

38128

CO 533/481
KENYA

38128

LOANS

- (1) LAND + AGRICULTURAL BANK
- (2) NAIROBI WATER SUPPLY
- (3) FARMERS CONCILIATION BOARD

Previous

Room 303

4/6

298

9/8

297

38128/17/36

Li James Mill *copy*

38128/1/36

277

2/5

SEE 38210/2/36
subsequent

R. 80

3/8

38071/38

R. 297

5/9

R 309

3/9

Li C. Cottonley

6/5

R. 297

12/37

R. 303

11

Mr Parkin

23/2

299

2/9

M: Howard

23/2

C. D. ~~Howard~~

2/10

309

277

28/9

Mr Parkin

—

297

4/10

297

5/3

297

—

R. 80

10/3

Li James Mill

5.2.37

R. 297

26/4

R. 297

Mr Parkin

29/4

M: Howard

15/5

Mr Parkin

12

298

21/5

297

24/5

R. 83 *copy*

1/6

297

3/5

Mr Howard

38

C.I.

FINANCIAL.
(LOANS)

1. SIR P. EZECHIEL (S/O TO SIR C. BOTTOMLEY).....15.2.37²
Refers to the £375,000 raised by Kenya in August last out of a total of £625,000 partly for the Land Bank and partly for the Nairobi Municipality and enquires if any idea can be given as to when the balance of £250,000 will be raised.
(Copy regd. on 42011/3/37 T.T.)

Of the £375,000 already raised, £112,000 was for the Nairobi Water Works. Of the remainder, £250,000 was the first instalment of a total of £500,000 which is to be raised for the Land Bank. So far as it affects the question of when it will be desired to raise the balance of £250,000, the history of this is as follows:-

In 1934 the Kenya Economic Development Committee reported that a further £½ million could be advantageously employed by the Bank "within two or three years' time".

In paragraph 5 of his despatch of the 25th of May, 1935, the O.A.G. said that the Land Bank had suggested that the £500,000 should be raised in two instalments of £250,000 "with an interval of eighteen months".

In his letter of the 26th of November, 1935, Mr. Bridges drew attention to this and observed that it would be in line with the previous rate of growth of the Bank ^{and} indicated by the facts that it started in 1931 with an advance of £240,000 and was given a further advance of £260,000 in 1933.

In his telegram of the 4th of January, 1936, the Governor proposed that of the first £250,000 to be raised for the Land Bank, £100,000 should be earmarked for the Agricultural Advances Scheme; but that power should be taken to borrow the whole £500,000, of which £200,000 would be for the Agricultural Advances Scheme. The Treasury agreed to this proposal in their letter of the 28th of February, 1936, on

condition

(v. page 5^g
No. 4 - 38213/35)

No. 4 on
38128/35.

No. 17 on
38128/35.

No. 2 on
38216/36.

No. 11 on
38216/36.

condition that the amount to be raised should in the first place be limited to £375,000 (of which, as mentioned above, £112,000 was for the Nairobi Water Works) and that Treasury approval should be obtained before the balance was raised. This £375,000 was raised in August last.

In a table of loan expenditure attached to the Kenya Estimates for 1937, it was estimated that, of the £250,000 already raised for the Bank, £85,000 would have been advanced by the end of December, 1936, leaving £165,000 to be advanced during 1937. We have no information as to the rate at which advances are now being made under the Agricultural Advances Scheme, or as to the rate at which the Land Bank is now absorbing the other £150,000 in the course of its normal business, but it would seem reasonable to suppose that the effect of the returning tide of prosperity in Kenya would be to increase rather than to diminish the calls upon the Land Bank. Having regard, therefore, to the original anticipations, as indicated above, as to the period within which the £500,000 would be required, it seems reasonable to suppose that Kenya may want to raise the balance of this loan some time next summer. In the

circumstances it would seem desirable now to ask them (possibly semi-officially) whether this is likely to be the case, & if so to make formal application for advance to meet the balance of the loan, in good time.

J. J. Parnin
23.2.1937

The amount is that no idea can be given as to when the balance will need to be raised - if you - but we will ask and so - 2.0. letter to Mr Wade.

J. J. Parnin
23.2

DESTROYED UNDER STATUTE

APPROVAL
4/2/37

2 So Sir P. Eychard (1 hour) (5/p)
3 So R. de V. Wade (5/p) cons

4 MAR 1937

See Vols 11-3-37

4 - R. de V. Wade - 22.3.37

Considers September to be the earliest date at which the loan will come on to the market

M. Howard

I believe this year has been raised since the earlier cover in this file. It may perhaps require to be re-approprated, in sending copy to Sir P. Eychard, to refer to the later cover (on Nov 4).

