

1928

Kenya

No. 5330

SUBJECT

C 0533/380

Housing of Government Officials

*(Provision to Officials to enable them
to acquire their own houses.)*

Previous

Gen. Sec. of 8279/26

Subsequent

13635/29

1
Memorandum 3/26
3 July 1926
From the copies of a scheme with advance money
to European Civil Servants to enable them to
build their own houses

Some such scheme as this was proposed
in Mr. Barton's report para. 48 & ff. flagged.
His scheme suggested a cooperative building
society, whereas this scheme does not.

The scheme is briefly:-

Sites shall be allocated on a 99 year
lease. Participants shall pay 20% of
fair capital value & 6% on the
remaining 80% for the 99 years.

Buildings Advances shall be made on
the work proceeds up to a limit of
£3000 or for offices with salary below
£600, £1200, below £400 £1000.

Interest will be paid at 6 1/2% over
the Land Bank rate.

There seem to be sufficient safeguards
as regards
against sale etc.

The scheme is presumably part
of the general plan to make civil
servants good Kenyans

The financial portion is? dealt
with in the Loan H: which are in

paper 15013
management
entirely
a statement
circulation)

Party.

J. E. D. [unclear]

48

This is an advance copy &
 we shall submit a draft from the
 Exempt with explanations of the
 financial arrangements proposed.
 In the meantime cases must be
 deferred but, unless I am wrong,
 I do not understand the reference
 to £75 as the minimum house
 allowance - the existing rate being
 £50. This scheme is not limited
 to married officials or to
 officials whose houses are in
 sub-employment. The ^{to be} ~~is~~ ^{of} ~~the~~
 limit may be raised.

J. H. M. [unclear]

8/12/28

2. Governor's Deputy 4/11. 16 July 1928.
 For approval, a scheme to advance money
 to European Civil Servants to enable them
 to build their own houses. Investigation of
 similar scheme for K.R. officials proposed.
 Financing of scheme from advances from
 Surplus Balances also proposed.

1A
2B

Please see the attached minutes by Mr.
 Parkinson, together with the note of a discussion
 which I had with Sir E. Denny on the points raised.
 The principle of the scheme is that when the partici-
 pants have carried out their obligations to the
 Government the houses are their private property, and
 it is not intended that they should remain permanently
 in possession of Government offices and their
 disposal is therefore ^{not} limited. Sir E. Denny was of
 opinion that if any attempt had been made so to limit
 the scheme, there would be no recourse to it and it
 would be a dead letter. In these circumstances, it
 seems clear that no objection could be taken to
 the conditions in paragraphs 23 to 25.

? Therefore approve the scheme generally
 but make the points referred to at (a) (b) (c) & (d)
 in my note.

J. H. M. [unclear]

8/12/28

Off for comment. I think it must be
 made clear that it would not be
 possible to refuse similar facilities
 to suitable officials, if they wanted ~~one~~
 them.

Also, though we need not say it in
 the despatch, I think that in 20 years
 or so the position will be ^{very} ~~quite~~
 even: at first, no doubt, there will be
 a nice little string of officials, but
 gradually the houses will be the houses

I have been a of the
hours (not necessarily
business hours, by any means)
and the fact will have to find
fresh quarters in either of the
offices.

I am not satisfied

Oct. 10 1927

A. B. Foot has been in contact with G. D.
there is no report of any thing of the
kind elsewhere

Foot

There is also some for any

obvious means

Foot Dept has no knowledge of any such matter.
Scheme of this kind elsewhere, or any proposal
for such an arrangement.

10/13/27

E.A. Left

You may like to see the Report
of the Committee on the 12/24/27
Summary given by R. Lloyd on that point
of a Ceylon Scheme.

There is also in the 1925 A
Scheme administered by the R. C. Lewis
Board, which was in the 1925 Report of
the A. B. Foot as a considerable matter
concerned with housing advances for
Govt. Officers or Staff. (See also
Parth. 1925 Report of the
JUSTICE.
The 1927 Annual Report (just
published through Printing Dept.)

The R. C. Lewis Report is a collection of
papers prepared, the first in the
series of such reports (No. 4465)

A. B. Foot is in
the house, but after
the meeting

Foot in
President of the

Foot (N)

Foot

Foot is a member of the
Foot (sent this on again
by Foot)

The only other I have heard much
resemblance of this in the Nigerian

I am in contact with the
of the Committee to consider that other

Foot (Foot) Building advances
paid direct to contractors

Panama Panama for until
to be raised any 25 years.

Panama Building to be allowed
a non-gold land point that
it is the absolute property
of the official or his wife

Reference to Panama Canal
in Panama

It is as directed to send my
attention in attention.

24/9

The Nigerian should relate to
Africa not European officials
The points raised in para
1. The date of Nigeria should
do not appear to rise in the case

see para 15 116 Henry's scheme
to be interest of para 16 as to
objection, which is of equal
weight as to be
respected for the purpose
of the scheme in para 16.

Off 24/9/44

I have passed the
draft of the draft of the
scheme of the scheme in
not correct enough to justify my
24/9/44

Precedents, 2.

3 to Gov 719 2/Jan 44

8 OCT 1944

DESTROYED UNDER STAT 7E

See tel. 284.

(Request earlier reply to No. 2)

HN
2/1/44

X.16320/25 Kenya.

Mr. Eastwood 25/9

Mr. Seel 26.9

Mr. Parkinson 1. 10. 28

X Mr. Bottomley 1. 10. 28

Sir E. Harding

Sir J. Shackleton

Sir G. Grigg

Sir C. Danks

Sir S. Wilson

Mr. Ormsby-Gore

Lord Lovat

Mr. Amery for conson.

DRAFT.

KENYA

NO 419.

GOV. GRIGG.

