

SR

E. AFRICA
4831

C.
4831
REC'D
JAN 29 FEB 14

367

4

Improvement of Communications.

Transmits aft. S. A. Prot^s (Loans) Bill.

Paper.

3
2/4
5

(Review aft. & minutes
attached 28/2/14)

Mr. Head Sir - G. Fisher

W7 (oa)
To Secy - aft. Notice encl. - com. 18 Aug '14.

cl. (C). The proposals for a Schedule are attached to Gov/1164¹³/₇₄ Uganda. They are a good deal fuller than an actual Schedule to the Bill would be, & the aft. Bill herewith does not contemplate any schedule at all.

Treasury/40194 contemplates a schedule showing statement to be annexed in the first instance to the Protectorate, but this info. has been put in the body of the Bill. This will be all right? but we should substitute the revised figures,

Uganda £ 4,850,000
Nyasaland £ 816,000
Uganda £ 524,000

Paper.

0.2

21823

21526

Nyasaland

530,000,000

25. 45,000. 12/13. A. G. W.

42d.

The alterations should entirely be included in the bill
Legislation.

cl. (14)

Cl. 1(4). If the Treasury think it will be all right not to refer to the payment of interest out of capital (on the draft stands) or to agreement of sinking fund (as they suggest) well & good. I should have preferred to have both points mentioned.

C...

Cl 2(2). They ~~propose~~ Parliamentary drafters wish to omit the "Constitutional" safeguard. This point has not been pressed either way, but the S. Off. prefers that the matter should be provided for in the Bill. I should not think the difficulty is a serious one.

D
(60894)

The words "S. Off. & the Treasury", which appear over & over again, imply that the two depts must be in agreement. Why should there not be more explicitly stating that one Dept must consult the other on a certain point?

Cl. 1 9/2/14

H. J. R.

9/11/14

A. I like 1(2) as it stands. Much better than having a schedule. Probably the H. of C. will be content if on the 2nd reading (should the bill get so far) the Harcourt gives a general outline of the proposed allocation.

Why so deplorable
I am very
hopeful
H.

B. Reserve the primary allocation as

proposed by Mr. B. Attorney. The local
organ must allocate this share with a
vice versa clause. 368

C. I don't believe that on the clause
1(4) as it stands it will be helpful
to pay interest out of capital. Trust
of the draughtsman must satisfy themselves
as to this: he seems to believe.

D. Although I urged the Constitutional
provision I don't at all like the wording,
and I wd rather either (A) revert to the
idea of a ~~the~~ ^{the} ~~pld~~ ^{pld} ~~over~~ ^{to} ~~Parl~~ ^{Parl}
in debate or (B) substitute for the
M.S. addition to the clause, ²⁽²⁾ the words

"whereby the control of the D. of I. over
the finances of the Govt. is impaired"

G. 1.7.9.21⁴

as proposed.

U. 10.2.14

10.2.14

For Parly. purposes I think the
allocation would be much better
in a Schedule than in 1(2): it
leads to less debate. U. 10.2.14

It does not
prohibit it, but
it should be made
quite clear
I agree to

in this
U. 10.2.14

Prints & correspondence attached
as to record left.

Prints as to diff. Ordinance attached.

Diff. to Navy submitted.

Wes
15/89

Sir G. Fiddes.

I take it that the loans will
now safe. Would it not be a good
thing to send despatches at once to the
3 Provinces indicating the works which
we think should be provided for from
the loan funds & as well as we can, the
amount of money to be allotted to each
& asking them to send home as
soon as possible their recommendations
as to the steps to be taken to carry out
the works? For instance, N^o 1 land might

tell us at once what staff is
required for the survey for the settlement
of the Lake, so that we might begin
to look out for men. The E.A.P.
ought to let us know as soon as
possible what its further requirements
in the way of rolling-stock are likely
to be. It takes many months to get
rolling-stock delivered & even if the
order was placed at once, it is unlikely
that any profit will be required until
next financial year. The expenses of
the survey staff for the N^o 1 land settlement
R^o 3 Glen - just not be paid & could be
met

must have
an opinion of
the work.
P.S.

all the
time of
the
£60,000
rolling
to pay
for the
£500,000
of
P.S.

Sir G. Ziddes.

369

I take it that the loans bill is now safe. Would it not be a good thing to send despatches at once to the 3 Prof^{rs} indicating the works which we think sh^d be provided for from the loan funds & as well as we can, the amount of money to be allotted to each - & asking them to send home as soon as possible their recommendations as to the steps to be taken to carry out the works? For instance, N^o 1 land might tell us at once what staff is required for the survey for the extension to the Lake, so that we might begin to look out for men. The E.A.P. ought to let us know as soon as possible what its further requirements in the way of rolling-stock are likely to be. It takes many months to get rolling-stock delivered & even if the orders were placed at once, it is unlikely that any profit sh^d be required until next financial year. The expenses of the survey staff for the N^o 1 land will probably be met by the Road programme & the R^o 2 staff - but not be paid & could be met

must have
an opinion of
the route.
P.P.

all then
time ago
some incidents
of £60,000
of rolling
for which we
to pay if
from the
5000 spent
years?
P.P.

net. if necessary, from the £210,000.

to J.R.

4/5/14

I don't see how the £210,000 can
be materialized. It was then an alternative
(by F. & Co. I suppose) to the loan
Bide and as the latter is going along the
Treas. C^d note, I think, do anything
as regards the former even if they were
willing.

Prepare 2/6 to 5/6 for Govt.

W.S. 5.5.14

at once

W.S.
5.5.14

net. if necessary, from the £210,000.

to J.R.

4/5/14

I don't see how the £210,000 can
be materialized. It was the alternative
(by F. & I suppose) to the Home
Side and as the latter is going along the
Vest C^d way, I think, do anything
as regards the former even if they were
willing.

o Prepare 2/6 to 5/6 for C.A.M.

W.S. 5.5.14

at once

W.S. 5.5.14

Treasury Chambers,
Whitehall S.W.

7th
February 1914.

Dear Read,

I am asked to send you the enclosed (4) copies of a draft East Africa Protectorate Loans Bill.

Would you be so good as to examine it, and let me have the Colonial Office observations on it?

The following points occur to us.

Clause 1 (2) does not deal with the primary allocation as between specific works and subsequent variations thereof. So far as we are concerned, we see no reason to object to the clause as it stands (if Parliament will be satisfied with it): but we think that such allocation and variation should be specifically provided for in the local legislation appropriating and applying the loan for the purposes of Clause 2 (1) (a).

Clause 1 (4).

Treasury Chambers,
Whitehall, S.W.

7th
February 1914.

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Clause 1 (4).

Clause 1 (4), does not cover payment of interest out of capital. We are not sure whether it is necessary or not that provision for this should be made in this Bill. We propose to put this point to Thring, as also the further point whether the second paragraph of Clause 1 (4) is necessary.

Clause 2 (2). Thring has asked me to say on this that he is strongly of opinion that the words after "has been previously obtained" should be omitted. He does not think a provision as regards "inter-departmental arrangements between two branches of one and the same Government appropriate to the Bill. As you know, we should be quite satisfied with a pledge in the House of Commons together with the assurance of the Secretary of State.

Yours sincerely

Herbert Morrison

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Yours sincerely

Donald of Ramsey

*Consolidated with the
the alterations in the revised
1887*

DRAFT

OF A

B I L L

TO

Authorise certain Loans to the Protectorates of British East Africa, Nyasaland, and Uganda.

A.B. 1914.

BE it enacted by the [King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

5 1.—(1) Subject to the provisions of this Act the Treasury may advance by way of loan to the Governments of the Protectorates of British East Africa, Nyasaland, and Uganda, for the purpose of the improvement of communications and trade facilities in those Protectorates, any sums not exceeding in the whole three million pounds.

Power to make advances to the Protectorates of British East Africa, Nyasaland, and Uganda.

(2) The amount advanced to each Protectorate under this Act shall not exceed—

in the case of the Protectorate of British East Africa, one million six hundred and fifty thousand pounds;

15 in the case of the Protectorate of Nyasaland, seven hundred and fifty thousand pounds; and

in the case of the Protectorate of Uganda, six hundred thousand pounds:

*The way
Shepherd
Schmidt*

20 Provided that those maximum amounts may be varied by the Treasury and the Secretary of State as between the three Protectorates if it appears to them that it is expedient to do so, having regard to the ultimate requirements of those Protectorates respectively.

(3) The advances authorised by this Act shall be local loans within the meaning of the National Debt and Local Loans Act, 1887, and that Act shall apply accordingly.

50 & 51 Vict. c. 16.

A.D. 1914.

East Africa Protectorates (Loans). [4 GEO. 5.]

(4) Every such advance shall bear interest at such rate (not less than two and three quarters per centum per annum) as the Treasury and the Secretary of State may fix as being sufficient to enable it to be made without loss to the Local Loans Fund, and shall be repaid within such period (not exceeding forty years from the date thereof) as the Treasury and the Secretary of State determine in each case, and either by means of equal instalments of principal, or by means of an annuity of principal and interest combined as may be similarly determined.

