

6.11.1915



EAST AFR. PROT

C.O.
48624

60115

315

48624

Receipts
1915
21 Oct
1915/4

Military Expenditure
Interest on advances

Receipt suggestion that if overdrafts cannot be
dormant interest that be credited to Prot from
the date in which it actually incurred the expense.
Cannot agree to interest being calculated at more rates
as on advances to Government from the first and
second war loans, & advance to Government of 5%.

Mr. J. G. Fisher

I fear it is useless to press the Treasury
to lower the rate of interest, though their
argument that the two advances have not been
paid for that have been is not so sound.
The two advances have to be put away for other
purposes more wisely than if they had
been & then say a 5% on the first advance
& 4 1/2% on the second. The rate of 5% must
be accepted.

22.10.15

N. J. R.

22/8/15

at once
23.10.15

Copy to Mr. J. G. Fisher
C.O. 48624

48624

48624

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

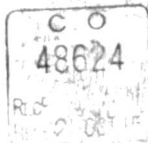
TREASURY CHAMBERS.



316

October 1915.

5900-12



Sir,

I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Read's letter of the 29th ultimo (44315/1915) further respecting the manner in which interest on advances should be credited to the East Africa Protectorate and the War Office respectively in the final allocation of liability for common military expenditure.

In reply I am to request you to inform Mr. Secretary Bonar Law that their Lordships readily accept his suggestion that, if the overdrafts obtained by the East Africa Protectorate for this purpose cannot be earmarked, interest should be credited to the Protectorate from the date on which it actually incurred the expenditure - the whole of the expenditure during each month being presumed for this purpose to have been incurred on the 15th of that month.

My Lords regret that they are unable to adopt the Secretary of State's suggestion that interest should be calculated on the War Office advances at the same rates as on advances to the Dominions from the first and second war loans respectively. They could not in any case agree to adopt terms based upon the 3½% loan, since the War Office advances are clearly not made from the monies raised at that date, but the arrangements under which advances

are

Under Secretary of State,
Colonial Office.

x m

48624
Reply to this letter should be addressed to—
THE SECRETARY,
TREASURY,
WHITEHALL, LONDON, S.W.,
and the following number

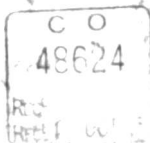
TREASURY CHAMBERS



315

21st October 1916.

5900-14



Sir,

I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Read's letter of the 29th ultimo (44315/1915) further respecting the manner in which interest on advances should be credited to the East Africa Protectorate and the War Office respectively in the final allocation of liability for common military expenditure.

In reply I am to request you to inform Mr. Secretary Bonar Law that their Lordships readily accept his suggestion that, if the overdrafts obtained by the East Africa Protectorate for this purpose cannot be earmarked, interest should be credited to the Protectorate from the date on which it actually incurred the expenditure - the whole of the expenditure during each month being presumed for this purpose to have been incurred on the 16th of that month.

My Lords regret that they are unable to adopt the Secretary of State's suggestion that interest should be calculated on the War Office advances at the same rates as on advances to the Dominions from the first and second war loans respectively. They could not in any case agree to adopt terms based upon the 3½% loan, since the War Office advances are clearly not made from the monies raised at that date, but the arrangements under which advances

are

Under Secretary of State.

Colonial Office.

are made to the Dominions, with their complications and adjustments, do not appear to them to be applicable to a transaction of this kind. Having regard to the monetary conditions now obtaining and to the increasing difficulties which must be anticipated in raising the sums required to carry on the war, a flat rate of 5% does not seem to their Lordships to be excessive, and they must adhere to their decision.

I am, &c.

Sir,

Your obedient Servant,

John Bradbury

8624

Rev. 48624/1915

S.P.

318

25 OCT

W

5901-14

27th Oct 1915

Draft



S.P.

Exch
(Infl.)

Mr. H. C. Belfield

(Trans
44315)

7/10/15

25.10.15

27 Oct

With reference to my draft
 of the 29th of Sept.
 I have the honour to ~~refer~~
 transmit to you
 for your info, the
 acc. copy of a letter
 from the Treasury on
 the subject of the
 rate of interest on
 advances from Army
 funds in respect of
 military exports in
 the B.O.

* No. 44315

+ No. 48624

P.T.O.