DOWNING STREET

3 Oct 1928.

Sir,

I have the honour to acknowledge the receipt of your despatch No.411, of 16th July, in which you transmit copies of a Scheme ^{for} ^{ing} to advance money to European Civil Servants to enable them to acquire their own houses.

2. An opportunity has been taken to discuss the matter with Sir A. Denham, and I have now to convey to you my general approval of the introduction of the Scheme, subject to the following observations:-

Paragraph 6.

As worded, the last sentence appears to give the Board no power to refuse an application to participate, if an official wishes to put up all (or part) of the capital required for the purchase of the land or the erection of the building.

This is not covered by the minutes, but through the minutes it has been made clear

Presumably however, any such application will be considered ^{by the Board} as in paragraph 5, and

it would seem desirable to make this clear, ^{for example,} by substituting "applicant" for "participant" in the sentence in question.
Paragraph 7.

I observe that a special Board is to assess the fair capital value of the sites alienated to participants. I am not clear, however, as to the principles on which this value is to be determined, and I consider that there is much force in the criticism made by Mr. W. C. Mitchell in the Debate in the Legislative Council on the 15th June, that, where only a limited quantity of land is available, the fair market value could only be arrived at by auction. I shall be glad to receive your observations on this

point.

Paragraph 14.

I considered the desirability of limiting advances made under the scheme to the amount of the value placed by the Board on the properties. This proposal was suggested by Mr. G. C. in the letter of the 10th and I am pleased to share his doubts in the matter, but I refrain from expressing to such a limit. I do not have a definite understanding that you are satisfied that 100% is adequate for the advances up to 100% of the value.

Paragraph 19.

It shall be a condition of the advance that the borrower shall be required to pay the premium mentioned.

Paragraph 26.

(i) According to Secretariat Circular No. 4 of the 10th 1927, the minimum rate of house allowance for unmarried officials starting at less than

2500 per annum, and for married officials, if both husband and wife are under Government employment, is 200 per annum, and

not 275 per annum. This arrangement is

subject to review as from the 1st July

1928, and I am awaiting your recommendations

on this point. I note that your telegram

no. 27 of the 12th September that these

will be furnished as soon as possible, but

if the present arrangement is retained,

some modification of this paragraph of the

scheme would appear to be necessary.

(ii) The word "may" in line 4 of this paragraph should be deleted.

(iii) The words "the first paragraph of" in lines 6 and 7 are not understood; they should apparently be

3. In conveying this to this Scheme, I would add that it should be clearly understood that it would not be possible to refuse to provide similar facilities

facilities to Asiatic officials, if an application for the grant of such facilities should be made to the Government, and I assume that you would be prepared to consider favourably any such application.

(Genson)

4. I shall be interested to be furnished in due course, say after one year from the date of the ^{introduction} publication of the scheme, with a ~~brief~~ report showing the number of applications submitted under it, and how the applications have been dealt with.

I have etc.

(Signed: ...)

(has) I discussed the points in Mr. Parkinson's note with Sir Edward Denham with the following results:-

(1) Sir Edward Denham does not think that this scheme will provoke another Indian grievance, and especially as to the ~~fact that the~~ Advisory Council has ~~been~~ referred to some undertaking by the Government (which I cannot trace) that if the Indians asked for a similar scheme the Government would be prepared to consider it; but he pointed out that it was unlikely that the Indians would want such a scheme, since in the main they are not permanently resident in the Colony or have their wives and families with them, but return to India when their services are completed.

(2) Sir Edward Denham said that the scheme was really in the nature of a ballon d'essai, and it was not possible to estimate what recourse would be had to the scheme or the amount of funds required, but he mentioned forty as a possible outside number of participants.

(3) (a) Para. 5. The scheme is primarily for civil servants ordinarily resident in Nairobi, although there is provision for its extension. The phrase "other good cause" is intended to meet ^{eg.} the case of a man who, although resident elsewhere, ^{Indian} in Nairobi, represents that although he does not require a house there at once his ultimate intention is to settle in Nairobi on retirement.

But it is more
assumption that
any large no. of
Europeans will
wish to settle
in Kenya - still
less to live in
Nairobi if they
do. Ward.

I am still unconvinced
as "other good
cause" seems
so very wide. But
I do not want to
pass the objection
well
1.10.48

(b) Para.6. The provision referred to is apparently intended to meet the case of a man who is anxious to get a site and to obtain the other advantages of the scheme but is prepared to put down the money required and does not desire to borrow from the Government.

Assessment of Capital value

(c) Para.7. Sir E. Denham recognised the difficulty, but I gathered that he thought it could only be left as proposed. He agreed that it would be well to put the point in replying to the Governor.

AA

(d) Para.10. Ordinarily not more than one site would be granted to each participant. This clause is apparently intended to cover the case where a site having been granted to an individual is found later to be, for some good reason or other, unsuitable for his purpose and it is desired to give him a second site in the future.

*exchange of money
some value
to be
we are well
more than
site at a
in any case
need*

(e) Para.11. Sir Edward Denham seemed satisfied that there was ample security, and that the Government was quite safe in advancing up to 100 per cent. *But I refer to the bank.*

(f) Para.12. Sir E. Denham was unable to suggest the sum required for the premium referred to.

B

(g) Para.23.

(h) Para.25. As the scheme does not contemplate that these houses shall permanently be occupied by Government officials.

Sir

Sir Edward Denham considers these clauses reasonable, and that the Government, provided the obligations to it are carried out, should not interfere with the free disposal of the property.

Para.28. Sir E. Denham agreed that the minimum of £50 per annum in certain cases has apparently been over-looked, and that an amendment was required.

(i) The very word "should" should be replaced by "may".
(j) The provision in para. 21 is not in line with his house, allowed, but Sir E. Denham agreed that the reference to "first paragraph" should be in sense and considered that the clause required amendment to read "conditions contained in this clause".

