authority as a recreational area. A new site is available in Kilindini Road, suitable to house the various activities of the Department in this, the most important area of labour relations outside Nairobi.

Item 4—Survey Department.—Work was started in 1957/60 on the African staff housing at Survey Field Headquarters at Ruaraka, and an amount of £10,800 is required to complete this work.

The main Survey Department Headquarters are at present housed in old wooden buildings in Government Road, and the site is required for development in the Kingsway area. The Lands Department which occupies the adjacent site will be moving into its new offices in City Square early in 1960/61, and it is now necessary to provide for the removal of the Survey Department. A sum of £72,000 is included for the erection of new offices at Ruaraka next to the existing Field H.Q. This project was originally included in the 1954/57 programme, but had to be deferred. The Public Map Office will be maintained in City Square in the new Lands Office.

Item 5—Geological Buildings.—A sum of £15,000 is proposed for a new laboratory for the Mines and Geological Department to replace temporary wooden buildings, which constitute a grave fire risk. The estimate includes the permanent fittings for the laboratory.

Item 6—Provincial and District Offices.—There are three projects included in this heading, namely Provincial Offices, Mombasa (£47,300); District Offices, Meru (£20,000); and the conversion of offices at Homa Bay from a sub-station to a district headquarters (£20,000).

The Mombasa project will provide accommodation for the Provincial Commissioner and other Provincial Departmental heads. In addition it is proposed to convert the old Customs House and Mvita House during 1959/60 for use by various departments at present accommodated in rented accommodation. The annual saving of rent on the use of these two buildings is £4,068 and £1,210 respectively, but ultimately they are not suitable for use as permanent offices. In the post-1964 period it will be necessary to provide for their replacement. But meanwhile by the expenditure in 1959/60 of £5,580 on conversion it is possible to save £5,278 per annum on the rent bill, and for the expenditure in 1960/63 of £47,300 on the first phase of Provincial Offices it is possible to defer the second phase at a cost of over £80,000 until the 1963/66 programme.

Item 7—City Square Offices.—A sum of £15,000 is included for services and estate charges on the £500,000 project in City Square, providing for the Crown Law Office, Lands Department and the Ministry of Works H.Q., and a further £15,000 for the furniture and equipment of the latter building.

Item 8—Miscellaneous Buildings: Ministry of Works.—An allocation of £300,000 is proposed, of which £163,700 relates to the payment for staff housing at the Embakasi Airport village. There is an additional commitment of £68,000 for the completion of the Mombasa Yard and Offices, which were started in the 1957/60 plan. The balance of £67,000 is for strictly institutional staff housing at various centres throughout the Colony, and it is confirmed that this money may not be used for housing which should be regarded as a charge to the Government Staff Housing Vote.

Item 9—Jeanes Schools.—An allocation of £39,500 is proposed to continue the development of the Jeanes Schools at Kabete (£30,000) and Maseno (£9,500). These schools provide courses and instruction for community development staff, chiefs, headmen, local government staff and councillors, African court staff and for a variety of welfare workers. They play a vital part in the training and coaching for many of the Colony sports. Other activities include farmers' courses, courses for women and youth club leaders, and for traders. At Kabete the proposed works form a part of a programme begun in 1957/60, to replace the old temporary buildings taken over from the Army, and to instal adequate sewerage. At Maseno the expenditure is to complete the programme started in 1959/60 to increase the capacity of the school from 50 students to 100.

SUB-HEAD D—PUBLIC WORKS NON-RECURRENT

An allocation of £250,000 per annum is proposed for miscellaneous works which are considered more suitable for financing from revenue. These include individual items of about £5,000 and under, minor works and minor improvements. In recent programmes a number of these votes has been included under various Ministries such as Education, Defence and Health, and it is the Government's intention that in future all such expenditure of this type shall be grouped under the Ministry of Works in this vote.

It is also the Government's intention to make the amount transferred annually from the Colony estimates, towards expenditure of this nature, as a non-returnable grant to the Development Fund, irrespective of the actual expenditure brought to account in any particular financial year. The Government does not intend that the annual expenditure on Public Works Non-recurrent shall be exactly balanced by transfers from the Colony estimates, but will review the amount contributed at yearly intervals, in conjunction with the preparation of the annual estimates.

It will be seen that separate allocations are proposed within the vote for certain departments, but the responsibility for accounting will rest with the Ministry of Works. Departments with separate allocations will not be allowed additional allocations from Item 1 Miscellaneous Items.

