

XEP

EAST AFR. PROT
43914

43914
FILED
REG. 10 NOV 14

493

E. Afr. Prot. (Loans) Act 1914
Draft Local Legislation

1914

9 Nov.

Submit opinions, subject to which terms
of draft E. Afr. Ordinance are concerned in

at previous Paper.
42835

~~Mr. F. F. Harrison~~ } Mr. G. F. Fildes
~~to read~~

The amendments agree with those
discussed semi-officially except for
one very minor point indicated
in pencil - & we need not notice this.
The only other point of substance in this
letter is raised within a Probationary
Schedule (para. 4). In 5th pt. see
original note to ^{first} para. 4 of
13.8.14 in 4831/14 (numbered with green slip)
When the Treasury asked in 40194/13 that
they should be consulted they proposed
to put it in the Imperial Bill - they dropped
this [Mr. Ramsey's letter of 7 Feb 14 in
4831] & did not definitely maintain
that the Treasury were to be consulted.

To Mr. Fildes } 10 Dec 14
Mr. G. F. Fildes }
Secy. to the Board }
10 Dec 14 }
10 Dec 14 }
10 Dec 14 }

at previous Paper.
50615

each individual road (for example). If so,
we might compromise with the Treasury - i.e.
consult them in cases of agreement between
roads - such as railway, roads & bridges,
&c. - but claim the right to dispose of
status of one of these roads ourselves?

A

I will get on with the preparation of the
Schedules, meantime we may have copies
of the draft Bill (necessarily based on
proposals) made for the Govt & send them
out, Schedules & notes?

I had some of the papers for
and the purpose of J. B.C.B. 11/1/14

C.B. R. 11. 14

H. J. R.
12/25/14

I agree - especially as to A above. we
cannot & must

17. 11. 14

W. J. R.
18. 11. 14

Mr. G. Fildes

I submit drafts to Treasury & Govt, with
3 diff. Schedules.

E.R.P. I have struck out the 2 minor railway
services referred to in my minute on 26/12/14 &
have lumped several (including the provision
for these three services) as "miscellaneous
minor works". If the Treasury ask we can
perhaps include them to let it stand
in the ^{Schedule} provided we give them a bit
of a ^{concession}

It is not that
that there are
various which
it will be possible
to form from
found for J.R.

final allocation of the £13,074

against. I have omitted the bundle

telegraph & the Tera Forest provisions
(see your minute on 8/1/2007) & have
added the money to the Tera Forest provisions

W.F.D. 5/1/14

499

H. J. R.

7/2/14

17/11/14

TREASURY CHAMBERS.

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

9th November 1914.

43914

17114
14

REC'D
REC'D 10 NOV 14

501

Sir,

4831/1914

I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Read's letter of the 18th August last and its accompanying draft of an Ordinance which it is proposed to instruct the Governor of the East Africa Protectorate to enact for the purpose of authorising the borrowing of money under the provisions of the East African Protectorate (Loans) Act 1914. Semi-official communications have also passed between this Department and the Colonial Office on the same subject.

2. My Lords note that Mr. Secretary Harcourt desires to avail himself of the power given by the proviso of Section 1 (2) of the Act to vary the amounts allocated in the schedule of the Act to the East Africa Protectorate and Nyasaland as follows :-

East Africa Protectorate	£1,868,000
Nyasaland	£ 803,000.

My Lords assent to this reallocation and They agree that the above amount of £1,868,000 should be inserted in the East Africa Protectorate Ordinance and that any further alteration in this maximum should be the subject of fresh local legislation.

3.

The Under Secretary of State,
Colonial Office.

3. My Lords further note that if it is found desirable to add new services (within the above maximum limit of loan expenditure in the Protectorate) to the services which will be set out in the schedule to the Ordinance, an amending Ordinance would be necessary and would be submitted for Their approval.

4. With regard to the power of virement as between the sums allocated to the various services now included in the schedule My Lords assume that though Section 4 of the draft ordinance does not provide for the submission of such reallocations to the Treasury the Secretary of State would in fact obtain Treasury concurrence as suggested in Treasury Letter 19061/13 of the 21st November last before giving his approval to such variations.

