

17295

KENYA

CO 533/414

17295

Corporations (Probate and Administration)  
Ordinance, 1931

Previous

Subsequent

18031/82

|                         |      |
|-------------------------|------|
| XCH                     | 2/8  |
| In lastwood             | 2/8  |
| Instruction             | 5/9  |
| <del>no objection</del> | 9/9  |
| The Chamberlain         | 10/9 |
| In Roberts. Wray        | -    |
| In 294                  | 1/10 |
| Library                 | 2/10 |
| Room 297                |      |

TELEGRAM from the Governor of Kenya to the Secretary of State for the Colonies.

Dated the 23rd July, 1931. Received at 5.1.p.m. on the 23rd July.

-----

*50 - 210/10*

No. 225 CONFIDENTIAL. Your despatch of 9th March Confidential (3) approving further loan requirements. My attention has been drawn to recent answer in House of Commons regarding approval given by you to use of loan funds for hospital and prison accommodation. I observe that no mention was made in answers given of restrictive condition set out in paragraph 4 of despatch under reference. In view of the terms of correspondence ending with my telegram No. 215 Confidential I should be glad to know whether there would be any objection on financial grounds to necessary resolution being moved in August session for all or any of the following works which I consider most urgent 1 new European Asiatic and African grouped Hospital Nairobi including staff quarters £59,200. 2 new Prisons Nairobi 274,325. 3 Roads £12,000 & Advances to local Authorities £10,000 5 Reconstruction of Nakuru and Eldoret telegraph poles route and erection of trunk telephone circuit Colony's share £10,250 total £165,775 inclusive of establishment charges.

I expect opposition to any further loan expenditure at the present time from unofficial members but should be glad to know there will be no Treasury embargo should I desire to proceed to limited amount suggested.

*L 17*

*copy sent 21 AUG 1931  
copy to Com. B/C 26 AUG 1931*

£

|                 |
|-----------------|
| 59,200          |
| 74,325          |
| 12,000          |
| 10,000          |
| 10,250          |
| <u>£165,775</u> |



correspondence with the Treasury. The  
reference is to my letter to you<sup>no 17/17/31</sup> of the  
16th May. Further information about  
the surplus balance requirements is  
given in the last part of the Treasury's  
memorandum enclosed in the Governor's  
Confidential despatch No. 24 of the 28th  
February, of which a copy was enclosed  
in my letter to you No 137/31 of the  
24th April. (No.9) *Handwritten: Ray?*

Yours sincerely,

*It really is most  
important to get off  
replies to the Government  
two telegrams, as the  
budget review of the  
Legislative Council is  
just ahead: so, while  
I am sorry to rush you,  
I must ask that you will  
treat the official letter  
returning this letter as very urgent.  
If you are content with  
the action we propose, a  
telephone message will  
suffice for us to act on.*

*Yours sincerely,*

correspondence with the Treasury. The  
reference is to my letter to you<sup>no 17137/31</sup> of the  
16th May. Further information about  
the surplus balance requirements is  
given in the last part of the Treasury's  
memorandum enclosed in the Governor's  
Confidential despatch No. 24 of the 28th  
February, of which a copy was enclosed  
in my letter to you No. 17137/31 of the  
24th April.

no. 17137/31  
Ray).

(No. 9)

Handwritten mark

Yours sincerely,

*It really is most  
important to get all  
referrals to the Governor!  
Two telegrams, a  
budget session of the  
Legislative Council is  
just at hand: so, shall  
I am sorry to rush you,  
I must ask that you will  
treat the official letter  
re this letter as very urgent.  
If you are content with  
the action we propose, a  
telephone message will  
suffice for us to set on.  
Yours sincerely*

get on with both of these;  
public opinion will not permit of postponement  
any longer already  
in a shocking and insanitary state. 18

Several questions have been asked about them in the House, and a <sup>strong</sup> letter of protest has been received from the British Medical Association.)