SUB-HEAD E—GENERAL WORKS STAFF

The principles behind this vote, which is the contribution from the Development Fund towards the recurrent cost of the Ministry of Works employed on works financed in the programme, were set out in paragraphs 99-102 of Sessional Paper No. 51 of 1955. In this programme it is not proposed to allocate out the proportion of these contributions to individual Ministries, as was done in Table 10 of Sessional Paper No. 77 of 1956/57, in order to show the gross and net works cost of each vote. But the initial basis for the contribution, namely the volume of works in the programme as set out in Table 13 of this paper, remains unchanged. In addition an analysis of recurrent expenditure by the Ministry of Works based on the 1959/60 Colony estimates is given in Table 29 in order to show the gross expenditure on staff and other charges, towards which this allocation contributes. On this basis an allocation of £400,000 per annum, £1,200,000 for the three-year programme, is proposed.

TABLE 28

Head D.13—Ministry of Works		£	£
SUB-HEAD A—ROADS—			
Item 1—Payments under the Contractor-Finance Road Project		500,000	
Item 2—Contributions to the Road Authority for Capital Expenditure on Roads		2,000,000	
Item 3—I.B.R.D. Roads Project		1,000,000	
			3,500,000
SUB-HEAD B—HYDRAULIC BRANCH—			
Item 1—Contribution to the Staff and Other Recurrent Expenditure		60,000	
Item 2—Contribution to the Cost of Hydrological Surveys, Investigations and Equipment..		40,000	
			100,000
SUB-HEAD C—GOVERNMENT OFFICES AND BUILDINGS—			
Item 1—Broadcasting		3,000	
Item 2—Judicial Buildings		100,000	
Item 3—Labour Department		115,700	
Item 4—Survey Department		82,800	
Item 5—Geological Buildings		15,000	
Item 6—Provincial and District Offices		87,300	
Item 7—City Square Offices		30,000	
Item 8—Ministry of Works Buildings		300,000	
Item 9—Jeanes Schools		39,500	
			773,300
SUB-HEAD D—PUBLIC WORKS NON-RECURRENT—			
Item 1—Miscellaneous Items		445,000	
Item 2—Minor Works		90,000	
Item 3—Minor Improvements		45,000	
Item 4—Police		25,000	
Item 5—Prisons		10,000	
Item 6—Health		90,000	
Item 7—Education		45,000	
			750,000
SUB-HEAD E—GENERAL WORKS STAFF			1,200,000
TOTAL HEAD D.13			<u>£6,323,300</u>

TABLE 29—MINISTRY OF WORKS RECURRENT EXPENDITURE, 1959/60

Analysis of Expenditure related wholly or in part to Works financed by the Development Programme.

PERSONAL EMOLUMENTS—	£	£
Administrative and General Staff	267,815	
Finance and Establishment Staff	70,739	
Buildings Branch	217,460	
Contracts and Quantity Surveying Branch ..	43,630	
Materials Branch	45,000	
Structural Branch	9,505	
Stores Branch	35,678	
Mechanical Branch	108,436	
Electrical Branch	54,850	
Hydraulic Branch	165,666	
Total Personal Emoluments (excluding the Roads Branch, Road Authority Staff, Aerodrome, Drainage, etc., Water Law Sections and Staff Training).	1,018,779	
 OTHER CHARGES (abated in relation to the Staff included under Personal Emoluments above)—		
Travelling Expenses	95,700	
Miscellaneous Other Charges (including Postal Services and Stores Expenses)	75,900	
Leave Pay, Gratuities and House Allowances ..	146,000	
Tools, Plant and Machinery	20,000	
Professional Fees	60,000	
Investigation of New Works	5,300	
	402,900	
		1,421,679
Less Agency Fees	120,000	
Reimbursement for the Road Authority ..	130,678	
	250,678	
Recurrent Expenditure Total per annum		£1,171,001

NOTE.—It is not feasible or necessary to divide the organization of the Ministry as between the Colony and Development Votes, and of the items listed above, the percentage which might be said to relate solely to Development works varies from 100 per cent in the case of Professional Fees, to perhaps 75 per cent in the case of the Buildings Branch, down to probably 40 per cent in the Administrative and Finance Branches. But from this it can be seen that an allocation of £400,000 per annum from Development Funds, towards recurrent expenditure of £1,171,001 is a practicable basis.