J. J. Parnin
23/4

W. Parnin

Please see page 3 of file to see 1653/1/37 formal now attached.

J. J. Parnin
27/5

DESTROYED UNDER STATUTE

To Ezechiel (W/C 4)

21 5 37

S. SIR W. WADH (S/O TO MR. FLOOD) 24. 9. 37.
States that the Treasurer tells him that it is now
apparent that the balance of the loan will not be
required before February, 1938.

Copy of letter

Copy to Sir P. Ezechiel 20 in 5

Wad 2/18

24. 9. 37
21 items

10. Sir J. Campbell & Co

DESTROYED UNDER STATUTE

To Sir Percy Ezechiel (W/C 6) 30 9 37

S. Evans dep 121 26. 9. 37
States that £10,000 out of the £100,000
sanctioned for the working of the Financial
Committee Board has been released for
Land Bank purposes

Sir C. Cottrell

The main points are

- 1) That voluntary settlements have been made (see 6 graphs)
- 2) The very small result - only 8 successful applications out of 21

and not appear intended to set the

and appear to be very good business]

Wad 2/18

• Involuntary say 5 7. That includes
given and made by about 10% of the
amount of £2. 10. 37

Wad

26. 9. 37

DESTROYED UNDER STATUTE

W. Wad 2/18 28. 9. 37

Wad 2/18

Wad 2/18
28. 9. 37

AIR MAIL

KENYA

No. 121



GOVERNMENT HOUSE
NAIROBI
KENYA

5
8

RECEIVED
31 AUG 1957
C. O. REGY

26 August 1957

CONFIDENTIAL.

Sir,

27 38128/1/56

With reference to correspondence, terminating with your despatch No. 751 of the 25th September, 1956, on the subject of the Kenya Government 5 per cent Inscribed Stock, 1956-1961, I have the honour to report that as a result of experience gained during the first nine months' working of the Farmers Conciliation Board, it recently became apparent that only a small proportion of the sum of £100,000 tentatively earmarked, in accordance with the second

13 38216/1/56

paragraph of Mr. J.H. Thomas's Confidential despatch of the 7th March, 1956, for the purposes of the Farmers Assistance Ordinance, 1956 would need to be so utilised. This was anticipated by Sir Joseph Byrne in his Confidential telegram No. 4 of the 4th June, 1956, in which he stated that "I do not think that anything like the sum of £200,000 mentioned will be required".

1 38128/1/56

2. On the other hand, of the balance of the £250,000 allotted, in the first instance, to the Land Bank, a sum of £10,000 only remained undrawn at the beginning of July. Since it appeared probable that the additional Land Bank requirements from that date up to the close of 1957 would be in the neighbourhood of £80,000 and since it was anticipated that a sum of

THE RIGHT HONOURABLE
W. ORMSBY CORE, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET
LONDON, S.W. 1.

£30,000 would be adequate to meet the needs of the Farmers Conciliation Board. Sir Armigel Wade, as Governor's Deputy, authorised the immediate release for Land Bank purposes of £70,000 out of the £100,000 earmarked for the working of that Board.

3. I take this opportunity of transmitting for your information a copy of a memorandum prepared by the Secretaries of the Board, from which it will be observed that up to the 21st July applications covering a total sum of £26,622 had been received and that of these approximately a quarter, representing a sum of approximately £7,000, had been approved.

I have the honour to be,

Sir,

Your most obedient, humble servant,



GOVERNOR'S DEPUTY.

FARMERS CONCILIATION BOARD

MEMORANDUM BY THE SECRETARIES

1. The Farmers Conciliation Board was appointed on July 21st 1936 (vide Government Notice No 458) to administer Ordinance No. XVIII of 1936, known as the Farmers Assistance Ordinance 1936, which came into operation on the same date.
2. Twelve local committees have been appointed in the following districts :
 - NAIROBI (including KIALELU)
 - THIKA
 - ELGHAKOS
 - NORTH NYERI
 - RURURUTI
 - NAKURU (including NAIVASUA)
 - UASIN GISHU
 - TRANS NZOLA
 - NANDI and NORTH KAVIRONDO
 - KISUMU-LONDIANI
 - KERICHO
 - COAST PROVINCE
3. Twelve meetings of the Board have been held, the first one being on July 31st., 1936.
4. The total number of applications received is 31; the aggregate amount applied for (for 12 months' working) is £26,622. The position at this date is shown in the following table :