( These works form part of Items A(2) and A(4) of the Loan Schedule.

This leaves only <sup>the</sup> small item of £12,000 for roads which presumably forms part of Item D(1), and I think we may take the Governor's word for it that the money is urgently required.

We assure that the Treasury will have no objection to the Governor going ahead with this limited programme, but seeing that the revenue position has got so much worse since their approval was given to the Loan Schedule, we thought it only fair that you should see what is proposed.

Our official letter about the financial position generally refers (in paragraph <sup>3</sup> ~~2~~) to ~~some~~ unofficial

correspondence

capital expenditure not directly and immediately productive, until the revenue outlook was brighter. You will <sup>be</sup> perceive from the enclosed telegram that of this approved schedule the Governor only proposes to proceed at present with works costing £165,775.

Of the works which he proposes to proceed with, the telephone reconstruction (item D.4 of the schedule enclosed in the Governor's ~~long~~ despatch confidential No. 91 of the 17th June, 1930, and enclosed ~~in our~~ <sup>in our</sup> official letter 16100/30 of the 26th August, 1930) is immediately remunerative.

Similarly the £10,000 for advances to Local Authorities may be regarded as remunerative, since the Local Authorities will pay to the Central Government sufficient to cover interest and sinking fund charges.

The Secretary of State can vouch for the fact that the new Hospital and Prison at Nairobi are urgent necessities, <sup>and we can say without</sup> ~~both the existing buildings are said to be~~ <sup>hesitation that we must</sup>

(L 16100/30)  
7 Aug 1930  
(7 - 1)  
Aug 1.



b.o.

X 12279/121k

2 17

*sent to H*

|    |                 |
|----|-----------------|
| C. |                 |
| R  | 1-411G          |
| D  | Downing Street. |

Mr. Eastwood W/H  
Mr. Parkinson 31.7.31

X Mr John Campbell.

1st Class July, 1931.

X Sir C. Bottomley 1-5/3

enc. letter for Mr. Parkinson's signature.

Sir J. Shackburgh

Sir G. Grindie

Parlt. U.S. of S.

Parly. U.S. of S.

Secretary of State

URGENT.

Dear Skevington,

A long official letter comes to you to-day with a draft telegram to Kenya about their financial situation. I am afraid the position is not a very happy one.

The purpose of this letter is to enclose a copy of another telegram from the Governor about the Loan. You will remember that the Treasury, in approving the schedule of further loan requirements in the official letter S.32902/03/4 laid down as one of the conditions of their approval, that the Governor should proceed slowly with fresh capital.

3 DRAFTS for revision

*handwritten*

F. SKEVINGTON, ESQ., M.B.E.

*Proving Cheques*

*To Sir [unclear] 25.7.31  
 (copy all handwritten)*

76 a  
 16/00/30  
 Flug G

*Kenya part*



lb 3  
110

C. O.

C17279.31

Kease

could be sent  
5.35 pm  
8.8.31  
JHW.

- Mr. *W. Klen* 8/8
- Mr. *W. H. S. Jones*
- Mr.
- Mr. Tomlinson.
- Sir C. Bottley.
- Sir J. Shackburgh.
- Sir G. Grindie.
- Presid. U.S. of S.
- Party. U.S. of S.
- Secretary of State

No 242 Confidential

Immediate

DRAFT.

Tel

Foremor  
Vairoli

Copy the as 21/8/31  
copy to - ca. 1/11/31  
26 AUG 1931

of Col  
law, tel no 225 loan

matter has been discussed

with Treasury and if you

desire to proceed to

limited amount mentioned

no objection will be

raised by Lord Comar's

or myself

Col 1 (11) + Areas  
various tel sent after  
by consultation

Col 1 (11) + Areas  
acc.

15  
H



TREASURY CHAMBERS,  
WHITEHALL, S.W.1.

In reply  
please quote Regd. No.