5. My Lords also assume that the schedule will be submitted for Their sanction before the Ordinance is finally approved.

6. With regard to the provisions of Section 6 of the draft ordinance My Lords think it will be necessary to make certain alterations to meet the possibility of consolidating the various advances made in any one financial year and setting up one annuity to repay them.

They suggest therefore that the following alternative should be substituted for Clause 6 as originally drafted and They understand that Mr. Harcourt concurs in this alteration :

Incas
40194
13

Provisions as to
payment of interest
and annuity.

6. The following provisions shall have effect as regards payment of interest and repayment of principal.

For the first 3 years from the date of an advance or, where several advances have been made in any one financial year, from the date of the earliest such advance interest only shall be paid. Such interest shall be paid either from the General Revenue of the Protectorate or from the principal amount of the advance as the Governor may direct.

Thereafter 37 annuity payments of principal and interest combined shall be made from the General Revenue of the Protectorate such payments being made in each case on the fourth and each succeeding anniversary of the particular advance in respect of which the payment is made or where such advance is one of several advances made in the same financial year on the fourth and each succeeding anniversary of the earliest of such advances.

Remittances to be
made through the
Crown Agents.

The Governor shall in each year remit to the Crown Agents the sums due in respect of the aforesaid interest or annuities and shall make this remittance on such date as will enable the Crown Agents to pay over the amount to the Treasury on the date on which it falls due.

7. My Lords also suggest the following drafting amendments in Section 3 of the draft ordinance:

line 7.

line 7 for "as may at the date of each advance be applicable under Treasury Regulations to Local Loans in" read "not being less than 2% per annum as the Treasury and the Secretary of State may fix as sufficient to enable the advance to be made without loss to the Local Loans Fund of"

last line for "in the said period" read "within the said period".

8. Subject to these observations My Lords concur in the terms of the draft ordinance.

I am,

Sir,

Your obedient Servant,

J. H. Bradbury

2/15

584. 1845 5/11/11
 L. R. 7. 11/11 12
 Sir S. 7. 11/11 12

Schedule

34

3115 1/4

	£	£
A Capital Works, Busoga Railway & Marine		
1 Rolling Stock	11,700	
2 Station Machinery	1,800	
3 Depots	5,650	
4 Rail Piers	3,000	505
5 Warehouses	2,700	
6 Lighters	7,000	
7 Sand Cutting	7,000	
8 Survey of Lake	5,000	43,850

B Kampala - Mt. Iganga Railway		183,150
--------------------------------	--	---------

C Lake Albert Marine - new Steamer		26,000
------------------------------------	--	--------

D Roads -		
1. Masindi - Butaka (completion)	3,300	
2. Kampala - Jinja	5,600	
3. Kampala - Fort Portal (part)	7,000	
4. Bahakole - Masaka	2,500	
5. Kampala - Hoima (part)	1,500	
6. Kampala to Masaka	5,000	
General charges, including personal emoluments		
7. Bridges	5,000	
General charges, including personal emoluments	10,100	40,000
Total		£ 293,000

E Allowance to cover the payment of three years' interest out of capital		36,000
		£ 329,000

5th Oct 5/1/1912
 Schedule

3

£ 505 £ 610,000

A. Kilindini Harbour Works			
Railway Improvements			
1.	Relaying line	500,000	
2.	Rolling Stock	147,160	
3.	Additions to Lake Fleet	80,000	
4.	Workshop Machinery	42,166	
5.	Naushi Station, including Ration Store and Workshops	36,100	
6.	Staff Quarters	25,000	
7.	Monbasa & Kilindini, minor works	22,800	
8.	Water and fueling improvements	20,000	
9.	Strengthening Bridges	20,000	
10.	New stations, sidings, and crossings	14,200	
11.	Miscellaneous, shunting grid, goods shed, and sidings	11,000	
12.	Fire fighting appliances	7,000	
13.	Ballasting	7,000	
14.	Thukorini, rearrangement of station	6,000	
15.	Lumbwa station and sidings	2,500	
16.	Miscellaneous minor works	13,074	957,000

