



the same position before the Government  
I got their protests I do not feel  
inclined to go back to the Treasury on  
the ground (a perfectly sound one) that  
it is false as a special economic act  
to push on with the development of these  
countries as rapidly as we can.

Paragraph the signature to the  
three Protectorates and all three to  
send home revised programmes,  
general & for 1919-20, showing the  
order of priority of various claims so  
that we may be able to make out  
the total amount & the 1919-20 £ 2000,000  
between the three.

G.C.S. 20.2.19

Uganda has found a few thousands  
from surplus balances in anticipation  
the issue of loan funds, but the  
recovery of them is being...

G.C.S.

This is the first step

G.C.S. 20.2.19.

Col. Amery

There will be a mark time. But  
I shall if (on balance) will be content to  
accept the Treasury view. He will have to  
see the papers, when practicable.

G.C.S. 26/7

Yes, but we cannot possibly expense - this  
if the Treasury could find the money we must  
get it from private sources inside or outside  
the UK. 1/3  
done

In a general  
they have asked  
is considered  
difficulties  
they have  
money for

Reply to this letter should be addressed to—

THE SECRETARY,

TREASURY,

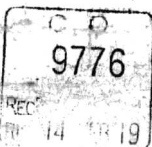
WHITEHALL, LONDON, S.W. 1.

and the following number quoted.

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19.

TREASURY CHAMBERS



13 February, 1919.

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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 programmes 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 Ordinance, provided it is clearly understood that if this

Secretary of State,  
Colonial Office.

course

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 2500,000 to be distributed at  
His Majesty's discretion between the three  
provinces 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,

