

of smoothing over difficulties of this kind, and we shall probably find that it is much easier to tackle the Treasury on the receipt of the Governor's reply than to attempt to go into these details here and return some sort of an answer.

So send the Governor a copy of our letter to the Treasury and of this reply and ask for his observations and for the information required.

JAB

Nov. 28

Alton P. 30

Ed. D. Holt

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

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REC'D
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TREASURY CHAMBERS

23rd November 1911

Sir,

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33538
I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Fiddes' letter of the 1st instant (33338/1911), and the accompanying copy of a despatch from the Governor of the East Africa Protectorate relating to the disposal of the monies of the Provident Fund of the Uganda Railway, and I am to request that the following observations may be submitted to Mr. Secretary Harcourt.

In no
0000/10
1. It would appear from paragraph 6 of the Governor's despatch that no separate account will be kept at the Bank in respect of the Fund, and in these circumstances My Lords are not clear how effect can be given to the requirements contained in Their letter of the 21st June 1910 (3294/10), that the costs of remission should be charged to the Fund.

2. It is apparently intended to reduce expenses of this character by authorising the Crown Agents to make the necessary investments and to charge the amount involved to the general grant for the Protectorate. I am to observe, however, in the first place, that this course would only be practicable for such period as the grant in aid was available for expenditure in this country, but that if, as My Lords understand is not infrequently the case, the Protectorate's expenditure in this country exceeds the amount of the grant, it would of course be necessary to

have

Under Secretary of State,
Colonial Office.

have recourse to remission. In any event, however, such a procedure as that suggested would necessitate the issue of the grant-in-aid at an earlier date than would otherwise have been required, with a consequent loss of interest to the Imperial Exchequer.

In these circumstances it appears to Their Lordships that, whether the sums to be invested are actually remitted through the Bank in the ordinary way or the procedure proposed by the Governor is adopted, steps should be taken to secure that the full cost of the transaction falls upon the Fund and that the Exchequer is not burthened. This end might perhaps be attained by taking, in cases where the actual cost cannot readily be calculated, an average figure as the charge for remittance; or, if preferred, it might be arranged that there should always be an interval of (say) one month between the date of deduction and the investment of the sums deducted so as to admit of the money being actually remitted, if required.

3. No arrangements appear to have been prescribed for dealing with voluntary deposits, and My Lords would enquire how it is intended to provide for these (special regard being had to the greater probability of withdrawals in these cases).

4. On the information before Them My Lords see no sufficient reason for increasing the minimum percentage of the third bonus. The Secretary of State will of course remember that under the scheme approved by the Treasury Letter of the 29th May 1908 (4817) this percentage will automatically grow with the growth of the Railway earnings.

Inauguration Cal.
37762

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Lu

With reference to your

DRAFT

desp no 520 of the 18th

L. no 709
to P. Forward

(333381)

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of sect. relative to the
disposal of the monies

MINUTE.

- Mr. ~~W.B.~~ / xii
- Mr. Butler 1 of 3
- Mr. Fiddes.
- Sir H. Just.
- Sir J. Anderson.
- Lord Lucas.
- Mr. Harcourt.

of the Incident Fund
of the Republic Railway,

I have the honor to
transmit to you, for your

attention the accompanying

copy of corr. with the

Franchise on the subject,

and to request that I may
call your attention to it and

to forward / write the

to be desired to the

naury 1 Nov (353381)

naury 23 Nov

copy true am - B 4472 10348:12