are being requested to
state whether they
recommend the application
to the Prot.e under their
Gov.t of the decision now
arrived at in the case of
the E.A.P. and Uganda.

Treasury	
1915	Financial Position War Expenditure
25 Sept.	Encloses copy of letter addressed to [illegible] requesting transfer of £1,010,400 from [illegible] funds to C.A., the ultimate incidence of expenses to be settled hereafter. And [illegible] views as to interest on overdraft.
Last previous Paper 42974	

To ~~[illegible]~~ Sir [illegible] Anderson

[illegible] is to [illegible] the various overdrafts, I am afraid we have not [illegible] on this side. I attach statements [illegible] CA prepared for me [illegible] you will see that so far as the [illegible] (CA apart from the £231,000) there is nothing to distinguish what [illegible] Prot.e [illegible] military [illegible] requirements. We must get the Prot.e's views – [illegible] a statement of monthly balance of their a/c with [illegible] & the [illegible] [illegible] As to rate of interest, I should [illegible]

Next subsequent Paper Gov. 45071

money if be accepted at 5% rate
on War Office advances without a struggle.

Whatever rate the Imperial Govt. may have to borrow at in the future, and no doubt this £1,070,400 is not covered by the Second War Loan, it is not fair that the E.A.P. should be out of pocket. If it had not financed the W.O. in the first instance W.O. would have paid its share on a First or Second War Loan basis and E.A.P. would have been paid its share from Treasury advances on the same basis.

On the other hand, it is of course true that the W.O. will be paying 5% on its share for the time up to this adjustment instead of on War Loan basis, but it is the W.O. which has been accommodated by the ~~arrangem~~ E.A.P.'s arrangements.

? (1) Tell C.A. that they may expect to receive this money & that further instructions will be sent as to interest on

(2). Tele. & that - say we will ask Govr as to commencing the instalments - & ask that, instead of the 5%, First War Loan terms may be applied to instalments up to 31 March 1915 & Second War Loan terms thenceforward until a change is necessary.

3. Copy of correspondence to Govr: asking him to do as well as he can over the matter

As mod[ified] by W.C.B.'s letter from Treas.
[illegible]

of commencing the instalments.

W.C.S.
27.9.15

H.J.R.
27/9/15

Approve
[illegible] 27.9.15

Mr Read

Dfts herewith. I have not yet succeeded in obtaining the Treasury letter referred to by Sir J. Anderson, but the gist is that, if £x is the advance to a Colony on the old War Loan basis & if £y is the proportion of old War Loan Stock which is ultimately found to have been converted into new, then £y/x will be subject to the conditions applying to advances under the new War Loan.

W.C.B. 28/9/15

Approve
H.J.R.
28/9/15

Copy sent 28/10/15

C.O. 237

War Office,
Whitehall,
S.W.

26/10/15

Dear Bottomley

The Treasury have sent us a copy of their letter of 21/10 to you about interest on commandeering charges, East Africa, but have not sent us a copy of your letter of 28/8, 44318. Could you kindly send me copy of the letter, as it may possibly

Copy sent 26/10/15
C.O. 237

War Office,
Whitehall,
S.W.

26/10/15

Dear Nettleby

The Treasury have sent us a copy of their letter of 21/10 to you about interest on commuted charges, East Africa, but have not sent us a copy of your letter of 28/8, 44318. Could you kindly send me copy of the letter, as it may possibly

Copy sent 28/10/15
[illegible] 237

War Office,
Whitehall,
S.W.

26/10/15

Dear Bottomley

The Treasury have sent us a copy of their letter of 21/10 to you about interest on commandeered charges, East Africa, but have not sent us a copy of your letter of 28/8, 44315. Could you kindly send me copy of the letter, as it may possibly

Copy sent 28/10/15
C.O. 237

War Office,
Whitehall,
S.W.

26/10/15

Dear Bottomley

The Treasury have sent us a copy of their letter of 21/10 5034 about interest on commission charges, East Africa, but have not sent us a copy of your letter of 28/8, 44315. Could you kindly send me copy of the letter, as it may possibly

clear up the difficulty we have
in understanding the present position

Yrs. 298

J. Rob Barland

clear up the difficulty we have
in understanding the present position

Yrs. 298

[R Gordon]

44315

Any reply to this letter should be addressed to—
THE SECRETARY,
TREASURY,
WHITEHALL, LONDON, S.W.
and the following number quoted:

21846
15

AFRICAN 1040 COLONIAL OFF.

2C

TREASURY CHAMBERS.

25th September 1915.