C. Roads and Bridges			
1.	Machakos - Magadi Junction, Survey and Construction	20,350	
2.	Laitkipia, Survey	1,125	
3.	Musoni - Mumias, Realignment and part construction	21,150	
4.	North Kavirondo, Survey	1,200	
5.	Naiwasha - Nwangop - Limou, Survey, part construction	8,825	
6.	Trans-Nzoia, Survey	2,100	
7.	Lower Molo to Railway, Survey & part construction	2,000	
8.	Thika to Athi River, Survey	100	
9.	Road to Coast, N. of Monbasa, Survey	1,500	
10.	Nairobi - Fort Hall - Nyeri - Archa, Part Survey and part construction	16,950	
Archa		75,300	
11.	Awach River Bridge	1,500	
12.	Athi River Bridge	1,900	
13.	General: Plant	3,000	
	Staff and Supervision	11,000	
	Instruments	300	
	Contingencies	7,000	100,000

Total £ 1,667,000

Allowance to cover the hazard of 3 years interest out of capital (3%) 200,000

£ 1,868,000

Off. Cost 15/1/14
 for Rep. 7/12/14
 for S. 7/12/14
 Schedule

£ 506
 £ 610,000

A Kilindini Harbor Works		£	£
Railway Improvements			610,000
1.	Relaying line	500,000	
2.	Rolling Stock	147,160	
3.	Additions to Lake Fleet	80,000	
4.	Workshop machinery	43,166	
5.	Handwritten Station, including Ration		
Stores and Workshops		36,100	
6.	Staff Quarters	25,000	
7.	Monbarsa & Kilindini, minor works	22,800	
8.	Water and fuelling improvements	20,000	
9.	Strengthening Bridges	20,000	
10.	Travelling Stations, sidings, and sidings	14,200	
11.	Kisumu, shunting grid, goods shed, and sidings	11,000	
12.	Fire fighting appliances	7,000	
13.	Ballasting	7,000	
14.	Trackwork, rearrangement of stations	6,000	
15.	Lumbwa Station and sidings	2,500	
16.	Miscellaneous minor works	13,074	957,000

C Roads and Bridges		£	£
1.	Machakos - Magadi Junction, Survey and Construction	20,350	
2.	Laitipia, Survey	1,125	
3.	Kisumu - Mumias, Realignment and part Construction	21,100	
4.	North Kavirondo, Survey	1,200	
5.	Naiwasha - Kiungu - Limora, Survey & part Construction	8,525	
6.	Trans-Nzoia, Survey	2,100	
7.	Lower Molo to Railway, Survey & part Construction	2,000	
8.	Thika to Athi River, Survey	100	
9.	Road to Coast, N. of Monbarsa, Survey	1,500	
10.	Nairobi - Fort Hall - Nyeri - Archer Post Survey and part construction	16,950	
Ancillary Works		75,300	
11.	Arusha River Bridge	1,500	
12.	Athi River Bridge	1,900	
13.	General: Plant	3,000	
	Staff and Supervisors	11,000	
	Instrumentals	300	
	Contingencies	7,000	100,000

Total £ 1,667,000
 Allowance to cover the hazard of 3 years interest out of capital (£ 200,000)
 £ 1,868,000

Sft. C.A.S. 5/12/14
 for Road
 Sir J. Fisher 7/12/14

Nyasa 400

Schedule ~~30~~

A. Railway station to Lake Nyasa		£	540,000
B. Harbour Works at Lake Temminius		507	20,000
C. Roads - to be selected from: -			
1. Staff		£	
1. Lukanga - Mlanje Road (Bambata)			5,000
2. Zomba - Luwonde Road			11,200
3. Luwonde - Ntchen Road			16,450
4. Dedza - Fort Johnston Road			28,000
5. Dedza - Lilongwe Road			18,200
6. Lilongwe - Fowa Road			11,100
7. Fort Jameson - Domira Bay Road (with wharves & bridges only)			35,000
8. Zomba - Ngara Road			14,000
9. Ngara - Mzimba Road			35,000
10. Nkata Bay - Mzimba Road			21,000
	£	<u>191,950</u>	-
			156,000
			<u>£ 716,000</u>

Allowance to cover the payment of 3 years' interest out of Capital (5%)

87,000
£ 803,000

Mus/4 3814/14 S.K.P.