S. 32902/83/7.

RECEIVED  
11 AUG 1931  
COL. OFFICE

10th. August 1931.

RECEIVED  
11 AUG 1931  
COL. OFFICE

Dear Parkinson,

Kenya.

In reply to your semi-official letter of the 1st.  
instant (17279/31) with regard to uncovered loan expend-  
iture, we agree that the Governor may go ahead with the  
limited programme of expenditure (£165,775 in all),  
detailed in his telegram of the 23rd. ultimo.

No. 2

No. 1

Yours sincerely,

*M. Trickett*

A.C.C. Parkinson Esq. C.M.G.

COLONIAL OFFICE.



X 17279/31

45

C. O.

- Mr. *Freeman 13/1*
- Mr. *Allen 17/8*
- Mr.
- Mr. Tomlinson.
- Sir C. Bottomley.
- Sir J. Shuckburgh.
- Sir G. Grindle.
- Parlt. U.S. of S.
- Parly. U.S. of S.
- Secretary of State.

C. O.  
 R 19 AUG  
 D

21 AUG 1931

DRAFT.

Sir

The Secy  
T'g.

81 of 16.000/30  
(29. 10. 1931)

W. ref. to the letter from *Wharfedale*  
 this ~~day~~ office of the ~~Secretary~~  
 and ~~consequent~~ ~~consequence~~  
 relation to the ~~present~~ ~~financial~~  
 situation in Kenya, I am  
 to transmit to you, to be laid  
 before the L.C. of the T'g.,  
 a copy of ~~some~~ ~~the~~  
~~some~~ telegrams exchanged  
 with the Governor of the  
 Colony on the subject of  
 certain proposed <sup>ways</sup> expenditure  
 from ~~local~~ funds.

2. Ld. Passfield's  
 telegram of the 13<sup>th</sup> August

~~From Gov. 23/8/31~~  
 To Gov. 2- Aug.  
 ③ in file

Copy ① ③ E.C.A.L.F.

provided for services amounting to £3,364,952 and the loan was for £3,400,000 stock; the cost of issue and discount came to 296,830 making a cash result of £2,303,170 i.e. leaving a balance of £1,682 authorised by the Ordinance of 1930 to be covered by further borrowings. It may also be noted that the statement of allocation to the 1930 differs in two respects from the schedule to the Ordinance, i.e.

Public Buildings.

Ordinance £1,275,318  
 Allocation 973,367 Reduction £301,951

Loans to Local Authorities.

Ordinance £286,578  
 Allocation 290,847 Increase 240,269  
 Net reduction £1,682.

i.e. the balance ~~already mentioned~~ to be covered by further borrowings

In addition approval has been given for the transfer to loan of the £44,000 approved for housing schemes and hitherto shown as a charge against surplus balances.

The further cash borrowings in sight assuming the two additional branch lines are approved would be

|                                |               |
|--------------------------------|---------------|
| Approved further services      | £1,775,146    |
| balance from 1930 Ordinance    | 61,682        |
| Jamji & Donyo Sabuk Extensions | 331,050       |
| Housing Schemes.               | <u>44,000</u> |
|                                | £2,211,878.   |

Mr. Allen

(in duplicate)

As regards Mr. Drake's query, no authority appears to have been given by the Secretary of State for the re-allocation of the items he mentions in the schedule to the Kenya Loan Ordinance, 1930.

What happened appears to have been as follows:-

The allocation of expenditure against the 1928 and 1930 loans approved by the Secretary of State in respect of the two items was:-

|                            |             |
|----------------------------|-------------|
| Public Buildings           | £ 1,553,517 |
| Loans to Local Authorities | 490,847.    |

The original allocation under item 8 of the 1928 loan schedule was:

|                            |           |
|----------------------------|-----------|
| (a) Public Buildings       | £ 282,880 |
| (b) Municipal requirements | 240,269   |
| Total                      | 523,149.  |

When the schedule to the 1930 loan was prepared the above amounts were therefore deducted as having been provided in the 1928 loan - see the telegram from the Governor of Kenya of the 18th November, 1930 (No.35 in 16100/30).