The Treasury may agree that the repayment of the principal of an advance shall not commence until three years after the date of the advance, ~~provided that the instalments of annuities for the purpose of that repayment shall be calculated so as to repay the advance within the original period for repayment.~~ *end here*

2.—(1) An advance shall not be made in pursuance of this Act until the legislative authority of the Protectorate to the Government of which the advance is to be made have provided to the satisfaction of the Treasury and the Secretary of State—

- (a) for raising and appropriating and duly applying the loan; 20
- (b) for charging on the general revenues and assets of the Protectorate, with priority over any subsequent charges, the principal of the loan; and
- (c) for so charging and also for remitting to the Treasury in such manner as the Treasury determine— 25
 - (i) such yearly or half yearly payments on account of the interest on, and the repayment of the principal of, the loan as the Treasury fix; and
 - (ii) interest at such rate as the Treasury fix on any such payment in arrear; and 30
- (d) for raising or securing the raising of sufficient revenue to meet the above charges. 30

(2) Every Act or ordinance of the legislative authority of the Protectorate which in any way impairs the validity or priority of any such charge or diminishes the revenue to be raised as above mentioned shall, so far as it impairs or diminishes the same, be void unless the consent of the Treasury and the Secretary of State has been previously obtained, and no alteration in the constitution of the government of any of the three

[4 GEO. 5.] *East Africa Protectorates (Loans).* 3

Prote. rates shall be assented to by the Secretary of State, A.D. 1914. 37 unless the Treasury are satisfied that satisfactory arrangements have been made for the repayment of any money outstanding on account of advances made under this Act to that Protectorate.

3. This Act may be cited as the East Africa Protectorates Loans Act, 1914.

Schedule

Subject to any such instalments annuities being paid at an amount sufficient to repay the advance in accordance with this Act, the

Security for loan.

to be under the control of the Secretary of State over the finances of the Protectorate

CO. 533 146
PUBLIC RECORD OFFICE, LONDON

Downing Street,

12th February, 1914.

Dear Ramsey,

I have put forward your letter of the 7th and the draft East African Protectorates Loan Bill, on which I am to make the following comments.

Clause I (2). We agreed that there is no need to allocate the money in the Bill as between the various works, but we will, of course see that the necessary allocation (with a virament clause) appears in the local legislation. Mr. Harcourt would however, prefer that the allocation between Protectorates should be transferred to a Schedule, as being less likely to lead to debate. The proviso (lines 19 to 23) would, of course, remain in the body of the Bill.

The

The amounts, so far as we can fix them, should now be

Last Africa Protectorate.....	1,855,000
Nyasaland.....	816,000
Uganda.....	329,000.

Clause 1(4). If you and Thring are satisfied that it will be legal to pay out of capital the interest on sums provided for the purpose of the "improvement of communications, etc." well and good. The point seems to us open to doubt and if you are not absolutely clear on the point it would be much better to insert provision for it.

Clause 2(2). The Secretary of State would much prefer to have the pledge inserted in the Bill itself unless the objection of Tom cannot be got over; but as a matter of drafting he would like the manuscript addition to be altered to "whereby the control of the Secretary of State over the finances of the Protectorate is impaired."

Clause 3.

Clause 3. in the correspondence with Departments have referred to the "East African Protectorates". As one of them is definitely the East Africa Protectorate, the distinction is convenient, and "African" should be substituted for "Africa".

Subject to these points, we think the draft is quite satisfactory.

Yours sincerely,

(sd) A. J. Read

February 5, 1914
4831 S.

C.B.
R. J. 2 FEB
D. 12

12 February 1914

377

Query for Mr. Ramsay.

Dear Ramsay,

I have put forward
Your letter of the 7th and
the draft East African
Protectorates Loan Bill, on
which I am to make the
following comments.

DRAFT.

W. J. Ramsay Esq. C.B.

MINUTE.

- Mr. Bottomley // 1/14
- Mr. Reid //
- Sir G. Fiddes //
- Sir H. Just.
- Sir J. Anderson //
- Lord Emmott.
- Mr. Harcourt.

Clause 1(2). We agree
that there is no need to
allocate the money in the
Bill as between the various
works, ~~and~~ ^{but} we will of
course see that the necessary
allocation (with a ^{the} ~~relevant~~
clause) appears in local
legislation. Mr. Harcourt
would however prefer that
the allocation between
Protectorates should be
transferred to a Schedule, as
being less likely to lead to

should like to have this
used as far as possible
with the main allocation
E.S.

debate The previous (lines 19623)
is of course remain in the body of the Bill.

The amounts, so far
as we can find them, would
now be

East Africa Protectorate

£1,855,000

Nyasaland £816,000

Uganda £329,000

Clause 1(a) I/you and

Thring are satisfied that
it will be legal to
buy out of capital the
interest on sums borrowed

for the purpose of the
improvement of communica-
-tions, etc., well & good.

The point seems to us open
to doubt & if you are
not absolutely clear on
the point it would be
much better to put in
a special provision for it.

Clause 2(2). The Secretary of

State would much prefer
to have the Bill directed
to have the Bill itself

Bill itself makes the
obligation of you & Council

the amount of the
be got over, but as a matter
of drafting he would like
the H.S. ^{addition} ~~alteration~~ to be

altered to "obviate the

control of the S. of S. over

the finances of the Trust ^a

is imposed

Clause 3. In the context

of the Bill the term

referred to the "East

African Protectorates"

As the one of them is
definitely the East Africa
Protectorate, the

distinction is convenient &
"African" or "Africa"

Subject to these points
we think the draft Bill is
quite satisfactory.

Yours sincerely

H. J. L.

Mr. G. Fiddes

379

Ref 4831
I attach letter from Mr. Ramsey
enclosing revised draft of the Bill &
the draftsman's notes. I have shown
a pencil on the original draft where
the alterations come. The only points
of importance ^{are (1)} the deferring of the
sinking fund which is omitted altogether
in the revised, as being covered by the
provision in § 2 (c) as to local legislation,
to the satisfaction of the Treasury, for
repayment. This I think is all
right, but if it is decided to have
anything in Mr. Thring's words will
not do. We definitely told the Treasury
in 1914 that we understood the
arrangement to be

life of loan 40 years

repayment by 37 instalments —

(1) first repayment at the end of the
fourth year

(2) payment of interest out of
Capital during the first three years.

This was omitted from the first draft. We
 drew attention to it but said that if
Treasury & Mr. Thring were satisfied that
specific provision was unnecessary, will

& good. They are ~~are~~ satisfied
about it, & I think we may leave
it alone, though the local legislators,
on which their dropping points & it
have to be tackled, will look
rather odd in claiming a latitude
not set forth in the parent Act.

? Concur + ask for
the draft Bill to be circulated as
soon as possible.

G.L.S. 26/2/14

H. J. R.

26/2/14

Lie J. Anderson

Thos. J. has been
his satisfied if you are.

My off reply below can be?

R.H. 26.2.14

at once

27.2.14

& good. They are ~~are~~ satisfied
about it, & I think we may have
it alone, though the local legislators,
we think their drafting points will
have to be tweaked, will look
rather odd in claiming a latitude
not set forth in the parent Act.

? Concur & ask for
the draft bill to be circulated as
soon as possible.

G.S.
26/2/14

H. J. R.

26/2/14

Li J. G. J. G.

This op. has been
in receipt if you are.

My off reply below can be?

P.S. 26. 2. 14

at once

~~27. 2. 14~~

26 Feb. 1914

Mr. J. dds.

380

I now send the revised draft of
the East African Protectorates (Leases) Bill
(3 copies) and a copy of Thring's note
upon it. The Treasury is satisfied that
in its present form it gives us all
necessary powers.

Please let me know whether
Mr. Harcourt has any observations to
make. If not, we will circulate it.

26 Feb. 1914

Mr. Fiddes,

380

I now send the revised draft of
the East African Protectorates (Loans) Bill
(3 copies) and a copy of *Times* note
upon it. The Treasury is satisfied that
in its present form it gives us all
necessary powers.

Please let me know whether
Mr. Harscourt has any observations to
make. If not, we will circulate it.

to the Cabinet at once.

I have sent a copy of the draft to the

Members of the

Executive Council

to the Cabinet at once.

I have sent a copy of the draft to the

War's secretary

Enclosed herewith

1. The maximum amounts of the advances have been altered and transferred to a Schedule in accordance with the Colonial Office suggestion.

2. I still think that no provision is necessary with respect to the payment of interest out of capital; and further than that, I do not see how the point can be raised except by the Treasury or the Secretary of State on the question whether the Government of the Protectorate have complied with clause 2. As long as the Treasury get the ^{interest of} ~~interest~~ on the advance, it does not very much matter how ^{they are} ~~the interest is~~ provided.

The provision as to the postponement of the payment of instalments has been struck out. I do not think it is necessary, as the Treasury can make all arrangements which are required for the purpose with the Government of the Protectorate.

If it is decided that any provision of the sort should be inserted, I think, as I provisionally suggested, it had better be to the following effect:

"The first instalment of the repayment of the loan shall be payable within a period not exceeding three years from the date of the advance."