Downing Street,
10 November 1914

(1) *Ord. 456/15.*
(2) *5495/15*
(3) *2546/15*

DRAFT
EAST AFRICA PROTECTORATE (1)
UGANDA PROTECTORATE **CONF.** (2)
NYASALAND " (3)
MINUTE

Sir,

I have the honour to transmit to you, with reference to my Confidential

(483/14) despatch of the 11th of May

the accompanying draft of the Ordinance which should be enacted in the Protectorate to provide for the raising of loans under the authority of the East African Protectorates (Loans) Act, 1914. The terms of the draft have been settled in communication with the Lords Commissioners of the Treasury and should not be varied, unless there is any passage in which the form of words used is seriously at variance with the legislative

- Mr. *Bottomley 5/11/14*
- Mr. *Reed 7*
- Mr.
- Mr.
- * Sir G. Fiddes. *7*
- Sir H. Just.
- * Sir J. Anderson. *8*
- * Lord Emmott. *Islington. 8*
- * Mr. Harcourt. *12-14*

2 copies (already sent)
Schedule
attached for
copy

2 dfg
3 dfg. Schedule

give effect to the provision in advance, and it will be necessary, if the share of any Protectorate is increased, for an amending Ordinance to be passed

is desired to add new Services (within the maximum limit of loan expenditure in the Protectorate) to the Services set out in the Schedule to the original Ordinance.

authorizing empowering the additional loan. *An amending Ordinance* ~~will~~ also be required if it

4. As regards reallocation within the Schedule, you will of course obtain my prior approval, whether in the case of the principal heads or of the subheads.

5. The draft Schedule which I enclose has been communicated to the Treasury for approval, and I shall inform you by telegram whether it may be incorporated in the Ordinance as it stands. It has been prepared on the ^{basis of the} recommendations contained in your despatches, and I trust that it will meet your wishes, but if any modification is desirable which could not subsequently be made under the power of reallocation, you should at once inform me by telegram. /

6. The question of the amount of the advance, if any, which can be made

I sent to Mr. D. W. G. a sheet attached.

before the 31st of March next (subject to the prior passing of the Ordinance) is still under consideration and I cannot at present give you any indication on the subject. It is certain, however, that it must be restricted to the smallest possible amount. It will be of great assistance to ~~me~~ ^{you} if you will inform me by telegraph to what extent, and in respect of what services, you have been relying on funds being available from this source in 1914-15 or early in 1915-16, in your examination of the Protectorate's general financial position, and whether it would be possible for you to make any other arrangements, by a temporary postponement of other ^{Sundry} works, for the provision of the funds in question.

I have etc.,

(Signed) L. DEBOURT,

before the 31st of March next (subject to the prior passing of the Ordinance) is still under consideration and I cannot at present give you any indication on the subject. It is certain, however, that it must be restricted to the smallest possible amount. It will be of great assistance to ~~us~~ ^{the} if you will inform me by telegraph to what extent, and in respect of what services, you have been relying on funds being available from this source in 1914-15 or early in 1915-16, in your examination of the Protectorate's general financial position, and whether it would be possible for you to make any other arrangements, by a temporary postponement of other ^{Sundry} ~~works~~, for the provision of the funds in question.

I have etc.,

(Signed) L. B. JET.

(at end of para. 5.)

To ERRO

510

I regret that I have not been able to include in the Schedule the following ^{Railway works} ~~works~~ referred to in the enclosure

(36/28)

to your despatch, conf. no. 195, of the 18th of August.

Transvaal

Hospital £4000

School £3000

On the generally -

Furniture £2,000

as they appear to me hardly to come within the purposes for which the loan was intended.

To Uganda

I regret that I have not been able to accept your recommendation for the inclusion in the Schedule of provision for a permanent telegraph line to Kismul and for the development of the Toro Forest, as these services appeared to me not to be sufficiently connected with the intention of the loan. The sums put down for these purposes have been merged in the general provision for the Kampala - Mityana railway.