From the 1931 Kenya statement of Colonial Loans it appears however that the whole of the expenditure under item 8 of the 1928 loan was devoted to Public Buildings and it became necessary therefore to adjust the 1930 schedule by deducting from <sup>the amount of</sup> Public Buildings the excess amount (£240,269) spent on this service from the 1928 loan, and by adding this amount to the Municipal Loans item of that schedule. The allocation to public buildings had also to be further reduced as explained in Mr. Allen's minute in 17279/31 by £61,662, the balance to be covered by further borrowings.

Page 137 Finance Report 1930

Page 5 statement of Colonial Loans 1930

H.S. P... ..

116

KENYA LOANS

Note as to further borrowings.

The total of the "unprovided" services  
conditionally approved is

Colony £1,262,136

Transport 513,510

£1,775,146

These excluded £30,000 for Nairobi Town Planning and £400,000 for branch lines which had been included in the Transport programme. On the other hand £43,100 was added to the Transport programme for branch lines to bring the amount up to the original provision of £125,000. The £400,000 was to cover Butere £80,000 Jamji (Kericho) £300,000 Donyo Sabuk £50,000. The revised estimates for these three extensions are however as follows: Butere £80,000 Jamji £300,000 Donyo Sabuk £43,050. Butere will be met from the £125,000 which will also provide £63,000 for Nanyuki leaving a balance of £12,000 for the remaining two extensions which have not yet been finally approved. If finally sanctioned the net additional requirements for branch lines (i.e. additional to the £1,775,146 mentioned above) will be calculated as follows:-

|                             |                |
|-----------------------------|----------------|
| Jamji 2300,000              |                |
| Donyo Sabuk <u>43,050</u>   | £343,050       |
| Present provision           | £125,000       |
| Less                        |                |
| Nanyuki 63,000              |                |
| Butere 50,000               | <u>113,000</u> |
| Balance available           | <u>12,000</u>  |
| Net additional requirements | <u>331,050</u> |

As regards the 1930 Loan the Ordinance

provided



Agents' cash or placing loan on market.

I therefore desire to know whether any expenditure is actually being incurred or is in contemplation on account of approved loan services Colony or Transport which are not covered by loans already issued and would therefore involve sooner or later calls on Crown Agents for advances pending issue of further loan.

108

C. O.

17279/31 Kenya.

Mr. Allen. 5/10  
 Mr. Sir J. Campbell, 6/10/31  
 Mr. H.B. Allen. 7/10.  
 Mr. Tomlinson.  
 Mr. C. Bottomley. 7.10 address  
 Sir J. Shackburgh.  
 Sir G. Grindle.  
 Form. U.S. of S.  
 Party. U.S. of S.  
 Secretary of State.

|          |
|----------|
| O. T.    |
| R 8-OCT. |
| B 7      |

DOWNING STREET,  
 October, 1931.  
*Coded & sent Oct 2.30 pm 8.10.31*

*Handwritten:* Hcg, Amad

No. 308 Confidential.

My telegram 242 Loan Services.

**DRAFT.**

Tel.  
 Conson.  
 v. minute.

1931 NOV 21 165

GOVERNOR,

NAIROBI.

Present position is that Crown Agents, owing to withdrawals of their balances and to general monetary situation in this country are finding great difficulty in providing advances in anticipation of loan issues. Prospects for raising loans extremely uncertain for some time to come and Treasury bills are expensive and provide temporary expedient only as it is undesirable to contemplate recurring renewals.

It is therefore necessary that every effort should be made to avoid or postpone any Government activity which may involve strain on Crown

Agents

17214  
9  
DECODE

Telegram from the Governor of Kenya  
to the Secretary of State for the Colonies.