4. The latter part of clause 2 (2) has, in accordance with the wishes of the Secretary of State, been left standing, with the alterations suggested by him.

5. "East African Protectorates" has been substituted for "East Africa Protectorates" in accordance with the Colonial Office suggestion.

(Sd) A. King

1. The maximum amounts of the advances have been altered and transferred to a Schedule in accordance with the Colonial Office suggestion.

2. I still think that no provision is necessary with respect to the payment of interest out of capital; and further than that, I do not see how the point can be raised except by the Treasury or the Secretary of State on the question whether the Government of the Protectorate have complied with clause 2. As long as the Treasury get the ^{instalment of} ~~interest~~ ^{the an} on the advance, it does not very much matter how the ~~interest~~ is provided.

3. The provision as to the postponement of the payment of instalments has been struck out. I do not think it is necessary, as the Treasury can make all arrangements which are required for the purpose with the Government of the Protectorate.

If it is decided that any provision of the sort should be inserted, I think, as I previously suggested, it had better be in the following form:--

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DRAFT

OF A

B I L L

TO

Authorise certain Loans to the Protectorates of British East Africa, Nyasaland, and Uganda. A.D. 1914

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

5 1. (1) Subject to the provisions of this Act the Treasury may advance by way of loan to the Governments of the Protectorates of British East Africa, Nyasaland, and Uganda, for the purpose of the improvement of communications and trade facilities in those Protectorates, any sums not exceeding in the whole three
10 million pounds.

Power to make advances to the Protectorates of British East Africa, Nyasaland, and Uganda.

(2) The amount advanced to each Protectorate under this Act shall not exceed the maximum amount specified in the schedule to this Act:

15 Provided that those maximum amounts may be varied by the Treasury and the Secretary of State as between the three Protectorates if it appears to them that it is expedient to do so, having regard to the ultimate requirements of those Protectorates respectively.

(3) The advances authorised by this Act shall be local loans within the meaning of the National Debt and Local Loans Act, 1887, and that Act shall apply accordingly.

50 & 51 Vict. c. 16.

(4) Every such advance shall bear interest at such rate (not less than two and three quarters per centum per annum) as the Treasury and the Secretary of State may fix as being sufficient to enable it to be made without loss to the Local Loans Fund, and shall be repaid within such period (not exceeding forty years

1. The maximum amounts of the advances have been altered and transferred to a Schedule in accordance with the Colonial Office suggestion.

2. I still think that no provision is necessary with respect to the payment of interest out of capital; and further than that, I do not see how the point can be raised except by the Treasury or the Secretary of State on the question whether the Government of the Protectorate have complied with clause 2. As long as the Treasury get the ^{instalment of} interest ^{by an} on the advance, it does not very much matter how ~~the interest is provided.~~

3. The provision as to the postponement of the payment of instalments has been struck out. I do not think it is necessary, as the Treasury can make all arrangements which are required for the purpose with the Government of the Protectorate.

If it is decided that any provision of the sort should be inserted, I think, as I previously suggested, it had better be in the following form:--

"The first instalment of the repayment of the loan shall be payable within a period not exceeding three years from the date of the advance."

4. The latter part of clause 2 (2) has, in accordance with the wishes of the Secretary of State, been left standing, with the alterations suggested by him.

5. "East African Protectorates" has been substituted for "East Africa Protectorates" in accordance with the Colonial Office suggestion.

(Sd.) A. Thomas

DRAFT
OF A
BILL
TO

Authorise certain Loans to the Protectorates of British East Africa, Nyasaland, and Uganda. A.D. 1914

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

5 L.—(1) Subject to the provisions of this Act the Treasury may advance by way of loan to the Governments of the Protectorates of British East Africa, Nyasaland, and Uganda, for the purpose of the improvement of communications and trade facilities in those Protectorates, any sums not exceeding in the whole three 10 million pounds.

Power to make advances to the Protectorates of British East Africa, Nyasaland, and Uganda.

(2) The amount advanced to each Protectorate under this Act shall not exceed the maximum amount specified in the schedule to this Act:

15 Provided that those maximum amounts may be varied by the Treasury and the Secretary of State as between the three Protectorates if it appears to them that it is expedient to do so, having regard to the ultimate requirements of those Protectorates respectively.

(3) The advances authorised by this Act shall be local loans 20 within the meaning of the National Debt and Local Loans Act, 1887, and that Act shall apply accordingly.

50 & 51 Vict. c. 16.

(4) Every such advance shall bear interest at such rate (not less than two and three quarters per centum per annum) as the Treasury and the Secretary of State may fix as being sufficient 25 to enable it to be made without loss to the Local Loans Fund, and shall be repaid within such period (not exceeding forty years

DRAFT

OF A

B I L L

TO

Authorise certain Loans to the Protectorates of British East Africa, Nyasaland, and Uganda. A.D. 1911.

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

5 1.—(1) Subject to the provisions of this Act the Treasury may advance by way of loan to the Governments of the Protectorates of British East Africa, Nyasaland, and Uganda, for the purpose of the improvement of communications and trade facilities in those Protectorates, any sums not exceeding in the whole three
10 million pounds.

Power to make advances to the Protectorates of British East Africa, Nyasaland, and Uganda.

(2) The amount advanced to each Protectorate under this Act shall not exceed the maximum amount specified in the schedule to this Act;

15 Provided that those maximum amounts may be varied by the Treasury and the Secretary of State as between the three Protectorates if it appears to them that it is expedient to do so, having regard to the ultimate requirements of those Protectorates respectively.

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50 & 51 Vict. c. 16.

(4) Every such advance shall bear interest at such rate (not less than two and three quarters per centum per annum) as the Treasury and the Secretary of State may fix as being sufficient
25 to enable it to be made without loss to the Local Loans Fund, and shall be repaid within such period (not exceeding forty years

2

A.D. 1914. from the date thereof as the Treasury and the Secretary of State determine in each case, and either by means of equal instalments of principal, or by means of an annuity of principal and interest combined as may be similarly determined.

Security for loan.

2.—(1) An advance shall not be made in pursuance of this Act until the legislative authority of the Protectorate to the Government of which the advance is to be made have provided to the satisfaction of the Treasury and the Secretary of State—

- (a) for raising and appropriating and duly applying the loan; 10
- (b) for charging on the general revenues and assets of the Protectorate, with priority over any subsequent charges, the principal of the loan; and
- (c) for so charging and also for remitting to the Treasury in such manner as the Treasury determine— 15
 - (i) such yearly or half yearly payments on account of the interest on, and the repayment of the principal of, the loan as the Treasury fix; and
 - (ii) interest at such rate as the Treasury fix on any such payment in arrear; and 20
- (d) for raising or securing the raising of sufficient revenue to meet the above charges.

(2) Every Act or ordinance of the legislative authority of the Protectorate which in any way impairs the validity or priority of any such charge or diminishes the revenue to be raised as above mentioned shall, so far as it impairs or diminishes the same, be void unless the consent of the Treasury and the Secretary of State has been previously obtained, and no alteration in the constitution of the government of any of the three Protectorates whereby the control of the Secretary of State over the finances of the Protectorate is impaired shall be assented to by the Secretary of State, unless the Treasury are satisfied that satisfactory arrangements have been made for the repayment of any money outstanding on account of advances made under this Act to that Protectorate. 35

Short title.

3. This Act may be cited as the East African Protectorates (Loans) Act, 1914.

[4 GEO. 5.]

3

SCHEDULE.

A.D. 1914.

MAXIMUM AMOUNT OF ADVANCES.

	£
East Africa Protectorate	1,855,000
Nyasaland	816,000
Uganda	329,000

2

A.D. 1914. from the date thereof) as the Treasury and the Secretary of State determine in each case, and either by means of equal instalments of principal, or by means of an annuity of principal and interest combined as may be similarly determined.

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- (b) for charging on the general revenues and assets of the Protectorate, with priority over any subsequent charges, the principal of the loan; and
- (c) for so charging and also for remitting to the Treasury in such manner as the Treasury determine— 15
 - (i) such yearly or half yearly payments on account of the interest on, and the repayment of the principal of, the loan as the Treasury fix; and
 - (ii) interest at such rate as the Treasury fix on any such payment in arrear; and 20
- (d) for raising or securing the raising of sufficient revenue to meet the above charges. 25

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East Africa Protectorate - - - - -	1,855,000
Nyasaland - - - - -	816,000
Uganda - - - - -	329,000

Downing Street.

28 February, 1914.

My dear Ramsay,

384

I have shewn to Mr. Harcourt your note and enclosures of the 26th of February.

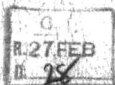
On the understanding that the Treasury are satisfied that the draft Bill enables them to defer sinking fund for three years and to allow payment of interest out of capital for three years, the Secretary of State has no observations and will be glad if you will circulate to the Cabinet at once as you propose.

You will note that Thring's No. 3 ("a period not exceeding 3 years") wouldn't do in any case, as the first instalment won't be payable for 4 years (cf. paragraph 2 of our letter of 3rd December).