Cont. 10.15

3376
Reply to this letter should be addressed to—
THE SECRETARY,
TREASURY,
WHITEHALL, LONDON, S.W.,
and the following number quoted.

TREASURY CHAMBERS.

320



24549

25



17 November 1915.

5907-12

Sir,

In reply to Mr. Read's letter of the 16th ultimo
(45796/1915)*, I am directed by the Lords Commissioners
of His Majesty's Treasury to transmit herewith, for the
information of Mr. Secretary Bonar Law, copy of a letter
of to-day's date which they have caused to be addressed
to the War Office relative to the expenditure of the East
Africa Protectorate on the common expenses account.

I am, Sir,

Sir,

Your obedient servant,

J. H. Radbury

Under Secretary of State.

Colonial Office.

Copy

enclos. in No

TREASURY CHAMBERS.

17 November 1915.

321

24549

15

Sir,

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 16th ultimo which they have received from the Colonial Office further respecting the expenditure of the East Africa Protectorate on the common expenses account.

My Lords concur in the course proposed in the second paragraph of the Colonial Office letter and I am accordingly to request that the Army Council will direct payment of the sum of £125,000 to the Crown Agents for the Colonies with a view to its application to the reduction of the Protectorate's debt to the Imperial Exchequer.

In view of the terms on which the original advance was made it is not at present possible to state whether the repayment of this amount will cancel the exact debt to the Exchequer contracted by East Africa in borrowing the £125,000 cash and it may accordingly be necessary at a later date to adjust the amount of the payment from Army funds.

In this connection I am to state that my Lords are of opinion that the issue of £25,000 made to East Africa from the Vote of Credit and utilised for the purposes of the common expenses account should be regarded as an issue

made

The Secretary.

War Office.

70/100-296

made to the War Office and to require that the necessary adjustments may be
made in the books of your Department if this has not
already been done.

322

I am, Sir,

Sir,

Your obedient Servant,

John Brown

made to the War Office and to request that the necessary adjustment may be
made in the books of your Department if this has not
already been done.

322

I am, Sir,

Sir,

Your obedient Servant,

(Sd) John Bradburn

53376



Ans
53376

SAR

323

5908-12

SV

24 November 1915

Sir,

With ref. to

copy despatched of the 4th

of Nov. I have the honor

to acknowledge the

accompanying copy of

further accounts on the

subject of the financing

of the military expenditure

in S. Africa.

2. The sum of £125,000

referred to in the accounts

is that which forms the

subject of the earlier part

of the letter of the 16th of Oct., a copy

of which accompanied my

DRAFT

S.A.P. (Contd)

For

Addy Selfield

MINUTE

Mr. Northey 20 11 15

Mr. Reid 2 2 1

Mr.

Mr.

Sir G. Biddle

Mr. H. Smith

Mr. J. Anderson

Mr. Steel Maitland

Mr. Dumas Loe

For

17/11/15
Ans: (53376)

CP.
S.A.P. (Contd)

(45796)

Flourmately copy of No. 57593.

Ans. 53376 11/11/15

Self

is being transferred from
the C.D. to the Treasury
from bank of the £50,000
which, as you explained
in your letter of the 28th of
Sept. had been spent
not on purely disbursement
expenses but on common
charges. In this case, as
with the other, the intention
of the transaction is that
all the disbursements for
the financing of the
common charges should
be placed on the
same footing, the £50,000
having been found from
the vote of Credit and
the remaining £100,000 having
been raised by the War
Office. This
transfer does not involve
any alteration in the
Provisional's liability.

3376



Heavy 53576

5909-14



321

24 Nov 1915

DRAFT

Common Charges

MINUTE

Mr. Borden 20
Mr. Reed 19 11.15
Mr. 22
Mr. 2
Mr. 2
Mr. G. Fiddle
Mr. H. G. J.
Mr. J. Anderson
Mr. G. Macdonald
Mr. R. L. L.

for common

also 21.15

Gentlemen
With reference to
letter from the Dept.
of the 28th of Sept., I am
directed by the Secy.
to have to say that
that a further sum of
£125,000 will be found
by the War Office
in respect of military
administration in the C.D.
and the War Office has been
charged in order that
the whole of the further
provisional credit for
military administration as
well as the charges
to the War Office may
come from the War Office
and it is to be understood
that the War Office shall be
responsible for the further

Copy for Capt. G. L. L.

20th