MINISTRY OF FINANCE AND DEVELOPMENT (HEAD D.14)

SUB-HEAD A—LAND AND AGRICULTURAL BANK

An allocation of £900,000, divided into three equal instalments, is proposed for the Land Bank in the 1960/63 programme. In accordance with a resolution of Legislative Council dated 10th October, 1957, this amount will be added to the irredeemable capital of the Bank, which will be subject to interest at the current market rate at the time of paying the instalment. It is anticipated that with the rapid progress in registration of land titles in African Land Units there will be an increasing demand from African farmers for loan money. The loans issued in the three calendar years 1956 to 1958 total £1,499,212. The Bank estimate that with the removal of the previous upper limit of £7,500 on individual

advances they could put a sum of £500,000 per annum to good use, but the present shortage of capital does not permit an allocation to the Bank of this size. By the end of the 1957/60 development period the capital of the Bank, excluding deposits from the public which may be accepted up to £1 million, will be £2,325,000 and this includes a sum of £575,000 made available during the 1957/60 programme. It will therefore be seen that by the end of the financial year 1962/63 the total capital of the Bank will be £3,225,000. In addition an amount is due from the repayment of instalments of loans issued from the Special Emergency Loan Fund of £250,000. These loans are to be transferred to the Bank, and the first annual instalments of capital repayments, free of interest, are due in January, 1962. The security for the loans and the terms under which the loans were issued renders it difficult to forecast the actual increase in capital, resulting from the acquisition of these assets. The annual amount available for lending will be increased by the redemption of loans issued in the past, and it is estimated that approximately £150,000 per annum will be received and lent by the Bank in this manner.

TABLE 30

Head D.14—Ministry of Finance and Development

SUB-HEAD A—LOANS TO THE LAND AND AGRICULTURAL BANK £900,000

CHAPTER VI—THE RECURRENT IMPLICATIONS OF THE PROGRAMME

The recurrent implications of the programme fall into four main categories—

- (a) the loan charges, including interest and sinking fund payment, after allowing for loan funds which are relent to, and serviced in full or in part by bodies outside the Government's own recurrent budget;
- (b) the increased maintenance costs as a result of the actual works and building programme, in so far as the cost is not covered by specific revenue, e.g. water supplies;
- (c) the costs generated by the extra staff and their associated recurrent expenditure in the new schools, hospitals and similar institutions;
- (d) the costs which it is proposed to cease carrying on loan or grant funds after the end of 1960/63 programme but which will continue beyond the end of the programme and which therefore must be carried on the recurrent budget.

2. Table 31 sets out the actual assessment of these implications, but it is emphasized that particularly with the recurrent charges in new institutions and with maintenance costs the figures can be little more than intelligent guesswork based on previous experience. For instance where a new building replaces an old temporary building which is then demolished, the maintenance costs may fall rather than rise.

3. The total of £2,018,730 or £2 million in round figures shown at the foot of Table 31 represents the additional amount which will have to be found annually in the Colony recurrent budget from the financial year 1963/64 onwards after the completion of the three-year programme, as against the amount found in the first year (1960/61). But no account is taken here of the increase in the annually recurrent expenditure which may occur entirely outside any considerations of capital expenditure in this programme. The figures in Table 31 must not therefore be regarded as the sole factor in the estimated growth of the Colony recurrent expenditure for the next four years.

4. For ease of reference a summary is given in Table 32 of the recurrent expenditure at present financed from loan funds, relating to departments and projects which might be expected to continue indefinitely (as opposed to any scheme which is expected to terminate completely in the next few years). While it is the Government's intention to continue to finance such staff through loan funds in the 1960/63 programme, it is a matter which must be kept under review in the Colony's long-term planning.

TABLE 31—RECURRENT COSTS OF THE PROGRAMME

	£	£
1. Loan Charges on the borrowing programme set out in Table 9 .. .. .	.. .. .	1,510,430
2. Less Interest and Redemption on money lent .. .. .	.. .. .	515,200
		<hr/>
NET LOAN CHARGES .. .. .	.. .. .	995,230
3. Building Maintenance at 1½ per cent on say	5,500,000	82,500
4. Personal Emoluments and other Charges (arising from New Works):		
(a) African Affairs	31,500	
(b) Health	123,500	
(c) Education	586,000	
	<hr/>	741,000
5. Personal Emoluments and other Charges (arising from the cessation of contributions from loan funds):		
(a) African Affairs	35,000	
(b) Agriculture	135,000	
(c) Ministry of Works	30,000	
	<hr/>	200,000
ANNUAL TOTAL .. .. .	.. .. .	<u>£ 2,018,730</u>

TABLE 32—ANNUALLY RECURRENT EXPENDITURE IN 1962/63 OF A CONTINUING NATURE FINANCED FROM LOAN FUNDS

	£ (per annum)	£ (per annum)
AGRICULTURE—		
Research	125,000	
Farm Planning	30,000	
Aldev	60,000	
Field Staff	560,000	
	<hr/>	775,000
VETERINARY SERVICES—		
Tsetse Control	60,000	
Stock Control	45,000	
Field Services	55,000	
Stock Marketing	45,000	
	<hr/>	205,000
SURVEYS (Land Surveys in African Areas) .. .. .	.. .. .	150,000
FORESTS (Development of Plantations and A.D.C. Forests) .. .. .	.. .. .	420,000
		<hr/>
		<u>£1,550,000</u>