Yours sincerely,



~~Quart. for 1901~~



50

385

My dear Ramsey
Have shown to W. H. Wood
Your note & recd of 26 Feb.

~~Have shown~~

On the understanding that the
Treasury was satisfied that
the draft Bill enables them to
defer sinking fund for three
years and to allow payment ^{of interest} _{on}
of capital for three years, ~~the~~ the
S. V. has no objection and will be
glad if you will circulate the
Cabinet as once as for purpose.

You will note that Thring's
no. 3 ("a period not exceeding
3 years") doesn't do in any case,
as the first installment would be
payable for ~~3~~ 4 years (cf. par.
2 of your letter of 3 Dec.)
Yrs. sincerely
G. H. Wood

~~Quarterly~~ 28 50

385

My dear Ramsey

Have shown to W. Harcourt
Your note & recd of 26 Feb.

~~Have shown~~

On the understanding that the
Treasury are satisfied that
the draft Bill enables them to
defer sinking fund for three
years and to allow payment ^{of interest} _{on}
debt for three years, ~~as the~~
S. 20. has no-stone and will be
glad if you will circulate the
Cabinet as- once as for purpose

You will note that Thring's
no. 3 ("a period not exceeding
3 years") would do in any case,
as the first instalment would be
payable for ~~3~~ 4 years (cf. para
2 of your letter of 3 Decr)
Yours sincerely

1/2 1/2 1/2 1/2
Road 6
Fridley 6

XV

Envelope to Nyasaland despatched.

Allocation of Loan Funds

386

Railway Extension to Lake £540,000

Piers etc. at Lake Terminals 20,000

Roads

156,000

£716,000

XVI

Envelope to Uganda despatched

Allocation of Loan Funds

Railway, Kampala to Entebbe, £220,000

Roads

73,000

£293,000

5/5714
Road 6
Fridley 6

1/11/14
Road 6
of 7 miles 6

20
Enclave to Nyasaland despatched

Allocation of Loan Funds

386

Railway Extension to Lake £500,000

Piers etc. at Lake Terminals 20,000

Roads 156,000

£716,000

1/11/14
Road 6
of 7 miles 6

20
Enclave to Uganda despatched

Allocation of Loan Funds

Railway, Kampala to Entebbe, £220,000

Roads 73,000

£293,000

Enclosure to E.A.P. despatch.

W. Vols 5/5/14
to Road 6
to S. Fieldes. 6

Allocation of Loan Funds

387

Victoria Harbour

(£700,000, less £90,000 available
from previous loan) £610,000

Road and Bridges

100,000

Re-laying rails on Uganda Railway

(280 miles - Mombasa to Kapezi Junction) 729,500

Rolling Stock

147,500

Additions to Lake Fleet

80,000

£1,667,000

Treas⁴
4831/14

E. Africa

S. 200



388

11. May 1914

Sir,

I have the honor to
transmit to you the
accompanying copy of
the E. A.frican Protectorate
(Loans) Bill, 1914, which
has been introduced in
Parliament with a view
to enabling the Treasury
to make advances from
the Local Loans Fund
for the purpose of providing
money to meet the cost
of various works of
public utility in the
E. A., Nyasaland, and
Uganda Protectorates.
2. The Bill is now
awaiting its Third Reading

Conf:

E. A. P. 40.
1. Governor
Belfield

DRAFT.

Conf:

- 2. Nyasaland
Governor Smith
- 3. Uganda
Governor Jackson

Conf:

MINUTE.

(1) (2) (3)
(2) Ansd. 29814.

- Mr. Balfour 5/5/14
 - Mr. Read 6
 - Sir G. Fiddes 6
 - Sir H. Just.
 - Sir J. Anderson 6
 - Lord Emmott.
 - Mr. Harcourt.
- for comm 7.5.14

trans Bill
Statement
(2 diff statements)
revised

Further action required by
legislation

in the House of Commons
and I hope to address
You at an early date
on the subject of the
local legislation which
will be necessary in order
to give effect to its provisions,
and which will have to
be passed before any
advances can actually
be made.

3. It is however desirable
that early steps should
be taken, in anticipation
of the passing of the Bill,
to make ^{such} preliminary
arrangements, as regards
surveys and the dispatch
of orders for materials,
as can be made before
the first advances are
actually available, and,
in addition, to ~~prepare~~
prepare a definite scheme
of

~~of books, and the date~~
~~at which each should~~
of the works which can
be carried out within the
limits of the grant being
^(to make some forecast of)
the available and the
date at which each work
can be expected to be
undertaken.

389

4. I. In the enclosure to
the report of 1890 you will
find a statement of the
works which I suggest
should be undertaken
from loan funds in the
Protectorate under your
Gov^t together with the
amounts which may
be expected to be available
for actual expenditure
on each. } The whole ^{Amount} ~~sum~~
~~amount however would~~
not be advanced in
one sum but would be

It will be understood that
these amounts may be
varied, within the total
sum, ~~to be~~ both now
and, if necessary,
after they have been
appropriated to the
several works by
Order in Council.

spread over a number
of years and it may be

taken that the sum available
for actual expenditure
during 1914-15 will not, so

far as the $\frac{\text{S.A.}}{\text{Nyasaland Post-}}^{\text{Office}}$
Uganda

is concerned, exceed $\frac{\text{£98,000}}{\text{£107,000}}$ $\frac{\text{£22,000}}{\text{£22,000}}$
 $\frac{\text{£22,000}}{\text{£22,000}}$ $\frac{\text{£22,000}}{\text{£22,000}}$

(This is the Reading
allocation of the £22,000
reduced to amount of
interest being paid
Capital. But Uganda
total above has been
much reduced since
? interchange of the
two figures.)

You should inform me as soon
as possible whether you have
any objections to make ^{as to} the
inclusion of the services I have
mentioned in the enclosed
statement, and as to the
amount set against each.

You should also state
what sum you anticipate
will be required for each
service in each of the five
years from 1914-15 to 1918-19.

and whether
The separate items under "Roads"
should be set out.

5.
I have already, in my
tel. of the 6th of March, advised
of your sending a letter for

E. A. P. only.

July 580 (a check
sent to you from Uganda)

spread over a number
of years and it may be

taken that the sum available
for actual expenditure

during 1914-15 will not, so

far as the $\frac{E.A.}{\text{Nyasaland Post-}}^{\text{Office}}$
Uganda

is concerned, exceed $\frac{\pounds 98,000}{\pounds 67,000}$ $\frac{\pounds 22,000}{\pounds 22,000}$
 $\pounds 22,000$ $\pounds 22,000$

You should inform us as soon
as possible whether you have
any other ^{as to} ~~as to~~ the

inclusion of the services I have
mentioned in the enclosed
statement, and as to the
amount set against each.

You should also state
what sum you anticipate
will be required for each
service in each of the five
years from 1914-15 to 1918-19.

and at the

The separate items under "Roads"
should be set out.

5.

I have already, in my
tel. of the 6th of March, advised
of your sending vouchers for

(This is the Reading
allocation of the £22,000
reduced to admit of
interest being paid,
capital. But Uganda
total above has been
much reduced since
? Interchange of the
two figures.)

E. A. P. only.

580 (in which
give the four figures of the
for the

DRAFT.

I had omitted this
looking to the time
when it takes to
deliver rolling stock
we are particularly sure
that any further quantities
which may be ordered
now will not have to be
paid for till next
financial year.
H. J. P.

railway rolling stock to
the value of about £60,000.
You will of course take this
question into account in
answering the present
despatch. It is suggested 390
that any further orders
could be completed with
during the present financial
year, but it is desirable
that I should be furnished
with info. as to additional
requirements in the
matter of rolling stock.
The question of the date at
which the re-laying of the
main line could be undertaken
is also one on which I should
be glad to have early
information, as the construction
of ^{any} branch lines which
can be ~~also~~ provided for
in ^{the} S.R.P. or Uganda
must depend on it.

To Nyasaland only

5.
4. In this connection I

would remind you
that certain roads
excluded from the
ordinary Estimates for
the current year have
to be included in the
Loan expenditure with
regard to the extension to
the railway to Lake Nyasa,
an issue that various routes have been suggested. You should
to ~~show~~ furnish me
with your views as to
the exact route which
you recommend and
also as to the staff
required for the survey
of the roads, and the date
by which they should
be sent out.

5. In this connexion I
would remind you that
certain roads excluded
from the ordinary
Estimates for the current
year have to be included

(to Uganda only)

in the Loan Expenditure.
If any special survey
staff will be required
for the road programme
you should furnish me
with your recommendations,
including the date by 391
which the staff should be
sent out. Similarly,
a special survey staff
will presumably be required
for the Kampala - Mt. Kenya
railway, but actual
construction will depend
on the question date
at which the work of
re-railing ~~the~~ ^{the} section
of the Uganda Railway
can be begun, as it
is intended that the
rails taken up shall
be used on branch
lines in the two Protectorates
-ates

Doall

6. In conclusion, I
desire, while regretting that

It is not possible to
place at your disposal
a sum more ~~generally~~
adequate to the pressing
necessities of the Protectorate,
to express my hope that
the money ^{to be} provided will
be of great value in developing
the resources and increasing
the prosperity of the country.