*J. H. Wilson
7/9/28*

As regards Mr. Parkinson's point regarding the raising of surplus funds, we know that these have been used as advanced for loan works, and that we use on account of the Court House, for example, comes within this category. It does not seem necessary to go into details of this aspect of the matter, which is a purely temporary one. But as regards proposals for "locking up" these balances it is clear from the Debate of the 14th of May last page 111, Para.14, that we should, in due course, get definitely established. The Governor's remarks on the page referred to appear that it is proposed to allocate £125,000 for stores (we have had a suggestion for raising

a sum of £17,000 temporarily, but no permanent proposal yet), and it is suggested that the liquid reserve should be not less than £400,000. The only "permanent" purposes referred are advance for the housing scheme and the...

Waller

In general I think that we should accept this scheme. There are, however, several points which could be raised:-

The first point which the... In general I think that we should accept this scheme. There are, however, several points which could be raised:-

As regards... I think we ought to try to get some estimate...

Handwritten notes at the bottom of the page, including the phrase "make a note of my main proposals as they come to our knowledge" and a signature.

scheme:-

(a) Para.5. I am not clear what "other good cause" there may be for accepting an application.

(b) Para.6. The last sentence hardly seems to square with para.5: as worded it appears to leave no option to the Board, whereas under para.5 there must be "reasonable grounds for owning a house under the scheme".

(c) Para.7. How is the special Board to assess the capital value? I see from the debate attached that this was criticised by Mr. C. Mitchell who urged that the fair market value of the land could only be arrived at by auction where a limited quantity of land is available. There seems to be a good deal of force in this contention.

(d) Para.10. I am not clear how there can ever be any reason to grant more than one site to each purchaser.

(e) Para.11. I see that in the debate Mr. O'Shea strongly objected to the proposal to advance up to 100 per cent. I am not clear that Mr. Stokes' answer is really adequate. Although I agree that weight should be attached to the views of the Council of the European Civil Servants' Association, I do not think that the advice to advance less than 100 per cent, although I feel that if the Government of Kenya press strongly the view that advances should be made

up

12
up to the full value we could not well resist on a detail of this kind.

(f) Para.18. It will be interesting to know what is likely to be the sum required for the premium mentioned.

(g) Para.23. If the idea is to provide houses for European officials and pensioners it is not clear why in the event of the participant dying before the outstanding principal is paid off arrangements should be contemplated which would permit of his heirs or executors acquiring the property.

(h) Para.25. Ought there not to be some provision to prevent anything in the nature of speculation, e.g. that if a participant is allowed to sell his house the Board shall fix the price?

(i) Para.26.

(i) It appears from Secretariat Circular No.44 of 17th May, 1937, that the minimum house allowance for unmarried officials starting at less than £500 per annum and for married officials if both husband and wife are in Government employment is 250 per annum and not 275 per annum.

(ii) Surely in line 4 the word "may" should be deleted.

(iii) I do not understand the words "in keeping with the conditions contained in the first paragraph of this clause"; there is no first paragraph of the clause and it looks as if something had gone wrong in the drafting. Possibly in an earlier draft there was a first paragraph which

has

has since been taken out.

4. Sir E. Denham will be available for discussion here shortly (his address is Windy Gap, Rottingdean, Nr. Brighton) and I am inclined to think that, subject to any directions which Mr. Bottomley may give, it would be well for you to go through the scheme with him and discuss these points. The reply to the Governor while conveying approval generally should refer to any of these points which, after discussion with Sir E. Denham, it seems worth while to pursue, but it is ~~not~~ possible that Mr. Bottomley will think it desirable before approving generally to obtain the estimate referred to in para. (2) above by telegram unless Sir E. Denham can give helpful information on the point.

see last page
25.8.28

13 L.



KENYA

No. 44

7 AUG 1928

GOVERNMENT HOUSE, NAIROBI, KENYA.

16th JULY, 1928.

Sir,

I have the pleasure to acknowledge the receipt of your letter of the 11th inst. in relation to the proposed purchase of a plot of land in Nairobi for the purpose of building a house for a European civil servant. It is noted that the purchase of the land has been approved by the Legislative Council and I am sorry to hear that it is not yet approved by your own Houses. I am sorry to hear that it is not yet approved by your own Houses and I am sorry to hear that it is not yet approved by your own Houses.

Handwritten scribble

2. The problem of housing Government officials in Kenya has been, as you are well aware, acute for some years and provision for this purpose has been made in the Colonial Loan Schedule. For some time past the Annual Estimates have been swollen by a large sum, amounting to £59,000 in 1928, for the payment of rents of quarters and offices and for the grant of house allowances in lieu of quarters and until the provision made in the Colonial Loan Schedule is completed I fear that heavy expenditure under this head must continue.

Handwritten: 719

To alleviate the situation the suggestion was made in 1927 that a building society scheme should be inaugurated in order to give civil servants a stake and a home in the country on the completion of their service in Kenya. It is noted that the purchase of the land has been approved by the Legislative Council and I am sorry to hear that it is not yet approved by your own Houses.

Civil/

THE RIGHT HONOURABLE
LIEUTENANT COLONEL L. G. M. S. AMERY, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
BONNING

civil servants and the advantage to the Colony of the presence of men who have spent the best years of their life in East Africa and who have an intimate knowledge of its problems.

28375/24 K

In 1921, viz. on 21st January 1921, the Hon. Mr. ... visited the Colony with this Government and reported upon the possibilities of ... Building Scheme. I transmit a copy of his report.

This report did not commend itself in detail to this Government, but it was the genesis of a scheme formulated by the then Acting Treasurer Mr. H. L. Boyles and the Director of Public Works, Mr. J. N. Sikes in consultation with the European Civil Servants Association.

This later scheme and its amendments was subjected to scrutiny by Government and the Civil Servants' Association and a further draft scheme was formulated by the Loan Works (Buildings) Committee which was again submitted to the European Civil Servants' Association for their comments.

