

East Africa Post.  
~~SOMALILAND~~  
3256

3256  
Recd 20 JAN 15

91#5  
Jan.  
Previous Paper.  
S

Financial Situation

"£50,000 mentioned in your tel of 4 Jan.  
is included in last two Annus  
mentioned in my tel. No 207 of 15 Jan."

to Read

? how far to the meaning the  
suggestion in my account on  
20285, including City of total of 13 Jan 2  
on 57478, 2548 + rest, other

and 20/1/15

JTC: [unclear]

at [unclear]

A. D. R.

21/1/15

to the Post.

Imbunt aff. with reference to para. 8 (d)  
of it, I do not know the figures authority on 11/13  
for selling the CA. amount of £150,000. (482/15)

The CA's figures are

2nd Col. £12,315

3rd Col. £12,315

4th Col. £12,315

It is safe to conclude that the Govt  
had not allowed for the payment of  
£50,000 to C.A. in Sept.

Oct. 21. 1915

H. J. R.

21/10/15

APHRASE.

TELEGRAM. The Governor of the East Africa Protectorate to the  
Secretary of State for the Colonies.

(Received Colonial Office 1.13 p.m. 20th January 1915).

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No. 209. 20th of January.

18/5  
Your cypher telegram of January 19th. Sum of  
£50,000 mentioned in your cypher telegram of 4th January  
is included in last two sums mentioned in my cypher  
telegram of January 15th, No. 207.

BELFIELD.

Confidential

22 January 1915

Sir,

With reference to the letter from this Dept. of the 4th of January, I am directed by Mr. Secy. Hancock to transmit to you, to be laid before the L.C. of the Treasury, the accompanying copy of further telegraphic correspondence with the Gov<sup>rs</sup> of the S.A.P. on the subject of the military expenditure of the Post Office.

The figures so furnished by the Governor are necessarily rough and approximate, but it is hoped that the amounts actually paid are more exactly ascertained.

DRAFT.

The Secretary to the Treasury

MINUTE

- Mr. Bottomley 21
- Mr. Read 21
- Mr. G. Fiddes 21
- Mr. H. Just.
- Mr. J. Anderson.
- Mr. Islington.
- Mr. Harcourt.

for conso

- tel: 15 Jan (51478)
- tel: 15 Jan (2520)
- tel: 19 Jan ( )
- tel: 20 Jan (2520)

C. J. ...

with the papers before  
the Committee for  
the purpose to ascertain  
the conclusion drawn from  
the Government despatch of the  
12th of Nov. (a copy of which  
was enclosed in the letter  
from this Dept. of the  
10th of Dec.) that the  
Protectorate's military  
expenditure would exceed  
£400,000 by the 31st of  
March. There appears  
to be little prospect of  
reconciling the discrepancy  
by telegraphic remittance,  
and it is necessary, therefore,  
to reconsider the position  
on the basis of the fact  
that up to the end of the  
year the Protectorate had  
paid <sup>in commission with</sup> £180,000 of the  
troops from India, of  
which £50,000 has already  
been reimbursed to the

C.A. for the Colonies. 192

3. It is evident that  
whatever modifications  
may be found to be necessary  
in the papers furnished by  
the Gov. in his despatch,  
arrangements will have to be  
made for meeting the charges,  
military and other, which  
must be borne by the  
Protectorate up to the end of the  
financial year, and the  
Honourable Council that it will  
be prepared to agree to the  
following arrangements:-  
(a). The sum of £70,000,  
due to Protectorate funds  
up to Dec. 31st in respect of  
expenditure connected with  
the troops from India to  
be paid over to the Crown  
Agents from Imperial funds  
(b). The Protectorate Govt.  
to be relieved henceforth of  
all current payments  
in respect of troops from  
India and of its own local



4. The question is one of  
considerable urgency, as the  
balance in this country  
against the Protectorate was  
£190,645 on the 31<sup>st</sup> of Dec.,  
or £40,645 more than the  
sum advanced by the Bank  
of England. That is to say, even  
if the £70,000 is paid over at  
once there will be less than  
£30,000 available to meet all  
charges in this country, the local  
deficiency is increased <sup>and</sup> the circumstances  
change for local troops, for the  
cost of transport, and, in addition,  
any overdraft which the Protectorate  
draws on by this line is drawn  
over to the Bank of India, locally.

be this was the  
so it must be

5. The question is one of  
considerable urgency, as the  
balance in this country  
against the Protectorate was  
£190,645 on the 31<sup>st</sup> of Dec.,  
or £40,645 more than the  
sum advanced by the Bank  
of England. That is to say, even  
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once there will be less than  
£30,000 available to meet all  
charges in this country, the local  
deficiency is increased <sup>and</sup> the circumstances  
change for local troops, for the  
cost of transport, and, in addition,  
any overdraft which the Protectorate  
draws on by this line is drawn  
over to the Bank of India, locally.