31 Applications Received £26,622		6 Approved £7,864 16 Rejected 13,689 5 Withdrawn 3,121 2 Awaiting decision 1,492 Applications Approved reduced by 666
31		£26,622 31 £26,622

5. The types of farming for which assistance has been applied for are broadly indicated by the following table :

	Coffee £	Cereals £	Dairying £	Other £
Approved	3 2,100	5 5,554		
Rejected	9 10,657	6 2,594		1 438
Withdrawn	1 1,271	2 1,051	2 799	
Awaiting decision		1 364		1 1,128
	13 £14,028	14 £9,563	2 £799	2 £1,566

6. There have been many enquiries which have not resulted in formal applications. In some of these cases the mortgagees and creditors have concluded voluntary arrangements with the debtor under which some measure of "conciliation" has been agreed upon and the necessity for a Stay Order removed. This is by no means negligible as an indirect result of the legislation enacted.

7. The improvement in climatic conditions and market prices since the decision was made to provide for the type of assistance laid down in the Farmers Assistance Ordinance may reasonably be held to be the chief reason for the small number of applications.

8. Unaudited statements of accounts are attached
hereto, which serve to emphasise the point
continually expressed at meetings of the Select
Committee which dealt with the Bill that the
expenses of administration would be considerable.

THE LAND AND AGRICULTURAL BANK OF KENYA.

S. Thornton
SECRETARY.
SECRETARIES.

NAIROBI.

July 31st., 1957.

10

BALANCE SHEET AS AT 30TH. JULY 1937.

Unaudited.

<u>LIABILITIES</u>			<u>ASSETS</u>		
Treasury Cash advanced	£4,000.00		Sundry Debtors	Principal	Interest
Interest Earned	45.12.03		Cash at Bank	2,920.9.64	21.3.15
Less Received	22. 8.48	21. 3.55	Balance, being excess of Expenditure over Revenue		
		<u>£4,021. 3.55</u>			642.11.52
					<u>£4,021. 3.55</u>

Revenue and Expenditure Account for the period ended 30th. June 1937.

<u>EXPENDITURE</u>		<u>REVENUE</u>	
To Salaries	£ 495.16.00	By Interest on advances	19.12.48
Supervision & Inspections	50.15.00	" Bank Interest	2.16.00
Travelling Allowances	107.12.25	Balance, being excess of expenditure over revenue	
Stationery	9. 3.13		642.11.52
Interest paid to Land Bank	2.18.63		
General Expenses	15.00		
	<u>£ 665.00.00</u>		<u>£665.00.00</u>

Cash Account for the period ended 30th. June 1937.

<u>RECEIPTS</u>		<u>PAYMENTS</u>	
To Cash from Treasury	4,000.00.00	By Advances made	Issued
Repayments of Principal	709.15.07		Authorised
Interest on Advances	19.12.48		37,654.8.70
Bank Interest	2.16.00	Administration Expenses per Revenue & Expenditure a/c	665.00.00
	<u>£4,732. 1.55</u>	Cash at Bank 30th. June 1937	456.18.84
			<u>£4,732. 1.55</u>

11
6

RECEIVED
30 AUG 1937
C. O. REGY

THE SECRETARIAT,
NAIROBI.
24th July, 1937.

Dear - Flood.

3

With further reference to your letter of the 4th March, 1937, Ref. 58128/1/37, and in regard to our requirements in connection with the £250,000 balance of the 1936 loan, the position has now somewhat clarified since I wrote to you on the 23rd. March. The Treasurer tells me that it is now apparent that the balance of the loan will not be required before February, 1938.

Yours sincerely,

Archway

J. E. W. Flood, Esq., C.M.G.
Colonial Office,
LONDON.

THE SECRETARIAT,
WAIMORI.
24th July, 1937.

Dear .

With further reference to your letter of the 4th March, 1937, Ref. 58128/1/37, and in regard to our requirements in connection with the £250,000 balance of the 1936 loan, the position has now somewhat clarified since I wrote to you on the 23rd. March. The Treasurer tells me that it is now apparent that the balance of the loan will not be required before February, 1938.

Yours sincerely,

J. B. W. Flood, Esq., C.M.G.
Colonial Office,
LONDON.

D/FNCE.20/5/52.