The scheme was further examined in Executive Council and in concurrence with the advice given it was published in the Official Gazette, the preamble to the ... of the adoption of the ... would be ... accepted that it would be recommended to you for approval, vide Government Notice No. 88, page 175 of the Official Gazette of the 21st February 1928.

Minor amendments were made to the pub-

published scheme which was examined by a Select Committee of Legislative Council, a copy of whose report I enclose, and on the 15th June this report was unanimously adopted by Council on the Motion of the Director of Public Works.

4. The principal points in the Scheme are:-

(a) That the scheme will be in force for two years and is intended for pensionable and permanent Civil Servants ordinarily resident in Nairobi, though provision is made for its extension, in exceptional cases, to Civil Servants residing in other centres, (Paragraph 3).

(b) The amount to be advanced by Government will in no case exceed £3,000 and for officers drawing salaries between £300 - £400 - £600 the maxima are £1,000 and £1,200 respectively at the discretion of the Board, (Paragraph 14)

(c) The scheme is administered by a Board consisting of:-

1. The Treasurer,
 2. The Commissioner for Local Government, Lands and Settlement.
 3. Director of Public Works.
 4. Two unofficial members, one a member of Legislative Council.
 5. A representative of the European Civil Servants Association.
- (Paragraph 1).

(d) Application is made to the Board which administers the scheme and the applicant must satisfy the Board that he has reasonable grounds to participate e.g. probable continuation of service in one of the centres of the Colony, (Paragraph 5).

When accepted as a participant by the Board the participant will be allocated a

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site upon the lottery system, (Paragraph 6); he must satisfy the Board as to the plans, specification and valuation of the building, (Paragraph 7), and enter into a mortgage or charge deed with Government in respect of the lease. The conditions of alienation are those ordinarily applicable to the public (Paragraph 8).

- (e) Provision is made (Paragraph 9), for participation by those who purchase a plot of land or building in private ownership subsequent to 1st June 1926 (Paragraph 22).
- (f) Upon these preliminaries being concluded the successful applicant will pay (vide Paragraph 7) :-
 - (a) Twenty per cent cash of the fair capital value, which will be determined by another Board.
 - (b) Six per cent per annum on the remaining eighty per cent of the capital value for the term of 99 years.

As work upon the building progresses advances may be made to the participator by the Board up to ninety per cent of the value of the building work already done, (Paragraph 13). Upon the completion of the building to the Board's satisfaction and in accordance with the approved plans and specifications, the balance of the advance to the full value, placed upon the property including the land will be paid to the participator, (Paragraph 12). In addition the Board will advance to the participator, at any time after the mortgage or charge deed has been passed to it, the premium on the single premium mortgage insurance.

insurance policy provided for in paragraph 18 if and when the policy is deposited with the Board.

Interest on the loan shall be repaid by the participant in equal monthly instalments over a period of five, ten or fifteen years at the participant's election, (Paragraph 16). These repayments continue monthly by deductions from salary but the principal may be repaid at any time, (Paragraphs 17 and 18).

- (g) While providing that Government may introduce a scheme for the consolidation of house allowances, a participant will be paid house allowance at existing rates (fifteen per cent of the salary) with a maximum of 275 during the period of repayment, no housing being provided for the participant by Government when he has completed the building of a house under the scheme (Paragraph 19).
- (h) Provisions made for advancing a stipend premium on a Mortgage Insurance Policy, (Paragraph 19); for accumulating Insurance against fire, (Paragraph 20); for postponing the sale of the property before three years has elapsed since the completed advance has been made, (Paragraph 21); for interest on other advances (Paragraph 20); for providing Government in the case of dismissal or discontinuance of service of the participant, (Paragraph 24);

and for valuation in the case of death or for the participation of heirs and executors in the scheme, (Paragraph 23).

5. I attach a copy of the report of the debate and it will be observed that Government proposes to introduce a similar scheme for the Civil Service and Uganda Railway Officials and contribute to the Railway Pensions Fund. The Inter-Colonial Advisory Council so recommends.

6. As regards the financing of the scheme I do not consider that the use of local funds for advances to individuals would be justifiable and it is proposed that it should be financed by advances from Surplus Balances.

I shall be glad of your approval to the Scheme now transmitted, so that it may be circulated to, and applications for participation be invited from, the Civil Service in this Colony.

I believe that the scheme generally commends itself to the Government service while it has also the support of the unofficial members and I trust that the result will relieve the Colonial Loan Schedule of some portion of the obligation which has been made for housing improvement.

I have the honour

Sir,

Yours most obediently,
[Signature]

GOVERNOR'S DEPUTY.



COLONY AND PROTECTORATE OF KENYA.

A SCHEME TO ADVANCE MONEY TO
EUROPEAN CIVIL SERVANTS TO ENABLE
THEM TO BUILD THEIR OWN HOUSES.

(As passed by the Legislative Council on the 15th June, 1928.)

COLONY AND PROTECTORATE OF KENYA

A SCHEME TO ADVANCE MONEY TO EUROPEAN CIVIL SERVANTS TO ENABLE THEM TO BUILD THEIR OWN HOUSES.

1. The Scheme will be administered by a Board, of which the following shall be members —

- Treasurer.
- Commissioner for Local Government, Lands and Settlement.
- Director of Public Works.
- Two unofficial Members of whom one shall be a member of Legislative Council.
- A member of the General Council of the European Civil Servants' Association.

Suitable arrangements will be made between the Board and various Government Departments to provide the necessary legal, accounting, valuation, and secretarial services required.

2. The necessary funds will be put at the disposal of the Board by Government to enable them to make advances.

3. Only European officials on the permanent and pensionable staff of the Colony shall be eligible for acceptance to participate in the Scheme.

The Scheme will be for houses to be built within a fivemile radius of Nairobi House, but it shall be at the discretion of the Board to extend it beyond that limit in exceptional cases and to other centres under such conditions as it may see fit to impose. The Scheme will be open for applications for a period of two years only from the date on which it is brought into operation.