Y

It is not possible to
place at your disposal
a sum more ~~likely~~
adequate to the pressing
necessities of the Protectorate,
to express my hope that
the money ^{to be} provided will
be of great value in developing
the resources and increasing
the prosperity of the country

Yours
S

Local legislation under the
E.A. Prot³ (Loans) Act 1914

392

to the Treasury
to Read.

Issues

Rough draft of Ord^o for E.A.P. (the
modifications for Uganda & Nyasaland
are obvious).

Some have Order 7/00, my model, ^{passed} ~~passed~~
under the Colonial Loans Act, 1899, also
amended,

E.A. Prot³ (Loans) Bill 1914 in the form in
which it received Assent on Monday.

The main principles agreed with the
Treasury are

1. Each advance to stand by itself as a separate
loan.
2. Rate to be fixed by the War^o so that the
Local Loans Fund does not suffer loss.
[The former was the same in the 1899
Act & I have followed the S.L. wording.]
3. Life of an advance not to exceed 40 years.
[We shall want 40 years in all cases
but I do not think we can make it
universal in the Ord^o.]
4. Repayment of principal to be deferred for
3 years - i.e., as we make clear to the
Treasury, the liability will begin after
3 years & the first payment of annuity
is made at the end of the fourth year.
5. Interest for the first 3 years may be paid
out of capital. (6)

6. "Virement" between a Protectorate & the whole

Have made it subject to approval of S.P.S. & Treasury.

7. "Virement" is between the Protectorates. I do not see how to bring this in and expect that any Prot^{ts} eventually getting more than its original share want pass a new short Ordinance.

The allocation of the £5,000,000 which have used is that accepted by the S.P.S. since the Bill was drafted

(Statement C annexed) - £.

EAT	£7,860,000
Nyas	803,000
Uganda	329,000
	£ 5,000,000

They still require confirmation before the Ord^s are passed - when we have final proposals from the Prot^{ts}, & pending this I have not drafted a Schedule

We had better have Treasury approval of the draft before it goes out.

Wed 13/8/4

I have added for London a £10 as to the S.P. Ord^s as to the objection of previous Ord^s. There will be overlapping

I have 8/12 + 2088 1/2 + 450/14 for one make it S.P.S. only + leave to Treasury? subject

I agree see below CB

It was the long of our despatch I'll keep OR

of purposes, as with. - as to that we shall be spending money ⁱⁿ ~~in~~ ^{the} ~~the~~ ^{both} from the £250,000 & from the new loan. But I should have thought the clause unnecessary. The operation of the early Ord^s is ^{as far as the clause} ~~only~~ ^{as far as the clause} ~~as far as the clause~~ ^{as far as the clause} the money raised under the new Ord^s and remains in force as regards money raised under ~~the~~ ^{an} Old Ord^s. Why then should it be deemed to revise?

Wed 13/8/4

393

I agree the general lines of Mr. Bottomley's 5 ft & have only made some slight verbal alterations. It is, I think, impossible to devise a neat virement clause with regard to the Prot^s & I agree that Mr. Bottomley's proposal will be the simplest course. I have made a slight alteration at the beginning of clause 3 so as to make it clear that it is for the Treasury & S.P. to decide whether the Prot^s is to have the complete sum allotted to it

by the act or not.
With regard to § 10 of
the S. L. order the only
point the meaning of this
appears to me to be as
follows. The first sentence
must mean that money
advanced under the Imperial
act & laid out here & there
to carry it out, will be held
on the terms laid down
by that act & order &
not on the terms of the
old ordinance, while the
second ~~sentence~~ sentence
apparently revives the old
act in respect of the
amount borrowed, in order
to make it plain that
the amount so borrowed to
repaid is to be counted
as having been borrowed
under the old ~~act~~ ordinance,
so as not to allow the

Govt to appropriate this
borrowing powers for the
special purpose concerned
under the two ~~that~~ systems.
I advance this interpretation
without much confidence
but Mr. Blackett of the
Treasury to whom I have
spoken thinks it is the
probable meaning. It, however,
he do not, I gather, desire
to limit the borrowing powers
in the present case. I
think it will be best
to omit the clause since
the first & last part
of it do not appear in
any way necessary.

CG 14/8/14

Submitted 5/11/14
altered & Trans L.

at once
K. J. D.

14/8/14

1/10

Mr. T. Johnson
Mr. C. S.

Dr. G. Fiddes

Letter from Dr. Kilbuck (18 Sept.)
about the draft Ord. attached.

There is no quarrel about his (a),
which I presume is ^{to be read} ~~to be~~ to write the
emphasis on the "provision by yearly
instalments". As to (b), I do not
find any thing about this in $\frac{2000}{40794}$

though that letter certainly contemplates the
possibility of annual advances in a year
and suggests a uniform rate of interest
for them all. I do not know why - in
his illustration of his charge takes the
calendar year, it is not only complicated matter
if we depart from the financial year.

It will certainly be convenient to
consolidate the advances of one year
to a single date (we have done this
for the loans), but I do not think
we need go as far as he suggests
in the last paragraph & make this
date the same for each year. A Protection
revenue comes in gradually and
a distribution of the various annuities
through the year might be convenient.
We can leave this point to Govt's
settling, or we can have it done altogether?

As regards consolidation of advances in any
one year, the Chancellor's view that the earliest
date must prevail is not correct, since
we are bound by the Act not to let any
advance run for more than forty years.
His alternatives are

- A. Let interest be paid out of capital
for the first 3 years - the case of the first
instalment of a year (or 2 years & odd months
into one of later advances) & adhere to
the 37 instalments of annuity, and
- B. Let interest be paid out of capital
for 4 years (or 3 years & odd months) &
repay in 36 instalments

I prefer A, the smaller charge for interest
during the first period goes in more of the
advance for actual expenditure and the
annuity is smaller. Also it seems to
involve less alteration of the draft Ordinance.
Of course it means that for the later advances,
in a year we have less grace before
repayment begins, but I do not think
this is material. Taking the case of an
advance six months later than the first
of a year, & comparing the case with that
of a full three years' grace, I make out
(at 3 3/4%) that we lose the interest of
a half year's annuity - or less than 1/10% of the

amount of the amount
Capital, & on the other hand, have
about 2% more of the collection for
actual expenditures on loan services.

I decide on A, and make the
claim
alterations in Section 6 of the draft Ord^{ce}
which I have suggested in pencil in typed
copy attached. A

I am not quite clear whether clause 3
of the draft will do us 't stands, in view
of the point of several advances during a
year. The Treasury proposed ($\frac{20.94}{13}$)
"to fix each year a uniform rate (flat rate)
for all advances during that year". The draft
says "at such rate as may at the date of
each advance be applicable to local loans
in the U.S." If the local loan rate
falls during the year does the Ord^{ce}
require the Gov^t to pay in trust at the
(higher) agreed rate for the year?

The phrase in the draft was taken
from the Bureau's former Ord^{ce} & the Act
the words are "at such rate as may be fixed by the
S. D. S. may for as being sufficient to enable
it to be made without loss to the local
loans fund."

? Simply say
"at such rate as the Treasury and
the S. D. S. for the colonies may fix"
O.S. 19.9.14

As you & I submit
new dft para for
last para in 6
I agree on 10th
last point -

CB 20.9.14

H. J. R.

25/9/14

396

P.S. 30.9.14

at once
Ch 30.9.14

Further conference with W. Kieffer attached
was 30.9.14

East Africa Protectorate

Imperial Loans Ord^{ce} 1914

337

An Ordinance

N^o of 1914

Title

An Ordinance to make provision for borrowing the sum of ~~£1,855,000~~ ^{£1,868,000} from the Imperial Treasury, and for the raising, appropriating, and ^{and} ~~and~~ obliging the loan, and for the due repayment of the same as provided by the East African Protectorates (Loans) Act, 1914.

[1914]

Enacting Clause

Be it enacted by the Governor of the East Africa Protectorate with the advice and consent of the Legislative Council thereof:

Short title

1. This Ordinance may be cited as the "Imperial Loans Ordinance, 1914."

Definite terms

2. In this Ordinance, unless the context otherwise requires,

Treasury

The expression "Treasury" means the Commissioners of H. M. Treasury.

Protectorate

The expression "Protectorate" means the East Africa Protectorate;

Governor

The expression "Governor" means the person for the time being administering the Government of the Protectorate.

Crown Agents

The expression "Crown Agents" means the person or persons for the time being acting as Crown Agents for the Colonies in England.