13
4
GOVERNMENT HOUSE,
NAIROBI,
KENYA.
22nd March, 1937.

RECEIVED

26 APR 1937

Dear,

Flood O. O. REGY

3
Many thanks for your letter
No. 38128/1/37 of the 4th.

Copy to Ezechiel 5
I have asked Walsh if he has
any views about when we shall need the
£250,000 balance of the 1936 Loan, and he
tells me that, judging from the rate at which
funds are being absorbed by the Land Bank, it
does not appear that the balance of the Loan
will be required before September of this
year. As you will realise, it is quite
impossible to predict within a month or two
what the Land Bank will need, but I think
September can safely be taken as the very
earliest date at which we shall be wanting
to come onto the market.

Yours sincerely,

Arnold Wade

J. E. W. FLOOD, ESQ., C.M.G.,
COLONIAL OFFICE,
DOWNING STREET,
LONDON, S.W.1.

Pp

C.D.
R 26 FEB
3

SP/257/1270

3

C. O.

Mr. *Summitt*
Mr. *Baker* 20/2 p. (6)

Ans 4 So for *in Flood's*
Signature

- Sir C. Parkinson.
- Sir G. Tomlinson.
- Sir C. Bottomley.
- Sir J. Shuckburgh.
- Permt. U.S. of S.
- Parly. U.S. of S.
- Secretary of State.

AIR MAIL

4 MAR 1937

Feb 7. 1937

2 DRAFTS

A de V. Wade, Esq.
Cmrs, ODE

Dear Wade, In connection with the programme for the raising of colonial loans our Standing Finance Committee have been making enquiries about outstanding loan balances, & we have been asked if any idea can yet be given when the £25,000 balance of the Kenya 1936 loan will need to be raised.

I should be ^{accordingly} grateful if you will let me have ~~your views~~.

J. E. Flood

a line to say where you are likely to be wanting to come into the market - the near future

FURTHER ACTION.

(Signed) J. E. FLOOD

E

Extract from Minutes of Meeting of the
Standing Financial Committee, 8th February, 1937.

Sir P. Ezechiel enquired what had happened to the following proposed loans:- viz.

Kenya - the balance of £250,000 - for the Land Bank and Nairobi Water Supply Scheme.

Gambia - £350,000 - for reclamation and drainage of Bathurst, etc.

Palestine - £700,000 - for the Municipality of Tel-Aviv.

The Secretary said that the Gambia drainage scheme had been postponed, and that nothing further had been heard about the Tel-Aviv loan.

The Chairman said that enquiries would be made in regard to the Kenya loan.

to Pashin

Re: as above. I understand Sir P. Ezechiel spoke to Sir Chatterton after the meeting and is writing to him about the Kenya loan.

? his action on my part as Secy of the Com. appears necessary.

No!
J.

J. Howard
Sec. S.F.C.

M: Elord.
M: Howard.

See minute on 38128/1/37

See books. 1/1/37

J. Cassin
23/2

Copy regd on 11/20/37 Tanganyika

16

R Kenya
R copy
... done ...

RECEIVED
11 FEB 1937
W.C.

4, MILLBANK,
WESTMINSTER,
LONDON, S.W. 1.

(VICTORIA 7730)

15th February, 1937.

Dear Bottomley,

After the meeting of the Standing Financial Committee I promised to let you have details of those loans with which you are concerned which I mentioned in the course of the meeting.

It was explained at the meeting that the Gambia's proposals had been postponed and the other items which I had in mind are for Kenya and Tanganyika.

msd (12)

[

Kenya raised in August last £575,000 out of a total of £625,000 partly for the Land Bank and partly for the Nairobi Municipality so that there is a balance of £250,000 still outstanding. Can any idea yet be given when this will be raised?

As regards Tanganyika, we have on our departmental

/list

Sir Cecil Bottomley, K.C.M.G., C.B., O.B.E.

list an old item still outstanding as follows:-

Ordinance 10 of 1932.. Up to £750,000 to be raised for refund of sums expended from revenue on capital works undertaken before 24th March, 1932.

£500,000 raised as a guaranteed loan in June 1932.

Is there any question of the remaining £250,000 ever being raised?

There is also a balance outstanding under the Palestine and East African Loans Acts, and in the Agenda for the meeting of the 24th September (which was never held) this item is given (with your reference 42011/3/36) as amounting to £500,000, with the remark that "it is just possible that Tanganyika might wish to raise this before March 1937".

Yours sincerely,

O. Beechey

on
42011/3/37
71