

1925

E. AFRICA
UGANDA

C. S.
12208
16 MAR 25

FROM
G. JARVIS.

DATE
13th February 1925.

FOR CIRCULATION:—
Mr. *[Signature]*
Mr.
Mr.
Asst. U.S. of S.
.....
Perm. U.S. of S.
Part. U.S. of S.
Secretary of State.

FIDELITY GUARANTEE.

The copy of memo by Treasurer and support
his opinion that fidelity insurance should be ab
oned. If some form of guarantee must be insisted
considers insurance should be effected by means
a Public Officers Guarantee Fund. Copy of this d
sent to Kenya and to T.T.

Previous Paper

MINUTES

Res 59185/24 ^{EA} _{gear}
35695/25 EA
Answered 62 - 3 FEB 1926 on 59185/24

All replies to 50303/23 are in copy
that for Kenya.
A month
note
Off 20/3/25
at once
F.W.C. 20.3.25

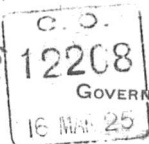
Subsequent Paper

A. Y. *[Signature]*
E.A.
Laur

LM.

Uganda Protectorate.

No. 67.

GOVERNMENT HOUSE,
UGANDA.

13th February, 1925.

Sir,

lect
50303/23

I have the honour to refer to Sir Henry Lambert's despatch No. 415 of the 20th August last in regard to arrangements for giving effect to the provisions of Colonial Regulation No. 332, which provides that certain officers shall give security for the faithful discharge of their duties, and to transmit for your information a copy of a memorandum on the subject by the Treasurer.

randum.

2. I have discussed the matter with my Executive Council and both my advisers and myself are of opinion that the reasons which Mr. Dain advances in favour of the abolition of any form of security are sufficiently cogent to justify this course. With regard to paragraph 6 of the Treasurer's memorandum, the view of my Executive Council, in which I concur, is that if some form of insurance must be insisted on it would be preferable that such insurance should be effected by means of a Public Officers guarantee fund rather than through a Company.

3. I observe from correspondence which I have received from the Officer Administering the Government of the Tanganyika Territory that the views of our respective Governments are substantially the same.

Right Honourable

THE SECRETARY OF STATE FOR THE COLONIES,

&c.,

&c.,

&c.

4. I am sending a copy of this despatch (with enclosure) to the Governor, Kenya, and the Officer Administering the Government of the Tanganyika Territory.

I have the honour to be,

Sir,

Your most obedient, humble servant,

A handwritten signature in dark ink, appearing to read 'S. M. M.', is written over a horizontal line.

ACTING GOVERNOR.

Copy.

ENCLOSURE TO DESPATCH

No 61

OF 13225

No. 803/143.

58

THE TREASURY.

Entebbe, Uganda.

14th January, 1925.

To,
The Hon'ble,
The Chief Secretary,
Entebbe.

I have the honour to submit the following observations for His Excellency's consideration regarding the arrangements for giving effect to the provisions of Colonial Regulation 332.

2. It is desirable to supplement the Crown Agents statement of contributions and claims paid at minute 134 by noting that since the end of 1921 to date, the Insurance Company has met two claims amounting to £225:7:5 while during the same period the premiums paid have amounted to approximately £85.

3. Three alternatives are submitted for consideration, viz.,

(i) To continue the present system.

(ii) To establish within the Protectorate a Public Officers Guarantee Fund.

(iii) To abandon the Fidelity Insurance entirely.

4. It appears that it is generally conceded that the present system has never been satisfactory. In this I concur and I think that it is only necessary to consider (ii) and (iii).

5. For several reasons stated below I incline to the view that the Government should now face losses of public money and that the fidelity insurance should be abandoned. The considerations are as follows :-

(a)

(a) The premiums are small but owing to frequent changes in the holders of insured posts monthly deductions are necessary. Many book entries are thus involved and often considerable correspondence is necessary to square off the transactions. The trouble involved in my view quite outweighs the benefits that have in the past accrued and I see no reason to think that the benefits in the future are likely to improve.

(b) For the most part the posts, which most need insurance cannot from their nature be secured - I refer in particular to native revenue collectors - nor can insurance be expected to provide a cover for more than a fixed amount which may well prove to be only a proportion of the actual loss.

(c) The officers who are compelled to pay the premiums do undoubtedly entertain a certain feeling of resentment at being called upon to contribute to the assurance of their good faith and I consider that the removal of this incubus would be especially welcomed by the officers concerned and would not otherwise be open to serious objection. Our total losses during nearly 8 years have amounted to only £250 in Uganda alone, an amount quite negligible compared with the large sums handled by guaranteed officers.

6. If however the Secretary of State determines that some system of insurance is necessary, I must record my opinion that it would be a long time before a public officer's guarantee fund would be successfully established unless the number of insured posts in this Protectorate were greatly increased for in 1924 only 30 posts were insured for a total of £5,875 so that the

income of a fund would have only amounted to £29:7:6.
On principle I am of the opinion that the fidelity
insurance should be abandoned but if it is to be
enforced then I consider that all officers who have
the custody of public stores and cash should be
required to guarantee their good faith.

Sd/ C. K. Dain,
Treasurer.