The Governor may borrow £1,500,000

3. The Governor may from time to time borrow from the Treasury (and) may not exceeding in the aggregate one million pounds

my
am
the
13
no.

hundred and ^{sixty eight} ~~fifty five~~
thousand pounds (or more
to be determined) for the purposes
specified in the Schedule
here to ^{be} bearing interest
from the date on which
each advance is made
at such rate as may
at the date of each
advance be applicable
under Treasury

Regulations to Local
Loans in the United

Kingdom and repayable
in such period (not exceeding

^{the} forty years) from that
date as the Treasury and the S. D. B. in the following way
determine in each case

by means of an
annuity of principal
and interest combined
commencing as hereinafter provided and calculated
at such rate per annum
as may for every £100

borrowed as may be
necessary to pay off the
whole of such principal
and interest in the
said ^{period} ~~forty years~~

hundred and ^{sixty eight} ~~forty five~~
thousand pounds. (sum may
be ~~reduced~~) for the purposes
specified in the Schedule
here to, [&] bearing interest
from the date on which
cash advance is made
at such rate as may
at the date of each
advance be applicable
under Treasury 39
Regulation, to Local
Loans in the United
Kingdom and repayable
in such period (not exceeding
~~the~~ forty years) from that
date as the Treasury ^{of the U.S.} for the Colonies may
determine in each case
by means of an
annuity of principal
and interest combined
commencing as hereinbefore ^{stated} calculated
at such rate per annum
as may for every £100
be provided as may be
necessary to pay off the
whole of such principal
and interest in the
said ^{period} ~~forty years~~

Application of
loan loan

4. The money to be borrowed under the authority of this Order and shall be appropriated and applied to the purposes specified in the Schedule hereto up to the amounts therein allotted to each purpose, and to no other purposes. Provided however that the Governor may with the approval of the Secretary of State ~~(for the Colonies, and the Treasury, may)~~ the amounts so allotted without exceeding the aggregate amount to be borrowed.

The Governor may vary the allocation subject to the aggregate of £1,500,000

Print
Treasury
H. J. R.

Loan to be made
on general revenue

5. The principal money to be borrowed under this Order and the interest thereon are hereby charged upon and shall be payable

out of the general revenue
and assets of the Government
of the Protectorate with
priority over any charges
thereon not existing at the
date of the passing of this
Ordinance.

401

Annuity remittances
to be made through
the Crown Agents

6. The Governor shall in
each year remit to the
Crown Agents out of the
general revenue of the
Protectorate the amount
of the aforesaid annuity
in respect of each
advance, and shall
make this remittance
on such date as will
enable the Crown Agents
to pay over the amount
to the Treasury on the
date on which it falls
due.

No annuity to be paid during
first three years after an
advance has been made

in respect of an
advance

Provided always that
no payment of an
annuity shall be
made until the

end of the fourth year
expiration of three years

from the date of the said
advance ~~in respect of~~
~~which~~ and that the

payments of interest during
^{first}
the ~~period~~ three years shall
be paid either from the
general revenue of the
Protectorate or from the
principal amount of
the advance or the
Governor may direct.

Interest during
the first three
years may be
~~paid out~~
of principal

Interest payable
on interest or
annuities overdue

492
7. In the event of any
payment in respect of
interest or annuity not
fully made at the date
on which it falls due
interest on such payment
shall be charged and
payable at the rate of
interest payable under
section three of this
Ordinance during the
period such payment
is in arrear.

Advances
receivable by
the Crown Agents.

8. The Crown Agents are
fully authorised to receive
the money so borrowed from
the Treasury and to give such
an acknowledgment on
behalf of the Government
of the Protectorate for the
same as the Treasury may
require and so, it is not
to be inconsistent with
the terms of this Ordinance.

Conditional power
to redeem the
advances & interest

9. It shall be lawful for
the Governor with the 403
consent of the Treasury
at any time after the
expiration of five years
from the date on which
any money shall have
been advanced by the Treasury
under the provisions of
this Ordinance, to refer
to the Treasury the amount
of such ^{advance} loan then
outstanding on giving
six months' notice of his
intention to do so.

Application of
Ordinance no. 10 of 1912
and no. 9 of 1914

10. If any ~~loan~~ advance raised under the provisions of these Ordinances shall be applied to the purposes mentioned in Ordinance no. 10 of 1912 or no. 9 of 1914, the provisions of those Ordinances shall thereupon be deemed to be inoperative in respect of the amounts of such advance but if the Government shall at any time exercise its option of repaying to the Treasury the then outstanding amount of any such advance the provisions of the aforesaid Ordinances shall be deemed to revive and to be in force as from the date of such repayment. Provided that nothing herein contained shall be deemed to validate anything duly done under the provisions of those Ord^{inances} prior to the receipt of such advance.

omit
S
yes
11. 2. R

Pres. E.A.
4881/14

gbc

405

18 August 1914

Sir,

With reference to
your letter no: 2398 of 13
of the 7th of January, I
am directed by Mr.
Secy: Harcourt to
transmit to you, to
be laid before the
Lords Comrs of the
Treasury, the accom-
panying copy draft
of an Ordinance which
he proposes to submit
the Govt of the I.A.S.
to enact for the
purpose of authorising
the borrowing of money
from the Treasury under

DRAFT.

The Secy: to the
Treasury

(969)

Pres - 4394

MINUTE.

- Mr. Bostoney 15/87.4
- Mr. Jennings 15.8.14
- Mr. Read 15
- Sir G. Fiddes.
- Sir H. Just.
- Sir J. Anderson.
- Lord Emmott.
- Mr. Harcourt.

Draft Ordinance
(make - extra copy for
files)

C.O. 53
PUBLIC RECORD OFFICE, LONDON

The provisions of the
African

E. A. Protectorates

(Loans) Act, 1914.

Similar Ordinances,

with the necessary

modifications will

also have to be worked

in the Uganda and

Nyasaland Protectorates.

2. Their Lordships will

observe that the draft

provides for various points

which have been agreed upon

by them and Mr. Hancock -

eg. the repayment of principal

to be deferred for three years

and to the first instalment

being due at the end of the

fourth year of the currency

of each advance; - ^{interest}

for the first three years ^(if the currency of each advance)

to be paid, if deemed, out

of principal; and the

power of viceregent as between

the reserves included in a

Protectorate subject to be

allowed. Two points however
have been left over for
subsequent action when the
security arises. 406

3. In the first place, the

power of withdrawal, within

the total of £3,000,000,

between the several Protectorates

which is provided for in

the Act, is not ~~known~~

included in the draft Ordinance.

Mr. Hancock considers it

preferable that ^{the} ~~the~~ legislation

how to be framed the

maximum sum which may

be borrowed by each

Protectorate should be

definitely stated and that

if it is found necessary

to increase the share of

~~any~~ Protectorate an

amending Ordinance

should be framed in that

Protectorate giving additional

power. In this

connexion I am to request

you to draw the Acts

attention to the fact
 that the sum proposed
 in the draft to be allotted
 to the E.A.P. is greater
 than that assigned in the
 Schedule to the Act. Since
 the S. A. Protectorates (Loans)
 Bill was drafted W. Harcourt,

has given further consideration to the
 probable requirements of
 the Protectorates, and has so
 considered the
 fact, as he can see it will
 be essential to increase the
 E.A.P. share at the expense of
 that of New Zealand. Further
 particulars will be furnished
 when he has received the
 Government's final recommendations
 as to the Schedules to be
 appended to the Ordinance, but
 do not hesitate to advise the
 proposed that they should be
 shared by

E.A.P.	£ 1,868,000
New Zealand	803,000
Uganda	329,000
	£ 3,000,000

For course. I deeply on
 1881 we implied that
 the schedule would have
 to be detailed - (we
 may very well want to
 alter the sum, as well
 as the amounts
 L.S.D.
 18/8/14

DRAFT.

23554
 15

MINUTE.

- Mr.
- Mr.
- Sir G. Fiddes.
- Sir H. Just.
- Sir J. Anderson.
- Lord Emmott.
- Mr. Harcourt.

4. With regard to the
 second point, I am to
 remind you that in
 connection with the question
 of agreement within a
 Protectorate's schedule
 attached, was drawn in
 para. 19 of the letter from
 this Dept. of the 9th
 of July 1913 to the
 impossibility of preserving
 several years in advance
 the cost and relative
 importance of
 various services. In the
 same way, it may be
 found that new services,
 of the nature contemplated
 by the Act, are found
 to be required which
 cannot be met otherwise
 than from loan funds.
 In that event amending
 legislation, which would

be submitted for T. L.'s approval, would be necessary.

5. Mr. Harcourt will be glad to be informed at an early date whether T. L. concurs in the proposed draft Order in order that the local legislation may be enacted in ^{anticipation} ~~advance~~ of a possible opportunity of securing some part of the loan. There can of course be no question of an immediate advance, but it may be necessary for him, towards the end of the financial year, to consult them as to the ~~the~~ ^{whether} and on what terms some small sum could be obtained.

(Mr. Harcourt told Mr. Tennison yesterday "not for 6 mos at least" LWD)

(Signed) H. J. READ.
Under Secretary of State

he submitted for T. L. C. approval, would be necessary.

5. Mr. Harcourt will be glad to be informed at an early date whether T. L. C. concur in the proposed draft Order in order that the local legislation may be enacted in ^{anticipation} ~~advance~~ of a possible opportunity of securing some part of the loan. There can of course be no question of an immediate advance, but it may be necessary for him, towards the end of the financial year, to consult them as to the whether and on what terms some small sum could be obtained.