HJR

CONFIDENTIAL.

3256/Secret.

Downing Street,

21 January, 1915.

Sir,

With reference to the letter from this Department of the 4th of January, I am directed by Mr Secretary Harcourt to transmit to you, to be laid before the Lords Commissioners of the Treasury, the accompanying copy of further telegraphic correspondence with the Governor of the East Africa Protectorate on the subject of the military expenditure of the Protectorate.

2. The figures now furnished by the Governor are necessarily rough and are definitely stated to represent sums which will be exceeded when the amounts actually paid are more exactly ascertained, but with these figures before him it is impossible for Mr Harcourt to sustain the conclusion drawn from the Governor's despatch of the 12th of November (a copy of which was enclosed in the letter from this Department of the 10th of December) that the Protectorate's military expenditure would exceed £400,000 by the 31st of March. There appears to be little prospect of reconciling the discrepancy by telegraphic correspondence, and it is necessary, therefore, to reconsider the position on the basis of the fact that up to the end of December

the

SECRETARY.



The Protectorate had paid £120,000 in connexion with the troops from India, of which 250,000 has already been repaid to the Crown Agents for the Colonies.

3. It is evident that, whatever modifications may be found to be necessary in the figures furnished by the Governor in his despatch, arrangements will have to be made for meeting the charges, military and other, which must be borne by the Protectorate up to the end of the financial year, and Mr Harcourt trusts that their Lordships will be prepared to agree to the following arrangements:-

(a) The sum of £70,000, due to Protectorate funds up to December 31st in respect of expenditure connected with the troops from India, to be paid over to the Crown Agents from Imperial funds.

(b) The Protectorate Government to be relieved henceforth of all current payments in respect both of troops from India and of its own local forces, the charges due from the Government in respect of the latter, so far as the troops are not used for purely offensive operations against German East Africa, being made good from Protectorate funds when their amount has been ascertained from time to time.

(c) Any sums found to be due to the Protectorate under (a) and not covered by the sum of £70,000, and any further sums similarly due to the Protectorate for the subsequent period before (b) is brought into operation, to be paid over to the Protectorate from Imperial funds when they have been ascertained.

(d) If

(d) If it be assumed that, in estimating the Protectorate's requirements at £400,000 up to March 31st, the Governor did not take into account the fact that £80,000 had been paid to the Crown Agents in September, the above arrangements will have the effect of relieving the Protectorate to the extent of at least £168,000 (i.e. the £180,000 (gross) paid out up to the end of December plus a proportion, for three months of the extra £80,000 expected to be paid up to the end of May), to which may be added the sum of £150,000 already borrowed from the Bank of England, making £318,000 in all, and a further sum of £82,000 will be required.

Mr Harcourt feels that he has no alternative but to ask Lordships to agree to his instructing the Crown for the Colonies to borrow, either from the Bank and or from some other source if better terms obtained, a sum not exceeding £82,000 for the excess of the Protectorate.

It will be understood that in suggesting the £9,000, and other sums when ascertained, Funds Mr Harcourt has not lost sight of the ordinary charges of the troops from being borne on Indian revenues. The allocation of these sums is outside his province, but he that the division between War Office and Indian other charges in respect of these troops is regularly in the Protectorate and he presumes that it will be experienced in the matter.

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2. The question is one of considerable urgency, as the adverse balance in this country against the Protectorate was £190,645 on the 31st of December, or £66,645 more than the sum advanced by the Bank of England. That is to say, even if the £70,000 is paid over at once there will be less than £30,000 available to meet all charges in this country, the local deficiency in revenue and the ascertained charges for local troops, from the 1st of January onwards, and, in addition, any overdraft which the Protectorate Government may by this time owe to the National Bank of India locally.

I am,

Sir,

Your most obedient servant,

(52) H. J. Read