4. Any European official eligible for and desirous of participating in the Scheme may make application on a prescribed form, addressed to the Board, and shall give on such form such information as to the applicant's bona fides as the Board may deem necessary.

5. The Board shall consider each application and if they are satisfied that the applicant on account of his duties now or in the future, or for other good cause, has reasonable grounds for owning a house under the Scheme he may be accepted by them as a participator in the Scheme.

Funds.

Limits of the Scheme.

Applications to be on a prescribed form.

Applicants accepted by Board as participators.

Allocation of sites to participants

8. Any European official who shall have made application to the Board and who shall have been accepted by the Board as a participant in the Scheme shall, if he desires, be granted (on terms hereinafter provided) a building site of Crown land within a radius of ten miles of Nairobi House (or at any other centres subject to such conditions as the Board may impose), the allocation being made on the system adopted in connection with the Soldier Settlement Scheme, together with the building conditions attached thereto. A Schedule of the land available for the Scheme will be prepared by the Commissioner of Lands. In this Schedule plots will be of varying sizes and will be divided into standardised zones. The sizes of the individual plots of land shall be determined and the sites reserved by the same authority as that which reserved the sites mentioned. No European official shall be debarred from becoming a participant in the Scheme who is able and desires to put up all or any part of the capital required either for the purchase of the land or erection of the building.

Alienation of sites

9. Sites shall be alienated to participants for a term of 99 years, and participants shall pay for same as follows:—

Twenty per cent. cash of fair capital value. The fair capital value of plots, for the purposes of this Scheme in Nairobi and its environs, shall be determined by a Board consisting of the Surveyor General, a representative of the Nairobi Municipality and a representative of the Nairobi Town Planning Authority. In the case of townships other than Nairobi, and their environs, the fair capital value shall be determined by a Board consisting of the Surveyor General or his representative, and two members of a local body, or local bodies, as the Governor may appoint.

Six per cent. per annum on remaining eighty per cent. of capital value for the term of 99 years.

A participant having been allotted a plot, the lease of such plot shall be granted him on his building plans and specification being approved by the Board and on his executing a mortgage or charge deed to the Government in respect of such lease.

Other conditions of alienation

10. These shall be such as would be prescribed by the Commissioner of Lands in the case of ordinary alienation to the public.

11. In the event of an eligible official desiring to purchase a plot of land or building or both in private ownership, he may be accepted by the Board as a participant under this Scheme.

Each participant only one site

12. Except with the express permission of the Board, each participant shall have only one site allotted to him by the Board throughout his service.

Mortgage deeds

13. All mortgage or charge deeds shall be approved by the Attorney General.

Submission of plans and specifications of buildings to be built and valuation to be placed on same

14. The site having been allotted to the participant he shall within three months of the date of allotment, or within such further time as may be allowed by the decision of the Board, submit to the Board, in their approved form, plans and specifications (in sufficient detail as the Board may deem necessary) of the house he proposes to build. The Board shall

then inform the participant if they approve or otherwise of the plans and specifications. If they do not, then the participant shall so amend them until they meet with the approval of the Board. On the plans and specifications being approved, the participant shall be informed what value the Board will place on his property (including the land) when the house has been completed in accordance with the plans and specifications.

15. The Board may, at any time, require the participant to pay to the Board, in advance, such amount as may be determined by the Board, on account of the building work, at such intervals as may be deemed reasonable. Such payments may be made by the participant to the Board out of any moneys of the value of the building work done at the time of each advance on account.

16. On the building being completed and ready for occupation to the Board's satisfaction in accordance with the plans and specifications approved, the balance of the advance on to the full value (including land) placed by the Board on the property, plus the premium on the Mortgage Policy shall be paid to the participant. The Board may approve plans which provide for an extension of accommodation, and a further advance may be granted in such cases when the officer in charge, provided that the total amount repaid within the original term of repayment. The amounts to be advanced will be at the discretion of the Board, provided that the maximum advances shall in no case exceed £1,000 and that for officers drawing salaries of—

£300 — £400 the maximum advance shall be £1,000.
 Over £400 the maximum advance shall be £1,200.

17. In respect of the Land Bank rate (or in the case of a participant who has not established a Land Bank) shall be payable by the participant in advance of account on the date when the advance to make the total advance to the participant, but during this interim time no repayment of capital shall be made.

Provided that if a Land Bank is established any payments or payments of interest which may have been made prior to the establishment of the Land Bank shall be subject to adjustment by the repayment to the participant of the difference between the amounts actually paid by the participant and the amounts which would have been paid by him if all payments had been made at the Land Bank rate.

18. From the first day of the month following the date on which the complete advance has been made, interest at the Land Bank rate (or six and a half per cent. if a Land Bank is not established) shall be charged. Such advance and interest shall be repayable by equal monthly instalments by deduction from pay, either over a five-year, a ten-year, or fifteen-year term, as the participant may have elected at the time of executing the mortgage or charge deed, or by

19. From the first day of the month following the date on which the complete advance has been made, interest at the Land Bank rate (or six and a half per cent. if a Land Bank is not established) shall be charged. Such advance and interest shall be repayable by equal monthly instalments by deduction from pay, either over a five-year, a ten-year, or fifteen-year term, as the participant may have elected at the time of executing the mortgage or charge deed, or by

20. From the first day of the month following the date on which the complete advance has been made, interest at the Land Bank rate (or six and a half per cent. if a Land Bank is not established) shall be charged. Such advance and interest shall be repayable by equal monthly instalments by deduction from pay, either over a five-year, a ten-year, or fifteen-year term, as the participant may have elected at the time of executing the mortgage or charge deed, or by

Repayment of principal and interest

shall contain a schedule showing principal outstanding after each monthly payment and the amounts of principal and interest repayments respectively included in each monthly repayment.