Recd
43914/14 2 afs

G.D.
9 DEC
10

511

10 Dec 1914

divided by 5

DRAFT

to be
presenting

MINUTE

Mr. B. ...

Mr. Reed 7

Mr.

Mr.

✓ Sir G. P. ... 7

Sir H. Just.

✓ Sir J. Anderson 8

✓ Lord Emmott, Islington, 8

✓ Mr. Harcourt, 12.14

for comment

Schedule
186

I am directed by Mr.
by Harcourt to take the
act of your letter no. 17114/14

of the 9th of Nov, on the
subject of the form of
the draft Ordinance proposed

which must be presented
in the East Africa, Uganda,
& Nyasaland Protectorates
to empower the Governors

to obtain assent under
the provisions of the
East Africa Protectorates

(Local) Act, 1914.

2. I am to enclose for
the copy of the L. C. of the
presenting

2 afs
3 afs Schedule

February, copies of the
draft schedules which
it is proposed to include
in our Bill. They
have been prepared after
careful consideration both in
the Protectorate, and in
the Colonial Office, and
although some modification
may subsequently be
found to be required, there
is every reason to believe
that they represent the
most suitable allocation
of the proposed amounts,
which can be forecast
in some
A few services, suggested
by the Governor, have
been struck out as being
inappropriate to the
objects of the loan.

3. With regard to the
power of amendment within
the Schedule of services
to be carried out, as a

particular illustration
The Bill states that
each schedule amount
of a few main heads, 512
under which are grouped
individual items, the
Parliament would purchase
but fail to obtain aid
for T.C.'s sanction to any
sanction of its allocation
between two main heads,
but he ^{had proposed} ~~had proposed~~, if
T.C. see no serious objection
to ^{keep} ~~keep~~ the ~~provision~~
now being the basis of
approval of a reallocation
between items of the
main head. It appears
to him that in the case
of a programme which is
to extend over several years
there must be so much
uncertainty in forecasting
the cost of a particular service
(especially in view of the
responsibility of estimating the

price of materials after
the war) that the
amount of interdeposits
should correspond
which would be involved
of settlement between individual
banks had ^{been} ~~been~~ ^{prepared to} ~~be~~ for
approval would be in
proportion to the
value of such reference
as a check on the application
of the loan money.

~~4. The Schedules have been
sent out, with the draft
Order, to the Governor~~

4. T.R. will also observe
that the sum to be
reserved for the payment
of interest due during the
first three years of the
existence of any loan has
been entered as a separate
head of the Schedule and
has not been distributed
over the various items. This
course appears to be
necessary to make for
simplicity in ~~the~~ ~~the~~

keeping accounts of the
actual expenditure on ^{a particular}

service, especially on the 513

rate of interest on any two

different or different months

^{of the year}
- which is ^{not} ^{to be} ^{deducted} ^{from} ^{the} ^{total} ^{amount}

The amounts provided for

payment of interest have not

been varied since the

allocation of the loan, between

the Protectorate, was

considered before the war.

The rates of interest payable

cannot now be forecast, and

it seems unlikely to ^{make} ^{any} ^{new} ^{competition} ^{which}

could not in any case be

final. The amounts

are not now likely to be

adequate for the purpose,

but it would ^{appear} ^{reasonable}

to leave for comment when

the contingency arises the

question whether they

should be supplemented

by ^{means} ^{within} ^{the} ^{Schedule} ^{or} ^{by} ^{any} ^{other} ^{means}

DRAFT.

to forward to the President,
by an appropriation
from General Revenue.

5. The Schedules have
been sent out to the
Governors with the draft
Orders, which can
therefore be enacted as
soon as the House is
able to refer them by telegraph
that the Schedules are
acknowledged on all the
unmodified in action respects.
Consequently, if the Govs have
any modifications to
the Schedules
recommend before the
Orders are passed, they
will be able to communicate
their views by telegraph.
In this way the House
wishes that in spite of
the assurance it may
still be possible to fix
the Orders for the month
in time for a small
advance to the same type

The end of the present
financial year the a
separate letter being
sent to you on this
subject

514

For the Secretary of State