Dated 23rd October 1931. Received 4.10 p.m 23rd October. ✓

No.332 Confidential.

*No. 332*  
Your telegram No.308 Confidential. No  
expenditure is being incurred or is now contemplated on  
account of approved loan service of the Colony or  
transport <sup>is</sup> which are not already covered by issued loans.  
My Advisers are considering whether it is necessary to  
postpone certain work for which loan provision has  
already been made in order to secure cash position against  
temporary shortage of surplus balance.

*copy to...*

91968/32. General. Secret.

TELEGRAM from the Secretary of State for the Colonies to the Governor of Kenya.

(Sent 2.15 p.m., 16th January, 1932)

-----  
CONFIDENTIAL.

No.13. Circular. Begins.

I do not feel sure that Colonial Governments fully appreciate serious difficulty of raising fresh capital in this country under present conditions. For various reasons, (including international financial situation) very great difficulty will be experienced in floating any new public issues in London during March quarter, and opportunities of issue of new Colonial loans will be very limited during that period and possibly for some time longer. This means that in the meanwhile moneys advanced from Joint Colonial Fund cannot be repaid and Fund will not be in a position to make further advances except on strictly limited scale. Securities could only be sold at present at considerable loss. In these conditions any expenditure from loan can only be justified by absolute necessity and complete impossibility of postponement. I ask you to review any programme of expenditure involving advances from this standpoint. Ends. I have not overlooked your telegram No.332 but it is necessary to emphasise increased difficulties of position not only as regards further approved loan services but also as regards unspent balances of loans already issued.

Original registered  
on 17302/D/31

7  
12

Telegram from Deputy Governor Kenya to the Secretary of State  
for the Colonies

Dated 23rd March Received 4.6.p.m. 23rd March 1932.

K.S. 1702/31

No. 52 Confidential. Your telegram No. 36 Confidential.

Am glad of report that 1931 accounts are now almost closed  
and reveal more favourable position than that reported in  
last paragraph of my telegram No. 14 <sup>1771/D/31</sup> confidential. Treasurer's  
latest estimate which is subject to minor adjustment shows  
deficit on working of the year 1931 amounting to £153,000  
approximately. Of Loan works enumerated in paragraph 11  
of Select Committee Report I have authorised recommencement  
of work w/ on Law Courts and certain administrative  
offices involving release of about £100,360.

8. Jo for tel. No. 308 cont. 29/10/31 Oct. 31.

9. Gov. Kenya Tel. 332, Conf. 23rd October

"No expenditure is being incurred or is now contemplated on account of approved loan service of the Colony or Transport which is not already covered by issued loans. My advisers are considering whether it is necessary to postpone certain work for which loan provision has already been made in order to secure cash position against temporary shortage of surplus balance."

*See above.*

*to 8 & 9 also so to*

*CA advised that he was sent after 8% consultation*

*24/10/31*

*with 26.10.31*

*See Campbell to after action.*

*state*

*state*

*3/11/31*

*To CA - w/c 899 -*

**DESTROYED UNDER STATUTE**

*When the question of further expenditure Kenya on loan works comes up (reference of Govt. Dept) is not to be overlooked*

*11. Popr. Kenya - Tel. Secret.*

*16/1/32*

*As sent on 9/1968/52 Paul Secret.*

8. Jo for tel. No. 308 cons. 29/10/31 Oct. 31.

*MW*

9. Gov. Kenya Tel. 332, Conf. 23rd October

"No expenditure is being incurred or is now contemplated on account of approved loan service of the Colony or Transport which is not already covered by issued loans. My advisers are considering whether it is necessary to postpone certain work for which loan provision has already been made in order to secure cash position against temporary shortage of surplus balance."