Repayments during leave.

17. Repayments to continue monthly during leave by deductions from salary.

Repayment of outstanding principal may be made at any time.

18. Participants shall be at liberty at any time to pay off outstanding principal together with interest accrued.

Mortgage Insurance Policy.

19. If any participant elects to take any approved Insurance Company, such as the Mortgage Insurance Policy ensuring that in the event of the death of a participant, the Government the principal outstanding at the time of death (including any principal outstanding as the money lent by the single premium) then in such case, the Board will, on the policy being issued to them, advance to the participant in advance to the money to be advanced under paragraphs 13 and 14 above, the amount of the single premium paid by the participant to the Insurance Company, and such advance shall be repaid as to principal and interest as provided for in paragraph 16, 17 and 18.

Insurance

20. Every participant shall insure the property for which the advance is made, against fire, in favour of the participant and Government, from an Insurance Company approved by the Board, for not less than the total sum advanced on the property. In the event of the participant failing to insure in the above manner, or to renew the previous when its falls due, Government may effect the required insurance and recover the amount of the premium from the participant by deduction from salary or pension as the case may be.

Valuations

21. Valuations for the purpose of making interim advances during construction and completion reports and that the work has been completed in accordance with the plans and specifications approved, may be accepted by the Board as final, and no objection shall be deemed to be made by the Board to such valuations. The participant shall pay any fees chargeable therefor, but the Board shall not be bound to accept any such valuations or reports and shall have the right to cause any such to be made by its own officers as it thinks fit.

22. In the case of any official accepted by the Board as a participant who owns a house, which he started to build or acquired subsequent to the 1st June 1925, and on which there exists a mortgage or charge, the Board may at their discretion advance him a sum of money, which may be more or less than the amount needed to pay off any existing mortgages or charges, provided that such advance is not more than, in the opinion of the Board, the value of the property on which the advance by the Board is to be made and the participant enters with the Board the deeds of such property and enters into a proper mortgage or charge deed with the Board. The repayments in such cases and all other matters in relation to the same shall be dealt with in accordance with the conditions laid down hereinafter in this scheme and the scheme, so far as such conditions apply.

23. In the event of any participant dying before the outstanding principal is paid off, then in any such case the deceased participant's heirs or executors may, if they wish, repay to Government the outstanding principal together with interest accrued and not paid at the date of repayment (providing they do so within one year of the death), when the property shall pass completely to such heirs or executors, and if not, then the property shall be valued by the Director of Public Works and taken over by the Government at such valuation, the Government paying over therefor to the participant's estate the difference between such valuation and the amount of the principal and interest outstanding at the time.

Death of a participant.

Notwithstanding the provisions as laid down in this paragraph if the Board for any reason deem it reasonable they may at their discretion permit the heirs or executors to become participants and allow them to continue making Government repayments of principal and interest until the outstanding advance is completely paid off.

24. In the event of the retirement, discontinuance of service of a participant, or dismissal from the service, any participant without pension, shall in any such case be permitted to repay to Government the outstanding principal together with interest accrued and not paid at the date of repayment (providing he does so within one year of leaving the service), and if not, then the property shall be valued by the Director of Public Works at its market value and taken over by Government at such valuation, the Government paying over to the participant the difference between such valuation and the amount of the principal and interest outstanding at the time. Participants returning on pension will be allowed to continue repayments after retirement by deductions from their pensions if they so desire.

Discontinuation of service or dismissal of participant.

25. No participant shall without the permission of the Board be allowed to sell his house within three years of taking his complete advance. After three years he shall be at liberty to sell his house at his own discretion, but in either case the outstanding principal and interest at the time of sale must be paid back to Government when the sale takes place or releasing the property from the Government mortgage.

Sale of properties.

26. The Board may at their discretion permit a participant to sell his house to any other official eligible to participate in the scheme and accepted by the Board, provided the vendor takes over all the commitments of the vendor in this matter.

Transfer of property to other officials eligible.

27. Participants having once entered the scheme and having completed the building of the house will not be provided with a house by Government when stationed in Nairobi or at such other centre as may have been approved in individual cases, but will only be able to draw house allowance in lieu.

Participants to have no claim on Government housing.

28. For participants in this scheme whose houses shall not be repaid below the value of the house and which is less than 475/- twenty five pounds, the Government shall not be bound to provide a subsidy in accordance with the conditions contained in the first paragraph of this clause, for the consolidation of house allowance and salary applicable to the whole service including participants in the building scheme.

House Allowance.

REPORT ON THE PROBLEM OF HOUSING
GOVERNMENT OFFICIALS IN
KENYA

by A. E. BADEN.
H. B. E. A. I. S. A.

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His Excellency
Lieut.-Col. Sir E.W.M. Grigg, K.C.V.O., C.M.G., D.S.O.
Governor and Commander-in-Chief of the
Colony and Protectorate of Kenya.

REPORT ON THE PROBLEM OF HOUSING
GOVERNMENT OFFICIALS IN KENYA.

Your Excellency,

TERMS OF REFERENCE.

1. My instructions are contained in a letter and memorandum addressed to me by the Hon. The Assistant Colonial Secretary on the 14th September (vide Annexure). From the former it will be observed that I am asked to advise on:-

"The whole question of adopting immediate measures to relieve the situation (i.e. in regard to housing) more particularly in Nairobi and Embasa."

2. The memorandum gives "The present position in regard to the housing of Government servants in Nairobi", and no words of mine are needed to emphasize the wide scope of the enquiry and the magnitude of the task set me. And here I should like frankly to admit that I approach the matter of advising on such a difficult problem, on such short acquaintance with Kenyan conditions, with the utmost diffidence and consequently feel sure that any and all shortcomings will be readily excused.

