

EAST AFR. PROT.

C.O. 503
4271
REC.
REG. 24 Jun 18

427

Treasury

1918

Military Expenditure
Repayment of £107000

to Jan

Repts receipt on 15 Jan of sum of £107000, which
will be set off agst the debt of 7% paid to Her Maj
at par. Propose now to cancel the whole of the
3 1/2% debt, & to reduce the 5% debt to £65000. 3.3 as
on 15 Jan.

at previous Paper.
No
1681/18

See attached copy of my letter
to Mr Craig of 20 Feb. His reply
(encouraging us to raise the matter
officially) is attached to Treas
Hydra

On which we wrote to the Treas:
yesterday. I have now copied
to them on the E.A.C. point.

WAS 3.3.18

Copy of above to Gen Cant 3 April 1894 14675

at subsequent Paper.

Treas
H645

Any reply to this letter should be addressed to—
THE SECRETARY,
TREASURY,
WHITEHALL, LONDON, S.W., 1,
and the following number quoted.

TREASURY CHAMBERS

504

24 January 1918.

CC
4271
Recd
24 Jan 1918

438
18

Sir,

I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Read's letter of the 2nd instant relative to the repayment to this Department of £107,000 refunded by the War Office to the account of the East Africa Protectorate.

This sum was received by this Department on the 15th instant and will be set off against the debt of the East Africa Protectorate to His Majesty's Treasury at par, as Mr. Long assumes.

As shown in the statement enclosed in Treasury Letter 34179/17 of the 3rd November last, the capital sum outstanding in respect of this debt is as follows:

	£.	s.	d.
3½% debt ..	22,526.	6.	4.
5% debt ..	91,014.	16.	11.
	£ 113,541.	3.	3.

In view of the repayment of £107,000 My Lords propose to cancel the whole of the 3½% debt and to reduce the 5% debt to 26,541.3.3 as on the 15th instant.

I am, Sir,
Your obedient servant,

[Handwritten signature]

Under Secretary of State,
Colonial Office.

1/1917

to be attached

Extract from Treasury Letter of the 3rd November, 1917,
(34179/17) to the Crown Agents for the Colonies.

* * * * *

directed by the Lords Commissioners of His Majesty's Treasury
to transmit herewith for your information statements
showing the Capital Book Debt, outstanding in respect of
amounts advanced to you for certain Colonies and
Protectorates for the period to 30th September, 1917,
together with the interest therein to that date.

* * * * *

CROWN AGENTS FOR THE COLONIES

Showing the Capital Back Debt outstanding in respect of Advances to the under-mentioned Protectorate by the Imperial Government in the period to 30th September, 1917, and the Interest thereon to that date.

Amount of Capital Debt*	Interest.	
	Rate per cent on Capital Debt.	Period Amount.

EAST AFRICA PROTECTORATE.

Standing March,	£ s. d. 22,528. 6. 4.	3 1/2	1/2 year to 30th Sept. 1917.	£. s. d. 394. 4. 3.
Standing March,	91,014. 16. 11.	5	1/2 year to 30th Sept. 1917.	2,275. 7. 5.
	<u>£113,541. 3. 3.</u>			<u>£2,669. 11. 8.</u>

* Redeemable as laid down by Treasury Minute of 17th November, 1914.

City
3/25/18
Received from the draft
to Treasury on 7/6/18
NY 1000
Downing Street.

20 February, 1918.

Dear Craig,

507

The Nyasaland Estimate ~~is~~ to you yesterday - after a delay due to the impossibility of getting our printing done promptly in present conditions.

The Governor has telegraphed asking for approval in time for the Appropriation Ordinance to be prepared and introduced at the meeting of the Legislative Council on March 13th. Will you please ^{see} that that date is kept in mind.

I think the Estimates will give you little trouble - unless on the question of interest on war advances. Cf. Head I ~~of~~ ^{and} our memorandum ^{your} letter 2299/17 of 12th February, 1918.

(1). We have never regarded the advances for repayment to South Africa as affecting Nyasaland's ordinary finances and we regarded the repayment of £149,600 as concerning only the advances made to Nyasaland for its ~~and~~ military expenditure.

£25,000

10,000 see your letter 5415/15 of 6.3.15
 15,600 " " 20538/15 of 4.9.15
 20,000 " " 26929/15 of 16.12.15.
 11,000 " " 982/16 of 26.1.16
 21,000 " " 9823/16 of 19.4.16
 10,000 " " 26847/16
 19,600

2). Both in this case and in that of the East
 Protectorate repayment (see your letter
 of 24 January 1916) we assumed, that the money
 would count pound for pound against the original
 debt - i.e. that the debt in respect of 114,000
 would be wiped out by the payment of 114,000.

But your letters say that the money repaid is
 applied to reducing pro tanto the capital
 liability, which does not become due till the end of
 term of the Loan (or issue of Bonds) concerned.
 In the case of the outstanding 3 1/2 per cent loan, you
 borrowed and lent us 395, ask us to repay 1100, an
 able (at present prices) to pay off 2114 stock.
 Treasury Minute of 17 November 1914 gives the
 giving Colony the benefit of any discount at the
 of repayment, though only (I admit) when
 repayment

repayment is made out of the proceeds of a Colonial Loan. *We do not ask for this benefit.*

Our proposal was based on the arrangement made in the case of the first East Africa Protectorate of £125,000. - Your letter 24846/15 of 17th November, 1915 left the point open, but subsequently you said that in the case of this repayment, and of a repayment by some other Colony the amount repaid should count pound for pound against the sum advanced. I have not been able to find your letter, but if you can track it down I should be glad to have the reference.

Will you please consider whether the matter cannot be arranged on the basis we suggest.

Yours sincerely,

W. C. C.

** See your letter 11856/16 of May 19th 1916 to the C.A. for the Colonies.*

