

EAST AFR. PROT  
18066

18066  
REC'D  
Reg'd 17 APR 16

17/5

was Office  
1916  
15 Oct.  
Last previous Paper.  
W.G.  
481

*Military expenditure*  
Interest on advances to Common charges account.  
Suggest that, in the circumstances, the whole question of the payment of interest be waived.

action n. 16769 held 4/10

T.W. Read

Abstract from a report put out on 25057/10 (print annexed) that the Protectorate's interest was, involving it in unnecessary expense, the matter seems to have had its origin in the Treasury's confusion with the W.O. - as such to Treas/44315/10 (print annexed)

So far as the principle is concerned, therefore, we need hardly object to cutting the knot. The Protectorate's loss up to the time when the W.O. started financing may be taken as roughly £28,000 - viz 5% for 13 months on a sum which increased to £1,040,000 at 31.8.15 - probably less, but the loss is not large. The question is whether the Protectorate's share of the total interest paid from the beginning to the date

Read's report 19 April 16  
Copy comes SwLant 18 May 16  
W.O. 22344/16

Next subsequent Paper.  
18066  
22344

When it discharges its portion of the  
Common Charges account (and begins  
to pay interest on the money it borrows  
for the purpose) will be less or greater  
than the £25,000.

That depends on (a) what the Prothonotary  
share will be - & we cannot even guess - &  
(b) when the date of payment will be - &  
that is equally obscure. Without going so  
far as to take the rate of progress of the  
Council since January as a guide, I think  
we may take a total of 3 years as the  
maximum (the accounts are about nine  
months in arrears) and that would compare  
to Prothonotary's expenditure at a rate of  
say £200,000 a year. This is probably  
not an unduly high figure, and I  
think we may

be clear next. I say that we have  
no objection to the proposal provided  
the Treasury, whom <sup>they will do so</sup> we have consulted, agree.

Say we understand the arrangement  
to be that neither the W.C. nor the W.P.  
will make any claim for interest on the  
part of the money which they have respectively  
advanced for expenditure in connection  
with the military operations in  
East Africa.

Action on 17/4/18  
Can now wait

B. C. O.  
17.4.16

Home  
to J. C.  
17/5/16

When it discharges its portion of the  
Common Charges Account (and begins  
to lay interest on the money it borrows  
for the purpose) will be less or greater  
than this £26,000.

That depends on (a) what the Prothonotary  
share will be - (we cannot even guess - &  
(b) when the date of layment will be - &  
that is equally obscure. Without going so  
far as take the rate of progress of the  
conquest since January as a guide, I think  
being able to take a total of 3 years as the  
maximum (the accounts are about nine  
months in arrears) and that would compare  
on both the share of expenditure at a rate of  
say £200,000 a year. This is probably  
not an unduly high figure, and I  
think we may

be able to meet. I say that we have  
no objection to the proposal provided  
the meaning, <sup>they will be death</sup> ~~some business~~ counselling, agree.

Say we understand the arrangement  
to be that neither the £200,000 or the £26,000  
will make any claim for interest on the any  
part of the  
sums which they have respectively  
advanced for expenditure in connection  
with the military operations in  
East Africa.

Accepted on 17/4/16  
Chairman's seat

B. C. S.

17.4.16

Home

6. 8. 16

17/5/16



Any further communication on this subject should be addressed to—  
The Secretary,  
War Office,  
London, S.W.,  
and the following number quoted.

18066  
REC  
17 APR 16

War Office  
London, S.W.

15/I.O./3708 (P.L.)

*See as  
before*

With reference to your letter of the 14th inst. enclosing a copy of a letter sent to the Treasury on the subject of the interest charges incurred in connection with the local common charges account in East Africa, I am commanded by the Secretary of State to inform you that the amount received from the Treasury in reply to your letter to the Colonial Office, from which it appears that the Secretary does not offer any objection to the Colonial Office's proposal, but whether any useful purpose is served by such fine adjustments as have been suggested in this connection is a matter which is beyond the scope of the present communication. It is noted that the accounts for the East Africa Protectorates are submitted to the Treasury for approval, and that the expenditure for the use of the Protectorates in East Africa will ultimately have to be divided between the East Africa Protectorates and this Department in the same manner as the local common charges account is ultimately proposed to put forward a claim against the Protectorates for interest on their share of this expenditure, and I am to suggest that, in the circumstances, the whole question of the payment of

of interest might be waived. I am to enquire whether  
Mr. Secretary Bonar Law agrees to this suggestion.

I am,

Sir,

Your obedient servant,

*D. D. Curtis*

of interest might be waived. I am to enquire whether  
Mr. Secretary Bonar Law agrees to this suggestion.

I am,

Sir,

Your obedient servant,

*D. B. Curtis*



W.O. E. A.P.  
18866

337

ST 22

19 April 1916

DRAFT.

The Secretary  
War Office

Ans d 22304

Sir,

I am directed by Mr.

Secy. Board how to acknowledge

the recd. of your letter,

15./I.O./3708 (F.I.), of

the 15<sup>th</sup> of April, on the

subject of the interest charges

incurred in connexion with

the common charges account

of military expenditure in

East Africa.

I. He understands from your

letter that the Army Council

propose that neither the

W.O. nor the Postmaster

General concerned shall

make any claim for interest

on any part of the sums

which they have respectively

W.O. 18/4/16  
No Recd 18/4

[I have checked the  
amounts as to  
concern the Post Office,  
as W.O. letter contains  
being here on sub. of all  
of which it will be  
known, though the billhead  
with W.O. does not yet  
arrive at this, (I presume  
by hand of concern), so far  
Satisfactory to the War Office]

Copy to War Office 22/4/16