299

C O
44315
Recd 27 SEP 15

5306-12

Sir,

In reply to Mr. Read's letter of the 14th instant (41115/1915) relative to the amount of the advances made by the Protectorate Treasury to meet charges common to the several forces operating in the East Africa Protectorate, I am directed by the Lords Commissioners of His Majesty's Treasury to transmit herewith for the information of Mr. Secretary Bonar Law a copy of a letter of even date which They have caused to be addressed to the War Office on the subject.

I am,
~~Sir,~~
~~Your obedient Servant,~~
T L Heath

The Under Secretary of State,
Colonial Office.

x ho

n Ex

Copy

Enclose in No

TREASURY CHAMBERS.

25th September 1915.

21840
15

Sir,

With reference to Mr. Cubitt's letter of the 11th ultimo ~~(15/T.O./3062. F.1.)~~, I am directed by the Lords Commissioners of His Majesty's Treasury to transmit herewith to be laid before the Army Council a copy of a letter dated the 14th instant, which They have received from the Colonial Office, with its enclosure, relative to the amount of the advances made by the Protectorate Treasury to meet charges common to the several forces operating in the East Africa Protectorate.

My Lords would be glad if the Army Council would now cause the sum of £1,010,400 to be paid, as suggested by the Colonial Office, to the Crown Agents, the ultimate incidence of the expenditure to be settled hereafter as indicated in the previous correspondence.

My Lords agree that the interest on the overdrafts by which the Protectorate financed the common expenditure, from the dates on which they were obtained (provided that the particular overdrafts can be earmarked) until they are replaced by War Office advances should be added to the amount of the common charges for allocation finally in the proportion in which the whole account is divided, and that interest should similarly accrue on the War Office advances from the dates on which they are made until the Protectorate repays its share of the common war charges. They think

The Secretary,

War Office.

that

that the interest in both cases may properly be calculated at 5% per annum.

I am, ~~&c.~~

~~Sir,~~

Your ~~obedient~~ Servant,

~~(Sd.)~~ T. L. Heath.

44315

Treasury E.A.P.

~~44315~~

5803-15

Sx 29th September/15

DRAFT.

Crown Agents for the Cols.

& No 44978

MINUTE.

Mr. ~~Bottomley~~ 28/9/15

Mr.

Mr.

Mr.

Sir G. Fiddes.

Sir H. Just.

Sir J. Anderson.

Mr. Steel-Maitland.

Mr. Bonar Law.

Gentlemen,

I am directed by Mr. Bonar Law to ack. the rect. of your letter of the 16th of September & ~~(telegraphic)~~, ~~and to inform you that~~ on the subject of the overdraft on the account of the E.A.P. 2. Mr Bonar Law is infd. that the L.C. of the Treasury have requested the W.O. to pay to you the sum of ~~[illegible]~~ £1,010,400, which should be placed when received to the credit of the E.A.P. account. Further instructions will be sent to you regarding the payment of interest, etc., on this sum. I am, &c.

(Signed) H. J. READ

for the [illegible] of State

[illegible]

44315

~~Treasury~~ ~~EAP~~
~~44315~~

SEP 29 5805-12

29th September 1915

DRAFT.

East Africa Protc. (Confl.)

Governor

Sir H. Belfield

MINUTE.

Mr. Bottomley 28/9/15

Mr. Read 28

Mr.

Mr.

Sir G. Fiddes

Sir H. Just

Sir J. Anderson.

Mr. Steel-Maitland.

Mr. Bonar Law.

Sir,

With ref. to my tel. of the 19th of August and your reply of the 4th of Septr., I have the hon. to transmit to you the accompanying copy of corresp. on the subject of the issue by the Lds. of an advance of ~~[illegible]~~ £1,010,400 in respect of the Common charges account of military expenditure in the E.A. Prot. and Uganda ~~[illegible]~~ in order to cancel the existing ~~[illegible]~~ overdraft ~~[illegible]~~ on the Prot.s account with the Crown Agents for the Colonies.

2. I shall be glad if you will give careful consn. to the question of the dates from which the various portions

37604

Tel. 19 Aug.

Treas. 41115

Tel. 4 Sept. 42974

C.A. 16 Sept. 44315

Treas. 25 Sept.

Treas. Sept.

C.A. Sept.

+ Nos.

~~[illegible]~~ + Nos. 27604, 41115, 42974, 44315, 44315 + 44315 of the expenditure should bear interest. It is possible that the accounts which I have already asked you to furnish will supply the [illegible] for the necessary [illegible] for a decision on this point, but if not it will no doubt be a simple matter to supplement them by a statement of the monthly balance of the Common Charges account.