*See above.*

*to 8. & 9 also so to*

*CA advised that he has sent after 8% consultation*

*10/10/31*

*24/10/31*

*also*

*to 10 96-10-31*

*since*

*See pamphlet on after action.*

*London*

*3/11/31*

*To CA - w/c 899 - 100*

**DESTROYED UNDER STATUTE**

*When the question of further expenditure on Kenya on loan works comes up (around 24000/31 31) is not to be overlooked*

11. *Pop. Kenya - Tel. Secret.*

*16/1/32*

*As sent on 91968/32 Paul Secret.*



on this file. You will also see from the earlier papers in the file, that the Secretary of State and the Treasury recently agreed as regards Colonial services, to the Governor proceeding, if desired, with works to the extent of £165,775. With this exception, and we do not know whether the Governor has put these limited proposals through the Council, the Colony, so far as I am aware, is not engaged in any of the additional works to be met from advances. In any case there is no such statement of expenditure on the latest loan statement, either as regards Colony or Transport services. As you know, we recently had to communicate with Uganda in this matter of advances, and the circular dealing with the general question of the financial crisis was sent to the Governors on the 19th September. In that circular, copy herewith, it was made clear that every effort should be made to avoid, or at least postpone, activities which would result in loans.

In the circumstances it is a matter for consideration whether we should not safeguard the position as regards Kenya by some communication to the Governor on the lines of the draft herewith which, as you will see, indicates the difficulties, ~~and asks what they are doing as regards~~ and asks what they are doing as regards further loan expenditure, both Colony and Transport. Kenya has, I believe, still a substantial sum left out of the proceeds of the last loan, and as regards the urgent services referred to in No. 1 on the file, it might be possible to deal with those which are specially urgent by re-allocations. But perhaps in the first instance

*But we cannot refer to it as it has not been the subject of the material passage in the tel*  
MVA

instance it will be sufficient to give the warning and ask for information as in the draft telegram.

*You may think it desirable that the Egechiel is consulted before any telegram is sent on the lines proposed*

*MVA  
27/10/51*

I agree that the proposed cable should be sent. The C Ags are-I feel sure-in agreement with this; but it would be well to let Mr. Egechiel see. The 6-10-51.

*to Egechiel*

*do you agree?*

*MVA  
6/10/51*

*Mr. Allen I agree. But I shall like the draft to read "Present position is that Kenyan Agents owing to withdrawals of their balances and to general monetary situation in the country are finding great difficulty in providing advances in anticipation of loan issues. Raising of loans with prospects for raising loans extremely uncertain for some time to come and Treasury bills are expensive and provide temporary expedient only as it is undesirable to contemplate recurring recourse. It is therefore necessary....."*

*Shave acceded that up for staff*  
*MVA 7/10/51*

be regarded a remembrance.

This leaves only the small item of £12, on a note 2 for Gov's statement that this is most important and to be accepted.

600

? in the letter to the Treasury which is to go on 15/8/31 as to the general financial situation and also copy of this letter, explaining - above I say that it is assumed that in the civil they will have no objection to the Gov. proceeding with this limited programme.

Stanford  
29.7.31

(on Parkin, same papers)

To Mr.

29.7.31

at all.

Mr. Whitehead came over this morning to see the Governor himself. He spoke to the Gov. saying that he had no objection to the Gov. proceeding with the limited amount proposed.

need  
0.1.31

Stanford

2 To J. Herington (Vreas) 1/0 1<sup>st</sup> August 1931

3 To Gov. th. 242 Conf (Lead) 8 August

4 Treasury 1/0 10<sup>th</sup> August  
I hope the Governor may go ahead with limited programme of expenditure

letter to Gov  
4/8/31

5 To Treas (w/ps 1+3) 21 AUG 1931

6 Note as to further borrowings.

Having an unexpected moment of leisure a short time ago I drew up the note - No. 6 - as it seemed desirable to have on record some up-to-date statement of the loan position which had been altered by various decisions on other papers. -  
Put by. G. Stanley Price

Stanford  
20/8/31  
at all

Seen  
4/8/31

Copy of the 1/2 page  
in 1/2 page for record.  
M. M. 28/8/31

To Gov (w/ps 1+3) 18/10 26 AUG 1931

Sir J. Campbell.

