

EAST AFR. PROT

9776

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LOANS ACT 1914

1919

FURTHER ADVANCES TO PROTECTORATE

Ms. prospective establishment that it is desired that the
Protectorate should revise schemes so as to confine them to
works which can be completed within existing limits. In
connection to London-El-Matbat branch line
constructed for 1800 urgent works in original programme
on condition stated previously to maximum amount of
£100,000 in 1919 and to be divided between the various
Protectorate would not be less than £50.

- (1) £100,000
- (1) £100,000 of the capital
available for urgent works are
now required. The estimates are
as follows:—
- £100,000 of the £100,000
available is required
for urgent works
which will be required
over three years
and £100,000 will be spent (£100,000)
over three years and (£100,000)
account for 100,000 of the
balance. So we may expect, say,
£20,000 more to be spent.
- (2) £20,000 are to be handed to
£500,000 (add £78) = on average £415,000
to spend. I don't know, will there
be requirements for working stock
or magazine paper and so forth?
- In the case of the projects for the Amur
I think the projects for the Amur
- 1335H
16th Aug 1919

the new position before the Governors
before their protests I do not feel
inclined to go back to the Treasury on
the ground (a temporary measure) that
it is false as Imperial economy and
to push on with the development of these
countries as rapidly as we can
I will go to the Governor to the
Trade Commissioners, and get them to
send home revised programmes
general & for 1919-20, showing the
order of priority of various claims so
that we may be able to negotiate on
the total amount & the 1919-20 £200,000
between the three.

G.S. 10.2.19

Uganda has found a few short time
from surplus balances in anticipation of
the issue of loan funds, but the
repayment of this the way

G.C.D.

This is the first step

G.S. 20.2.19

Col. Amey
This will be a mark time. But
I shall if you desire will be content to
accept the Treasury view. He will have to
see the papers, when practicable

G.S. 26/2

You, he we could formally advise - this
if the Treasury could find the money we had
get it from private sources inside or outside
the U.K.

Mr. 42.
Stone

In a general
they have got
increased
difficulties
they have
way for my
class

rely to this letter should be addressed to—

THE SECRETARY,

TREASURY,

WHITHALL, LONDON, S.W. 1.

and the following number quoted.

755

19.

TREASURY CHAMBERS

9776

13 February, 1919.

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REC

14 FEB 19

Sir,

I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Grindle's letter of the 4th ultimo (41421/1918) with enclosures respecting the renewal of advances under the East Africa Protectorates (Loans) Act 1914 and the construction of certain additional works in East Africa out of funds provided by that Act or to be provided under additional Parliamentary powers.

In reply I am to request you to inform Viscount Milner that having regard to the strain on the capital resources of this country, including the Local Loans Fund, for urgent reconstruction purposes, My Lords regret that they can see no prospect of their being in a position to ask Parliament to increase the limit of £5,000,000 fixed by the East African Protectorates (Loans) Act, 1914, for advances to the Protectorates for communications, etc., and they must ask that no capital commitments involving any further assistance from this country may be entered into at the present time. Indeed, they think it urgently necessary that the Protectorate Governments so far from extending their existing loan programme should, in view of the large increase in prices since the original estimates were framed, revise their schemes so as to confine themselves to works which can be completed within the existing limits of the Act.

If the Londiani-Eldoret tramline is regarded by Viscount Milner as more urgent than other proposed works, they would raise no objection to its substitution for works scheduled to the original East Africa Protectorate Local Ordnance, provided it is clearly understood that if this

course is taken They can recognise no subsequent claim
that the Treasury is under any liability to assist the
works so excluded.

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With regard to the resumption of the original
advances My Lords cannot, in view of the liabilities of
the Local Loans Fund, make any considerable advances from
that Fund in 1919/20. But They would be prepared to
advance a maximum sum of £500,000 to be distributed at
discount Milner's discretion between the three
protectorates concerned. The rate of interest on such
advances would depend on the circumstances prevailing at
the time of the advances, but it may be taken as certain
that it would not be less than 5½%.

I am,

Sir,

Your obedient Servant,

O. Baddeley