3. You will of course understand that it will not be possible for [illegible] to call upon the W.O. to pay interest on its share of the account in respect of any period during which the Protectorate was not paying interest on overdraft.

[illegible]

[There is no [illegible] of the [illegible] and [illegible] to [illegible] the W.O. [illegible] for balances [illegible] it [illegible] has a right to interest.]

44315

Treasury

EAP

144315

5504 1/2

304

DRAFT.

The Secretary to the Treasury

MINUTE.

Mr. Bottomley 28/9/[illegible]
Mr. Read 28
Mr.
Mr.
Sir G. Fiddes.
Sir H. Just.
Sir J. Anderson.
Mr. Steel-Maitland.
Mr. Bonar Law.

[illegible] 29 September 19[illegible]

Sir,

I am directed by the Secretary of State [illegible] to acknowledge the receipt of your letter ~~[illegible]~~ of the 25th of September and to request you to convey to the [illegible] of the Treasury his thanks for the arrangements [illegible] they have made for the [illegible] of a sum of £1,010,400 to the [illegible] [illegible] from [illegible] [illegible] [illegible] upon the [illegible] [illegible] [illegible] [illegible] which the Protectorate and the W.O. are jointly concerned.

2. The [illegible] have understood that the particulars which the Crown Agents have so [illegible] not seem to show what

Copy to Crown Agents
C.O. [illegible] 28 [illegible] 19[illegible]

be attributed to the charges now in question. He is ~~in~~ communication with the Govr. on the subject, but he would suggest that, if no ~~means of ascertaining credits can be found,~~ the date of commencement of interest should ~~begin to~~ ~~run from the [illegible]~~ taken to be that on which the charges were incurred, ~~[illegible] that the Protectorate [illegible]~~ ~~[illegible]~~, or, for simplicity, that a statement of the position of the account at the end of each month should be obtained and the amount by which it has increased in a particular month be presumed to be borrowed on the 15th of that month. The recommendation [illegible] apply to past borrowings, and he hopes that in future the advances received from time to time for the W.O. will prevent the necessity for the C.A.s having recourse to other borrowings.

[If we assume it to be borrowed at the end of the month the Protectorate, [illegible] on the [illegible], loses the whole of the interest for a month — a matter of £2,000]

3. The Board have trusts that their Lordships will reconsider their view that interest on the War Office advances should be reckoned at 5 percent.

I am to point out that if the Protectorate and W.O. shares of the expenditure had been separable from the first ~~[illegible]~~ ~~of [illegible]~~ Protectorate's share would have been met by advances under the usual arrangement for War Loan advances to Colonies — that is, at less than 5 per cent., and it appears hardly equitable that in addition to the extra interest which it has been obliged to pay up to the present it should continue to be charged with a higher rate than on W.O. advances than on other advances for the Imperial Govt. ~~[illegible]~~ the Board trusts that they will agree that the advances now in question should be made on the terms applicable to advances to Colonies from the ~~[illegible]~~ first or second War Loan, ~~[illegible]~~ ~~[illegible]~~

305

according as the expenditure was incurred before or after the 31st of March 1915, a proportion of the former part being transferred to the second War Loan basis in accordance with T.L.'s general decision in ~~[illegible]~~ consideration of the powers of converting First War Loan stock. In the case of any future Loan Office advance the rate of interest would be governed by the terms applicable to War Loan advances to Colonies at the date on which it is made.

I &c.

according as the expenditure was incurred before or after the 31st of March 1915, a proportion of the former grant being transferred to the second War Loan basis in accordance with T.L.'s general decision in ~~[illegible]~~ consideration of the power of converting First War Loan stock. In the case of any future Loan Office advance the rate of interest would be governed by the terms applicable to War Loan advances to Colonies at the date on which it is made.

I &c.

Treasy [illegible] 1.15

Mr. BOTTOMLEY,

COLONIAL OFFICE.

I enclose statements which will I think give you all the information you require as to the East Africa Protectorate advances. I do not know exactly how much can be said to be on account of the War Office, so I have begun from the date of the first advance, viz:- £20,000 on the 24th July, but of course neither this £20,000, nor the £60,000, advanced on the 21st August, 1914, can have anything to do with the War. You will however, I hope, be able to get at what you require.

There are four statements and a summary of them.

No 1. Shows the advances made by us out of funds in our hands, and repaid, and the interest from 24th July, 1914, to 31st March, 1915.

No 2. Shows advances made by the Bank of England and interest from the 11th December, 1914, to 30th March, 1915, when they were repaid to the Bank.