As you are aware, certain additional loan services, both Colony and Transport, have been approved to be met from advances pending the issue of a further loan. The actual position is as shown in the note registered as No. 6

on

Part history of  
1931 on  
Stanford & Price  
file for record

Similarly the reconstruction of  
telephone lines forms item D 4.  
This latter is immediately  
remunerative - see details  
in App<sup>n</sup> II to no. 6 or 16.100/30 (page).

The £10,000 in advance to  
local authorities is presumably  
part of B of the loan schedule.

The Treasury have not  
yet put an absolute ban on  
further loan expenditure - they have  
only made a stipulation that  
the Govt. should proceed slowly  
with all expenditure not immediately  
directly remunerative.

~~It is not safe to inform the Govt. that we will be in a position to refer again to the Treasury, the refer to the Treasury should perhaps be made in conn<sup>n</sup> with the Govt's~~

If it is not  
considered safe to inform the  
Govt. that we will be  
in a position to refer again to the  
Treasury, the refer to the  
Treasury should perhaps be  
made in conn<sup>n</sup> with the Govt's

Conf. tel. no. 215 - the papers are 43  
which are now with you

Parkinson  
25.7.31

Mr. Campbell

I agree that we shall seek  
Treasury approval of  
~~any~~ expenditure from loan  
funds: the first two  
items are the most  
important & the most  
urgent. Strictly, I think  
we could proceed without  
ref<sup>r</sup> to the Treasury, but  
it would be right on the  
whole to make  
sure they do not object.

We might discuss this  
at the same time as  
X.16.100/31 wh. is coming  
before you separately?

All Parkinson  
25.7.31

Substantively,

~~Parkinson~~  
P. Parkinson

discussed, <sup>then</sup> yesterday with  
Sir John Campbell.

The hospital & prison can be  
regarded as admin<sup>n</sup> necessities.

The telephone reconstruction &  
the advance to local authorities can

Similarly the reconstruction of  
telephone lines forms item D 4.  
This latter is immediately  
remunerative - see details  
in App<sup>x</sup> II to us: 6 or 16,100/20 flogged.

That can also be  
regarded as  
remunerative since  
the local auth<sup>y</sup> is  
pay to the central  
Govt suff<sup>y</sup> to cover  
with 8.5% charge.

The £10,000 in advances to  
local authorities is presumably  
part of B of the loan schedule.

The Treasury have not  
yet put an absolute bar on  
further loan expenditure - they have  
only made a stipulation that  
the Govt shd increase slowly  
with the expenditure not remunerative  
& directly remunerative.

~~to be considered~~

~~to be considered~~

~~to be considered~~ If it is not  
considered safe to inf. the  
Govt that there will be  
no objection to this expenditure  
without refer again to the  
Treasury, the refer to the  
Treasury shd perhaps be  
made in conn<sup>y</sup> with the Govt's



In view of financial position as reported to S of S enquire whether any objection would be raised to works specified being moved at August session

As to hospitals & prisons, please see note attached ~~under the~~ above no. 6 on 17/74/1A/1.

The Gov. has been told s.o. that there is no reason to think that the Sps will not be able to give approval for both within the totals allowed in the loan schedule, provided that no part of difficulty arises in detail. The totals allowed in the loan schedule was hospital £70,000 per establishment charge of say £10,000 prison £82,624 per establ<sup>t</sup> charge of £12,390. The present figures of £59,200 & £74,325 respectively are therefore well within the limit.

As regards roads £12,000, this is presumably part of the ~~total~~ £129,600 for roads & brid. which formed item 1 of the ~~loan~~ schedule of further loan expenditure - see flag in no. 6 on 16/10/30.