

EAST AFR. PROT
44792

44792
REC'D
Per. 4 NOV 14

Treasury
1914
13 Nov.
Previous Paper.
43134/S

Expenditure connected with despatches
of Imperial Service Troops on service
out of India.
Consider that India funds should finance
the Expedition for the present. Does not
feel justified in advancing the balance of
£100,000 in respect of the P.O. O. Loan
of £250,000

We must
be satisfied by G. Fisher

The bill ready on 43134 S
should be altered so as to
include the substance of
this copy from the Treasury.

Sections of the Finance Act 1911 (S102) to which
the Treasury refers are

"The 7: may advance by way of loan to the
Govt. of the E.A.P. for the purpose of providing
improved railway communication and harbours
with the Protectorate and improved water supply
for the same."

We cannot pass them

I have prepared an alteration in the
draft to do

We must also telegraph to the
Govt. in reply to 43103.

To Treasury 17 Nov. ✓
To (S.O. 17 Nov (43134) ✓

Subsequent Paper
45963 S

in reply
20th / 11 / 14
20th / 11 / 14

Your ltr. of 4 Nov. 180. You may increase
power of overdraft on Bank to extent of £20,000
I am sorry to advise balance of £20,000
loan which is authorized for specific purposes
only. I am sorry to advise that it
is by direct advance for a loan for Treasury
for defence purposes. I will communicate
the matter as to this bit in view of heavy
overdraft on C.A. to get estimate with to
a possible figure of £118,000

[The total of
the overdraft
is £20,000]

[The overdraft
is £96,000 and
ago & has now]

Asks: next of T? letter say we have
communicated with J.P. in the same terms
ask on what terms they would give us the
loan. Also write to C.A. officially, say
that it will be necessary to make arrangements
to borrow money for S.A. for seven seasons
services, including their overdraft, & ask
on what terms they could advance the money?

We cannot borrow
what terms we
like what we
like

We must
expect much
help from the
Govt

No. By the way
the matter of
cannot get the
arrangements they
have to borrow.

W.C.S. 10/1/14

H. J. R.

16/11/14

see memo D.P. 43134

16. 11. 14

It is unless going to the C.A. We must ask for
at least £100,000 at once, and £50,000
more in a month's time.

at once

16. 11. 14

In the reply to this Letter the following
Number should be quoted.

25007

14

13th November 1914.

516

Sir,

43134/1914

With reference to Mr. Read's letter of the 10th instant respecting the cost of military operations in East Africa, I am directed by the Lords Commissioners of His Majesty's Treasury to state that in Their opinion regard being had to present demands upon the Exchequer balances the most convenient course would be that for the present at any rate the India Office should continue to finance the Expeditions, an adjustment being made hereafter when further funds are available; and I am to suggest that the Secretary of State for India in Council should be invited to concur in the course being followed both as regards the sum of £400,000 stated to be now due, and as regards further payments.

In view of the express terms of Section 16 of the Finance Act, 1911, My Lords would not feel justified in advancing the balance, £118,000, undrawn in respect of the loan of £250,000 under that Section to the British East Africa Protectorate in order to strengthen Protectorate balances. In Their view if further sums are required they should be obtained by temporary borrowing, but They will be prepared to consider the possibility of a direct advance by way of loan to the Protectorate for defence expenditure.

I am, Sir,
Your obedient servant,



The Under Secretary of State,
Colonial Office.

CB

Press EAP
44742 Dec

Secret 17 Nov 1914

Sir,
I am directed by Mr. Secy. Harcourt to ask the receipt of your letter, no. 25007/14, of the 13th of November on the subject of the cost of military operations in East Africa and to request you to inform the L. Secy of the Treasury that he has caused a letter to be sent to the India Office asking for the commencement of the language of your letter in the annexed proposed to the first para. of your letter by which the cost of the two expeditions would be

DRAFT

R. Bentley & Co
Treasurers
MINUTE

- Mr. Wood 17.11.14
- Mr. Ross 17.
- Mr.
- Mr.
- × Sir G. Fiddes 17
- Sir H. Just.
- Sir J. Anderson.
- Lord Bampfylde 18/11/14
- Mr. Harcourt.

for copies

borne in the first instance
by Indian revenues.

2. ~~Unsuccessful~~
with regard to the
finances of the East
Africa Protectorate, the
Honourable member stated

T.L. are unable to advance
the balance of £118,000

which was ^{requested} ~~advanced~~

of which the balance of £2,50,000

was withdrawn by the
Finance Committee, and he
stated they will be prepared
to consider the possibility

of a direct loan with
provisions for defence expenditure.

3. He is in communication with
the Governor with a view to
arranging as closely as
possible the way in which
such a loan will be required,
but in the meantime he
announced further that T.L.
will agree to advance
a sum of £100,000 at the

end of the month
and a further £50,000

in the next few days
was forwarded out to the

Colonial Office by the Dept. of
the 16th of Oct.; the

actual cost expenditure
on local military require-

ments during the first
two months of the war

amounted to £130,000,
and the shortage in

Protectorate revenues
has made it impossible

to expect that this year
and the recurring military
expenditure for later

months can be met
from Protectorate balances.

4. The Governor has been
instructed to avail himself
of the power of borrowing
£200,000 from the Colonial
Bank of India, but this

sum small is insignificant
in comparison with the
liabilities, which have to
be met, and the amounts
proposed in the preceding
paragraphs as being required
by way of loan for the
defence of Govt. appears to be
Harcourt to be as low
as he can possibly ask
The Government and will
be all probably have
to be supplemented when
fully info is received
from the Govt.

L
H. J. R.

1200

44792 Sec.

Maintenance Fund
Expn. T.F.F.D.
3. 4. 1904
17. 11. 04

November

519

DRAFT. Tel. (Cipher)

Governor
Nairobi

MINUTE.

Mr. G. S. 17/11/04

Mr. Reed 17

Mr.

Mr.

† Sir G. Fiddes. 17. 11. 04

Sir H. Just.

Sir I. Anderson.

Lord Emmott, Islington.

Mr. Harcourt.

For copy

You tel. of 4. 11. 04
You may exercise power of
overdraft on Bank to extent
of £20,000. Money referred
to above balance of £250,000
loan which is authorized by
Parliament for specific
purposes only but they will
be prepared to consider
a loan to Protectorate
for defence expenditure.
I am asking for £100,000
now and £50,000 more
in a month of this at
least £100,000 and must be
be required to meet overdraft
on Crown Agents.
If these arrangements are

inadequate you should
inform us by telegraph
giving what particulars
you can of past and
future defence expenditure

inadequate you should
inform us by telegraph
giving what particulars
you can of past and
future defence expenditure