No 3. Shows the advances made by the Treasury on 30th March, and interest to 31st March.

No 4. Carries on No 1 up to the 31st July, 1915.

[illegible] 13/8/15

Statement shewing amounts advanced by the Crown Agents to the Government of East Africa together with the Interest paid for the Advances, from 24 th July 1914 to 31st March 1915.

~~Dr. to~~

~~For Interest on the undermentioned advances~~

	Amount.	From		To		No. of Days.	Rate %	Interest		
		1914.								
nced	£ 20,000	July	24	July	31	6	3	9	17	3
		do		do		1	4	2	3	10
		do	31	August	19	1	8	4	7	8
		do		do		5	10	27	7	11
		do		do		2	6	6	11	6
		do		do		11	5	30	2	9
d	20,000									
	.. ...									
nced	£ 60,000	August	21	August	26	5	5	41	1	11
d	20,000									
	£ 40,000	do	26	do	31	5	5	27	7	11
		do	31	Sept.	9	9	5	49	6	3
nced	12,000									
	£ 52,000	Sept.	9	do	15	6	5	42	14	9
	7,000									
	£ 59,000	do	15	do	19	4	5	32	6	7
d	25,000									
	£ 34,000	do	19	do	30	11	5	51	4	7
		do	30	Oct.	1	1	5	4	13	2
nced	24,000									
	£ 58,000	Oct.	1	do	6	5	5	39	14	6
	2,000									
	£ 60,000	do	6	do	9	3	5	24	13	2
	20,000									
	£ 80,000	do	9	do	21	12	5	131	10	1
	6,000									
	£ 86,000	do	21	do	23	2	5	23	11	3
	10,000									
	£ 96,000	do	23	do	31	8	5	105	4	1
					Carried forward			£ 653	19	8

Statement shewing amounts advanced by the Crown Agents to the Government of East Africa, together with the Interest paid for Advances, from 24th July 1914 to 31st March 1915.

Dr.

308

~~For Interest on the undernoted advances.~~

Amount	From		To		No. of Days	Rate %	Interest		
	1914.								
			Brought forward				653	19	2
£ 96,000	Oct.	31	Nov.	2	2	5	26	6	0
18,000									
£ 114,000	Nov.	2	do	16	14	5	218	12	7
6,000									
£ 120,000	do	16	do	20	4	5	65	15	0
10,000									
£ 130,000	do	20	do	30	10	5	178	1	7
	do	30	Dec.	2	2	5	35	12	3
10,000									
£ 140,000	Dec.	2	do	8	6	5	115	1	4
20,000									
£ 160,000	do	8	do	11	3	5	65	15	0
141,000									
£ 19,000	do	11	do	28	17	5	44	4	11
12,000									
£ 31,000	do	28	do	31	3	5	12	14	9
9,000									
£ 40,000	Dec.	31	1915 Jan.	1	1	5	5	9	7
5,000									
£ 45,000	1915 Jan	1	do	7	6	5	36	19	8
45,000									
£ 90,000	do	7	do	13	6	5	73	19	5
40,000									
£ 130,000	do	13	do	25	12	5	213	13	11
10,000									
£ 140,000	do	25	do	31	6	5	115	1	4
	do	31	Feb.	1	1	5	19	3	6
			Carried forward				£ 1880	10	0

Statement shewing amounts advanced by the Crown Agents to the Government of East Africa, together with the Interest paid for the Advances, from 24th July to 31 March 1915.

RW/10

~~For Interest on the undernoted advances.~~ - 309

Amount	From 1915		To		No. of Days	Rate %	Interest		
£ 140,000			Brought forward				1880	10	0
10,000									
£ 150,000	Feb.	1	Feb.	8	7	5	143	16	8
8,000									
£ 158,000	do	8	do	13	5	5	108	4	4
5,000									
£ 163,000	do	13	do	19	6	5	133	19	5
78,000									
£ 85,000	do	19	do	28	9	5	104	15	10
	do	28	March	1	1	5	11	12	10
5,000									
£ 90,000	March	1	do	10	9	5	110	19	2
15,000									
£ 105,000	do	10	do	15	5	5	71	18	4
25,000									
£ 130,000	do	15	do	19	4	5	71	4	8
13,000									
£ 143,000	do	19	do	25	6	5	117	10	8
10,000									
£ 153,000	do	25	do	26	1	5	20	19	2
63,000									
£ 90,000	do	26	do	31	5	5	61	12	10
5,000									
£ 95,000							£ 2837	3	11

Form A/16 1000/2/14.