(Mr. Henry told Mr. Tennison yesterday "not for 6 mos at least" LWD)

(Signed) H. J. READ.
Under Secretary of State

Treasury Chamber,
Whitehall, S.W.

18th September 1914.

Dear Bottomley,

East Africa Protectorate Loan Ordinance.

(C.O. 4831/14 of 18th August).

1. There is one point which had better perhaps be cleared up semi-officially, though we can of course raise it officially if you like.

You provide (Clause 3) for repayment "in each case by means of an annuity of principal and interest combined commencing as hereinafter mentioned" and Clause 6 for "an annuity in respect of each advance" . . . provided always that no payment of an annuity in respect of an advance shall be made until the end of the fourth year from the date of the said advance".

We understand, however, the arrangement agreed to by Treasury Letter 19061/13 to be (a) interest and sinking

4
13

sinking fund to be paid by an annuity payable by yearly instalments (b) to save complication, advances in each year might be consolidated and one annuity to be set up to cover all the advances of that year.

Suppose now in 1915 £25,000 is advanced on 1st February, 1st May, 1st August, 1st November, and these are consolidated as one (1915) loan of £100,000. Under the Act this £100,000 must be repaid within 40 years of the first advance viz: by 1st February 1955. This being so we cannot if consolidation takes place postpone sinking fund "on each advance" of £25,000 for exactly three years. Either we can say that the instalment of 1915 (£100,000) shall carry interest only till 1st February 1919 and then set up an annuity to repay in 37 years or we can let interest run till 1st February 1919 and set up a 36 year annuity.

Clause 6 of the Ordinance as it stands does not fit either of these alternatives. Will you consider the point and say which you prefer?

Possibly

Possibly Clause 9 will also require amendment to cover in addition to 'advances' consolidated advances or parts of an advance.

2. Have you considered the point whether you wish the payments of the several annuities set up in respect of advance in 1915, 1916, 1917 etc. to fall on the same dates? It will want some adjusting as the first advance in each year may very well be on a different date.

Yours sincerely,

G S Meyer

F. C. Bottomley Esq.

225

Copied from the original letter of 1/10/1900

The annuity payable in respect of any advance shall fall due on the ~~the~~ each year on the ~~the~~ day of the date on which such advance ⁴¹¹ was made. Provided that if more advances than one are made in any one financial year, the annuity payable in respect of all such ~~advances~~ ^{advances} shall fall due on the day of the date on which ~~the~~ the earliest of such advances was made. Provided also that no payment of any annuity in respect of any advance shall be made until the end of the fourth

annuity to
paid during
43 years
an
annuity has
made

year from the date
of the said advance
or from the date of
the ^{making} ~~advance~~ of the first cash
advance ~~made~~ made
in the financial year
in which such first
mentioned advance was
made, & that the pay-
ment of interest up
to the end of the
third year from that
date shall be made
either from the General
Revenue of the Pro^{vince}
or from the principal
amount of the advance
or the Gov^{ernor} may direct.

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year from the date
of the said advance
or from the date of
the ^{making} ~~advance~~ of the first earliest
advance ~~made~~ made
in the financial year
in which such first
mentioned advance was
made, & that the pay-
-ment of interest up
to the end of the
third year from that
date shall be made
either from the General
Revenue of the Provt
or from the principal
amount of the advance
as the Gov may direct.

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date on which it falls due.

annuity to be paid
 ing first three
 ra after an advance
 been made.

Provided always that no payment of an annuity in respect of an advance shall

be made until the end of the fourth year

from the date of the said advance and that

the payments of interest during the first

three years shall be paid either from the

general revenue of the Protectorate or from the principal

amount of the advance as the Governor may

direct.

Interest during the
 at three years
 be paid out of
 principal

Interest payable on
 interest or annuities
 overdue.

7. In the event of any payment in respect of interest or annuity not being

made at the date on which it falls due

interest on such payment shall be charged

at the rate of interest payable and payable under section three of this

Ordinance during the period such payment

is in arrear.

Advances receivable
 the Crown Agents

8. The Crown Agents are hereby

authorised to receive the money so borrowed

from the Treasury and to give such an

acknowledgment on behalf of the Government

of the Government of the Protectorate for the same as the Treasury may require and as may not be inconsistent with the terms of this Ordinance.

9. It shall be lawful for the Governor with the consent of the Treasury at any time after the expiration of five years from the date on which any money shall have been advanced by the Treasury under the provisions of this Ordinance, to repay to the Treasury the amount of such advance then outstanding on giving six months' notice of his intention to do so.

SCHEDULE

ditional power to
advance on
ice.

EAST AFRICA PROTECTORATE.

An Ordinance
No. of 1914.

414

An Ordinance to make provision for borrowing the sum of £1,868,000 from the Imperial Treasury, and for the raising, appropriating, and applying, the loan, and for the due repayment of the same as provided by the East African Protectorates (Loans) Act, 1914.

(1914)

Be it enacted by the Governor of the East Africa Protectorate, with the advice and consent of the Legislative Council thereof:

1. This Ordinance may be cited as the "Imperial Loans Ordinance, 1914".

2. In this Ordinance, unless the context otherwise requires

The expression "Treasury" means the Commissioners of His Majesty's Treasury.

The expression "Crown Agents" means the person or persons for the time

being

PUBLIC RECORD OFFICE, LONDON

being acting as Crown Agents for the Colonies
in England.

415

The Governor may
borrow £1,868,000.

3. The Governor may from time to time borrow from the Treasury sums not exceeding in the aggregate one million eight hundred and sixty eight thousand pounds for the purposes specified in the Schedule hereto, and bearing interest from the date on which each advance is made at such rate as may at the date of each advance be applicable under Treasury Regulations to local loans in the United Kingdom and repayable in such period (not exceeding forty years) from that date as the Treasury and the Secretary of State for the Colonies may determine in each case by means of an annuity of principal and interest combined commencing as hereinafter mentioned and calculated at such rate per annum for every £100 borrowed as may be necessary to pay off the whole of such principal and interest in the said period.

ation of

4. The money to be borrowed under the authority of this Ordinance shall be appropriated and applied to the purposes

specified

specified in the schedule hereto up to the amounts therein allotted to each purpose, and to no other purposes. Provided however that the Governor may with the approval of the Secretary of State vary the amounts so allotted without exceeding the aggregate amount to be borrowed.

413

3. The principal money to be borrowed under this ordinance and the interest thereon are hereby charged upon and shall be payable out of the general revenue and assets of the Government of the Protectorate with priority over any claims thereon not existing at the date of the passing of this ordinance.

The Governor shall in each year remit to the Comptroller out of the general revenue of the Protectorate the amount of the aforesaid annuity in respect of each advance, and shall make this remittance on such date as will enable the Comptroller to pay over the amount to the treasury on the

The Governor may vary the allocation subject to the aggregate of 1,500,000.

to be a charge on general revenue.

ances
ough the

being acting as Crown Agents for the Colonies in England.

The Governor may borrow £1,868,000.

3. The Governor may from time to time borrow from the Treasury sums not exceeding in the aggregate one million eight hundred and sixty eight thousand pounds for the purposes specified in the Schedule hereto, and bearing interest from the date on which each advance is made at such rate not being less than 2½ per annum as the Treasury and the Secretary of State may fix as sufficient to enable the advance to be made without loss to the Local Loans Fund of the United Kingdom and repayable in such period (not exceeding forty years from that date) as the Treasury and the Secretary of State for the Colonies may determine in each case by means of an annuity of principal and interest combined commencing as hereinafter mentioned and calculated at such rate per annum for every £100 borrowed as may be necessary to pay off the whole of such principal and interest within the said period.

4. The money to be borrowed under the authority of this Ordinance shall be appropriated and applied to the purposes specified

Application of
loan.

The Governor may vary the allocation subject to the aggregate of £1,868,000.

Loan to be a charge on general revenue.

XXXX
Annuity remittances to be made through the Crown Agents.

specified in the Schedule hereto up to the amounts therein allotted to each purpose, and to no other purposes. Provided however that the Governor may with the approval of the Secretary of State vary the amounts so allotted without exceeding the aggregate amount to be borrowed.

5. The principal money to be borrowed under this Ordinance and the interest thereon are hereby charged upon and shall be payable out of the general revenue and assets of the Government of the Protectorate with priority over any charges thereon not existing at the date of the passing of this Ordinance.

6. The following provisions shall have effect as regards payment of interest and repayment of principal.

For the first 3 years from the date of an advance or, where several advances have been made in any one financial year, from the date of the earliest such advance interest only shall be paid. Such interest shall be paid either from the General Revenue of the Protectorate or from the principal amount of the advance as the Governor

may

specified in the Schedule hereto up to the amounts therein allotted to each purpose, and to no other purposes. Provided however that the Governor may with the approval of the Secretary of State vary the amounts so allotted without exceeding the aggregate amount to be borrowed.