3. In making preliminary enquiries, I was forced to the conclusion that, in order to report fully and adequately on the subject, it was necessary for me to take into consideration the following questions, viz., the possible policy of the Government in regard to European settlement; the terms and conditions of Government service, and the cost of living; all of which directly or indirectly affect the question at issue.

PROVISION OF GOVERNMENT QUARTERS

RESENT POSITION

the country, which has been the case since the commencement of the war. It is found that the official was provided for as far as his emoluments, and that of his family, was taken into consideration for the purpose of the Government.

The Government practice has grown up of providing quarters in town like Nairobi and Kisumu, where the Government houses were available or where the Government were unable to find quarters, and to pay an inadequate allowance to the Government officials.

It is found that the amount of allowance provided for the accommodation to that provided for the former was insufficient, and that the Government officials were not accommodated to that provided for the former.

The junior officials have been "overhauled" in their quarters with their houses in town. And that, apart from the case of the Government, the Government has had a considerable expense, a large number of privately owned houses, and is still faced with a considerable shortage.

In addition to quarters, the Government is provided on loan free of charge.

The question that has to be answered in this connection is: can this be done in a serious manner on the part of the Government, and is it definitely to be done? This necessitates a close enquiry into the cost.

THE COST.

8. The cost of providing housing accommodation is heavy for the Colony to bear, and the amount scarcely realised even by those in fairly close touch with affairs.

9. Generally it is probably safe to assert that most people casually pass over the following items in the *Financial Statements* and give them scant thought:-

VOPE XXVIII - Public Works - Recurrent.

Rents of offices and houses and house allowance in lieu of quarters.....	33,000
Furniture, upkeep and repair of, for Government bungalows and offices, and purchase of for new buildings.....	11,900
Maintenance and repairs of Public Buildings.....	26,000

As those figures are for offices and dwellings combined, the ordinary critic will not grasp their significance in regard to housing, and on the face of them they are not of grave importance.

10. If we take the position at Nairobi and estimate as near as possible what it is costing the Government in cash and value to provide official housing, we can from the figure obtained estimate the ~~figure for the~~ whole Colony to be roughly 50% of ~~the total~~.

NAIROBI - EUROPEANS ONLY.

Rents paid.....	\$,187 per ann.
Occupied Govt. Bungalows - value	£93,278
value of land say -	33,300
Rented value at 12% of	126,578. 16,822
Sinking fund for replacement @ 2% present value.....	1,866
forward	2,875

	forward	25,875	per annum
Maintenance - (P.W.D.).....		2,536	"
Depreciation @ 3%.....		2,798	"
Administration (supervision, correspondence, accounting etc., extending directly or indirectly through several departments @ 2%.....		4,800	"
Furniture.....		2,300	"
		<hr/>	
Total value		38,309	
Deduct - Value of House Allowances		<u>16,230</u>	"
		LOSS	
		<u>£22,079</u>	"

11. If, therefore, we take the figure of £38,309 as being the total value representing European housing in Nairobi and add to it 50% as representing Asiatic and African housing and double the result, we arrive at the approximate total cost value to the Colony for housing per annum, viz: £114,927. And if from this figure we deduct the total amount of house allowance earned, we obtain a figure of approximately £70,000 representing a dead loss to the state which we should endeavour to repair; but this can only be attempted in the larger centres where permanent townships exist. At outstations the provision of quarters must necessarily be continued.

12. Moreover, it is now proposed to spend on housing the capital sum of..... £586,430.
of which it is proposed to spend in Nairobi..... 287,550.
leaving..... £298,880.
to be expended at Mombasa and other portions of the Colony.

13. As it is proposed first to deal with the position at Nairobi, it is advisable to ascertain what

the additional cost will be for that centre. We may estimate this as follows:-

Interest @ 6% (i.e. 5% net plus 1% charges and administration).....	£17,250
Sinking Fund 2%.....	5,000
Maintenance 1%.....	4,312
Depreciation 3% (replacement).....	8,625
Administration 2%.....	7,125
Total annual cost of Nairobi....	<u>43,132</u>

to which must be added the rental value of the 1500 houses which the houses are erected, say £3,000 per annum.

14. Assuming that when this building scheme has been carried through it would be necessary to ^{net} in Nairobi, then there would fall to be deducted from this figure approximately £10,000 (gross) thereby saved, leaving a balance of £36,132.

15. The amount of house allowance, if paid in lieu of quarters, would amount approximately to £17,152, leaving a net loss per annum of £18,980.

16. In addition to the commitments mentioned in the preceding paragraph, provision must be made paying an additional grant-in-aid to the Nairobi Municipal Council in lieu of assessment rates; and in the near future additional heavy capital expenditure will have to be faced, viz: the extension of the water-borne sewerage system to the residential portions of the town a necessity that cannot be much longer postponed.

17. Two questions arise:-

- (a) Is the Colony in a position to bear this expenditure?
- (b) If it were, would the Government be justified in imposing the burden on the community?

PRESENT HOUSING POLICY

16. It has been briefly but indubitably shown that the present system is a costly one to the Colony,

and it is clear that it gives rise directly and indirectly to a number of important social and economic problems. It is a waste of money and a source of dissatisfaction to the officials concerned.

18. Firstly, there is a tendency to try to house each official according to his rank. Dwellings not having been built with an eye to such a policy, it is not possible to provide identical houses for officials of identical grade. The frequent result is that first one is overhoused and then the next demands to be housed at least equally as well as the first. Hence the overhousing previously referred to.

20. On rental value against a fair rent as opposed to salary quite apart from amount of houses allowed a certain proportion of officials in Nairobi is overhoused. As a simple general guide, the value of the property occupied should be double the annual salary of the occupant; thus the value of the property, including land occupied by an official drawing £500 per annum should be about £1,000, an official drawing £600 - £1,200 and so on. And it will be found that on a reasonable rental basis, the monthly rent of a property is roughly £1 for each £100 in value; thus a property worth £1,000 should be worth a rental of about £10 per month. (But it should be noted that this is about the average; it will be found that the lower the value the higher the rate, and the higher the value the lower the rate; thus a property valued at £600 will bring in about £7 per month (not £6

and

and a property valued at £2,500 about £20 (not £25) per month).