Statement shewing amounts advanced by the Bank of England to the Government of East Africa, together with the Interest [illegible] for the Advances from 11th December, 1914, to 30th March, 1915. 2.

Dr./10/

310

~~For Interest on the undernoted advances.~~

Amount	From		To		No. of Days	Rate %	Interest		
	1914								
£ 150,000	Dec.	11	Dec.	31	20	5	410	19	2
			1915						
	Dec.	31	Jan.	31	31	5	636	19	9
	Jan.	31	Feb.	19	19	5	590	8	2
82,000									
£ 232,000	Feb.	19	Feb.	28	9	5	286	0	6
	Feb.	28	March	30	30	5	953	8	6
232,000									
... ...							£ 2677	16	1

Form A/16 1000/2/14.

Statement shewing amount advanced by H.M. Treasury from the Vote of Credit, to the Government of East Africa, together with Interest paid for the advance from 30th March, 1915, to the 31st March, 1915. 3

~~Ext./14/~~ - 311

Advance repayable at the rate of £100 for each £95 advanced, and Interest charged at £3:10:0 p.c. on each £95 advanced, ~~For Interest on the undernoted Advances~~ chargeable 1st April & 1st October.

Amount	From		To		No. of Days.	Rate %	Interest
	1915		1915				
£ 2[illegible]2,000	March	30	March	31	1	£3:10 each £95 advd.	£ 25 8 4
	March	31	July	31	122	do	Not yet claimed.

Form A/16 1000/2/14.

4

Statement shewing amounts advanced by Crown Agents to the Government of East Africa together with the Interest paid for the Advances from 1st. April 1915 to 31st. July 1915.

~~Dr./W/~~

312

~~For Interest on the undernoted Advances~~

	Amount.	From		To		No. of Days.	Rate %	Interest		
		1915								
iously anced	£ 95,000	March	31	April	1	1	5	13	0	3
anced	51,000									
	£146,000	April	1	do	3	2	5	40	0	0
do	28,000									
	£174,000	do	3	do	7	4	5	95	6	10
do	11,000									
	£185,000	do	7	do	13	6	5	152	1	1
do	40,000									
	£225,000	do	13	do	17	4	5	123	5	9
aid	5,000									
	£220,000	do	17	do	27	10	5	301	7	4
nced	6,000									
	£226,000	do	27	do	30	3	5	92	17	6
		April	30	May	6	6	5	185	15	0
nced	47,000									
	£273,000	May	6	do	15	9	5	336	11	6
o	10,000									
	£283,000	do	15	do	26	11	5	426	8	6
o	32,000									
	£315,000	do	26	do	28	2	5	86	6	0
o	18,000									
	£333,000	do	28	do	31	3	5	136	16	11
c	43,000									
	£376,000	do	31	June	5	5	5	257	10	8
nced	24,000									
	£400,000	June	5	do	15	10	5	547	18	10
						Carried forward		2795	6	5

Form A/16 1000/2/14.

Statement shewing amounts advanced by Crown Agents to the Government of East Africa, together with the Interest paid for the Advances, from 1st. April to 31st. July 1915.

~~Not Interest on the unexpended advances.~~ 313

	Amount.	From		To		No. of Days.	Rate %	Interest		
		1915								
	£400,000	Brought forward						2795	6	5
anced	8,000									
	£408,000	June	15	June	22	7	5	391	4	7
do	2,000									
	£410,000	do	22	do	28	6	5	336	19	8
do	25,000									
	£435,000	do	28	do	30	2	5	119	3	6
do	13,000									
	£448,000	do	30	July	6	6	5	368	4	5
do	28,000									
	£476,000	July	6	do	15	9	5	586	17	0
do	10,000									
	£486,000	do	15	do	22	5 2	5 4½	332 119	17 16	6 8
do	12,000									
	£498,000	do	22	do	28	6	4½	368	7	8
do	7,000									
	£505,000	do	28	do	31	3	4½	186	15	7
								£ 5605	13	0

Form A/18 1000/2/14.

Summary of Interest on Advances by H.M.Treasury, the Bank of England, and the Crown Agents for the Colonies, to the Government of East Africa.

		£	s	d
2.	Bank of England			
	11-12-14 to 30-3-15	2677	16	1
3	H.M.Treasury			
	30-3-15 to 31-3-15	23	8	4
1.	Crown Agents			
	24-7-15 to 31-3-15	2837	3	11
		£ 5538	8	4
4	Crown Agents			
	1-4-15 to 31-7-15	£ 5605	13	0

Outstanding Advances

H.M.Treasury (Vote of Credit)	£ 232000	0	0
Crown Agents for the Colonies	£ 505000	0	0