The Governor may vary the allocation subject to the aggregate of £1,868,000.

Loan to be a charge on general revenue.

5. The principal money to be borrowed under this Ordinance and the interest thereon are hereby charged upon and shall be payable out of the general revenue and assets of the Government of the Protectorate with priority over any charges thereon not existing at the date of the passing of this Ordinance.

X X
Annuity remittances to be made through the Crown Agents.

6. The following provisions shall have effect as regards payment of interest and repayment of principal.

For the first 3 years from the date of an advance or, where several advances have been made in any one financial year, from the date of the earliest such advance interest only shall be paid. Such interest shall be paid either from the General Revenue of the Protectorate or from the principal amount of the advance as the Governor

may

may direct.

Hereafter 37 annuity payments of principal and interest combined shall be made from the General Revenue of the Protectorate commencing with the 4th year from the date of the advance, or where several advances have been made in any one financial year from the date of the earliest such advance and terminating with the 40th year inclusive, such payments falling due in each year on the anniversary of the original advance or of the first instalment of the consolidated advance.

The Governor shall in each year remit to the Crown Agents the sums due in respect of the aforesaid interest or annuities and shall make this remittance on such date as will enable the Crown Agents to pay over the amount to the Treasury on the date on which it falls due.

7. In the event of any payment in respect of interest or annuity not being made at the date on which it falls due interest on such payment shall be charged and payable at the rate of interest payable under section three of this Ordinance during the period such payment

is

Interest payable on
interest or annuities
overdue.

may direct.

Thereafter 37 annuity payments of principal and interest combined shall be made from the General Revenue of the Protectorate commencing with the 4th year from the date of the advance or (where) several advances (have been made in any one financial year from the date of the earliest such advance and terminating with the 40th year inclusive, such payments falling due in each year on the anniversary of the original advance or of the first instalment of the consolidated advance.

The Governor shall in each year remit to the Crown Agents the sums due in respect of the aforesaid interest or annuities and shall make this remittance on such date as will enable the Crown Agents to pay over the amount to the Treasury on the date on which it falls due.

7. In the event of any payment in respect of interest or annuity not being made at the date on which it falls due interest on such payment shall be charged and payable at the rate of interest payable under section three of this Ordinance during the period such payment

is in arrear.

Advances receivable
by the Crown Agents.

8. The Crown Agents are hereby authorised to receive the money so borrowed from the Treasury and to give such an acknowledgment on behalf of the Government of the Protectorate for the same as the Treasury may require and as may not be inconsistent with the terms of this Ordinance.

Conditional power to
redeem advances on
notice.

9. It shall be lawful for the Governor with the consent of the Treasury at any time after the expiration of five years from the date on which any money shall have been advanced by the Treasury under the provisions of this Ordinance, to repay to the Treasury the amount of such advance then outstanding on giving six months' notice of his intention to do so.

SCHEDULE.

Thereafter ^(in whole) 37) ^(Successive) annuity
payments of principal
& interest combined shall
be made from the General
Revenue of the ~~King~~ such
payments being made in
~~each year~~ ^{successive}
~~for the first year~~
each case on the 4th ^{successive}
anniversary of the
particular
advance in respect of
which the payment is
made or where such
advance is one of several
advances made in the
same financial year
on the ^{fourth} anniversary of the
earliest of such advances

(4831/100)

C.D.
1 OCT
1914

423

Quoted for my inf

1 October 1914

Dear Niemeyer,

Your letter of 18 Sept.
about the E. A. P. loan
Ordinance.

Taking the last paragraph
first - we don't think
that it is necessary
to consolidate as between
different years - it would
as you say want some
adjusting, and the
Protections may very well
prefer to spread out their
liability payments a little.

As regards consolidation
the different
Advantages made by
Protections in the same year,
we agree that it should be
done & that the date of
the first advance should
must prevail. Of course

DRAFT.

J. E. Niemeyer Esq

MINUTE.

- Mr. W. S. H. / 10/10/14
- Mr.
- Sir G. Fiddes.
- Sir H. Just.
- Sir J. Anderson.
- Lord Emmott.
- Mr. Harcourt.

(Mr. Thompson's letter in
is meant to be written)

2
C.O.
J.S.
PUBLIC RECORD OFFICE, LONDON

These alternatives, we
prefer the first one & we
have a tent out of Capitol
for three years from the
date of the earliest advance
of the year and then
set up a 3% year
annuity. The annuity
is smaller & we have
rather more of the gross
amount of the loan for
actual expenditure. I

London

enclose a new draft para:
which might
take the place of the
record para: of § 6.

On this same matter of
several advances in a year,
we think it would be
safe to alter the wording
of clause 3 as to rate
of interest. It was intended
(your office's letter 1906/1/13
of 21 Nov. 1913) to fix
a uniform rate each year
for all advances, made
during that year. Suppose
you received your local loans

I may mention that by
"year" we have understood
the financial year. You
by hypothetical case state
with February.

My opinion that by
"year" we have understood
the financial year.

rather during a year
under clause 3 as it
stands the Government would
have no legislative
authority to fix the
higher (agreed) rate on
the subsequent advances
of the year. The proposal
was taken from a Sierra
Leone Ordinance where a single
advance was contemplated.

424

We suggest, instead of
"at such rate as may at the
date of each advance be
applicable under Treasury
Regulations to local loans
in the territory," the correct words
"at such rate as the Treasury
& the S. of A. for the Colonies
may fix" by the way,
this, incidentally,
keeps closer to the wording of
the Act.

Incidentally, I have
seen a copy of the Treasury
Circular No. 108 about the
rates of interest for local
loans (minute of 10th Feb.
1914). We assume that it

These rates are not altered
in the meantime. If our
advances would be limited
on the lowest scale - 4 per cent.

~~As soon as~~ I should be glad

if you would confirm this,
as we have to cut our coat
according to our cloth, which
shrinks as the rate of interest
rises. Could you let me know
at the same time how far what
the Treasury views have on
the possibility of our getting
the £200,000 we asked for before
31 March 1915? It would be
safe to say that half of it will
be spent in this country.

These rates are not altered
in the event the loan is
advanced would be treated
on the lowest scale - 4 per cent.

~~But~~ I should be glad
if you would confirm this,
as we have to cut our coat
according to our cloth, which
shrinks as the rate of interest
rises. Could you let me know
at the same time how far what
the Treasury views have on
the possibility of our getting
the £200,000 ^{loans} we anticipated before
31 March 1915? It would be
safe to say that half of it will
be spent in this country.

~~Mr. Thompson~~

To you, Mr. Thompson
The Treasury

23 Oct 1941

Dear Bottomley

I hope to answer you notes about
the possibility of advances before March
31 for FAP Loans very shortly
Can you say what is the minimum
you can get on with supposing
you can't have £200,000

425

We are still not quite content
with cl 6 of the draft ordinance &
have tried our own hands. Would
you say to whether you agree with
the result. It is intended to be
a substance the same as yours
with the necessary changes
as indicated overleaf.

I will answer your queries

~~The Young~~ to you, ...
The Young

23 Oct 1951

Dear Bottomley

I hope to answer your notes about
the possibility of advances before March
31 for EAP loans very shortly
can you say what is the minimum
you can get on with supposing
you can't have £200,000

425

We are still not quite content
with cl 6 of the draft ordinance &
have tried on our own heads would
you say to whether you agree with
the result. It is intended to be
a substance the same as yours
with the same terms your sincerely
as indicated overleaf.

I will answer your question

Copy

28/10/14

423

Dear Meininger,

Your letter of 23 Oct.

about the East Africa

Loan Ordinance.

I have consulted Teunissen
our legal Assistant, who
has no objection to your
new form of § 6, except that
the phrase "to be made"
para: could be simplified,
as indicated overleaf.

I will answer your question

Cshy

28/10/4

423

Dear Brewster,

Your letter of 23 Oct.
about the East Africa
Loan Ordinance.

I have consulted T. Curry
our legal assistant, who
has no objection to your
new form of § 6, except that
he thinks the middle
para: could be simplified,
by a nested overleaf.

I will answer your question

about our requirements as
now a loan.

You don't say whether
we should be admitted
to the 4% basis plan under
the present local law
First circular.

Yours sincerely

W. L. Brown

Hereafter 37 annuity payments
of principal & interest combined
shall be made for the General
Revenue of the Prot: such
payments being made each
year on the 4th & each
succeeding anniversary
of the particular advance
in respect of which the
payment is made or the
first advance is one of several
advances made in the same
financial year on the 4th and
each succeeding anniversary
of the earliest of such advances.

about our expenses &
 now as I can.

You don't say whether
 we should be admitted
 to the 4% term plan under
 the present local law
 first circular.

Your mine

W. B. Brown

Hereafter 37 annuity payments
 of principal & interest combined
 shall be made for the General
 Review of the Prot. such
 payments being made under
 law on the 4th of each
 succeeding anniversary
 of the particular advance
 in respect of which the
 payments are made or the
 next advance is one of several
 advances made in the same
 financial year on the 4th of
 each succeeding anniversary
 of the earliest of such advances.