2. Taking this ^{as} a rough general guide it will be found that present rents in Nairobi are considerably higher than they should be. The law of supply and demand applies - there is a shortage and consequently the market value is increased. And this will invariably be found to be the case where the Government is in the market as a buyer (hirer).

22. And, paradoxical as it may appear to be, whenever the Government is in the market as a producer (owner) or buyer (hirer), private enterprise declines, in more or less equal ratio. As long as it is the policy of the Government to house its officials, which means acquiring or building, so long will private enterprise hold back.

23. Now it naturally follows, that if an official be overhoused, his standard of living is directly raised and this is a very serious matter where the cost of living is comparatively high; he hires more servants than his salary justifies; he endeavours to reach and maintain the same standard of living as his neighbour - who may draw double his salary; he maintains similar motor transport etc., etc., ad lib. This all reacts on the State, for in time he demands and receives additional pay to meet greater outlay, yet he always remains poor because he lives to the limit of his income. Jealousy and dissatisfaction are common factors when such a state of affairs exists and when these characteristics are present, efficiency is impaired.

24. It may be mentioned here that, while necessary for pension purposes, a house allowance based on salary

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drawn is not satisfactory from other points of view. As stated to me and I think it a reasonable view, officials of equal status (grade) should be similarly housed. They are not now because professional and technical officials draw higher salaries than administrative and clerical officials of the same grade and in consequence they can better accommodate a given amount of a well known fact, a lower paid employee has to pay out a greater proportion of his salary (wage) in rent than a higher paid employee. In Nairobi, if officials were hiring their own accommodation according to their means, the variation would be approximately between the figures of 33 1/3% and 15%. Thus an official drawing £500 per annum living in a house valued at £600 and paying a rental of £7.10.0 per month would be paying about 50% of his salary in rent; an official drawing £500 per annum (£1000 - £10) about 25%; and one drawing £2,000 (£2500 - £22.10.0) about 14%.

25. An important factor which definitely appreciates the value of private house property in Nairobi is the large amount of land owned by Government. If some of this land were alienated - under restricted conditions of tenure - the present high rental values would tend to depreciate.

26. Another point that may be made at this stage is that the tendency is to build and provide too pretentious dwellings for officials, compared with the salaries drawn. Put in other words junior officials generally are being provided with residences of greater size, architectural pretensions, etc. than they could afford to pay rent for if they had to fend for themselves. e.g. the estimated price (vide p.III of Annexure I - p. 11 - of the Report on Loan Proposals, 1925) given for

class IV house is £1,050, exclusive of land; whereas the amount should approximate to £900, inclusive of land. And I believe the latter figure can and should be attained by the adoption of simpler plans. And, again, with the provision of a smaller house and ground the standard of living and cost will be considerably reduced and the individual financial position improved.

27. Owing to the comparative frequent change of the local conditions on the ground, officials are put to some expense in the maintenance of their quarters. It is done to improve the property, e.g. the planting of fruit trees, gardens, lawns etc.

FUTURE POLICY AND COLONIAL SETTLEMENT

28. It seems therefore abundantly clear that the present policy cannot be indefinitely continued. In fact, it seems to me on the consideration of the facts and figures hereinbefore mentioned, that the time is ripe for change, and recommendations and suggestions will be made accordingly.

29. But before proceeding further under this heading there appears to be a paramount reason why a change of policy should be made without delay; and that is, the desirability - one may, I think, rightly say urgent need - of inducing Civil Servants especially junior officials, to make this colony their permanent home. In spite of my slight acquaintance with Kenya and its conditions - but with 28 years colonial experience - a general knowledge of the political problem of this country. I feel it my duty to suggest the need for colonial settlement, and that the Government should begin with its servants.

30. From enquiries made, I find that only about

5% of pensioned officials (vide page 235, et seq of the Estimates for 1926 remain as permanent residents of the Colony: the rest are lost to the State, together with their children. Every inducement should be given to Civil Servants to make this their home, not merely as a permanent addition to the population, but because after their long sojourn, their knowledge and experience should be most useful to themselves, to the Colony, and to their children: to themselves because they retire at an age sufficiently young to take up fresh work and interests to the Colony, because they can still render service in other spheres: and to their children, because, with their knowledge and experience of the country, they should be able to start them well, and advise and guide them, and thus place them in a much more advantageous position than immigrants without knowledge and experience.

31. Further, in this connection, there should be taken into consideration the future form of Government in the Colony. In the not distant future, (assuming continuance of present progress which all hope to maintain), responsible government will be granted and in all probability a British East Africa Federation will sooner or later eventuate. And, knowing this to be the case, it may be taken as a matter of course that the present Administration will endeavour, not only as a matter of duty but also of inclination, to prepare the way for the future regime.

32. The following recommendations are therefore based on all these considerations and are conscientiously made in the hope that they will not only assist in the solving of the immediate housing problem but also help towards the future progress and prosperity of the Colony.

RECOMMENDATIONS

33.

I beg, therefore, to recommend:-

(1) That as from a date to be fixed (say 1st January 1927) all officials taking up first appointments in Kenya from and after such date be

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(a) required to find their own quarters if stationed in Nairobi or Mombasa;

(b) charged a fair rent for furnished quarters if stationed elsewhere.

(2) That, when the number of officials warrants it, bachelors' quarters be erected at outstations (and possibly Mombasa) for the accommodation of junior unmarried officials, where they can arrange their own messing, and for which accommodation they will be charged a fair rental. Bars prohibited.

(3) That residential flats be erected at Nairobi and Mombasa for married junior officials and possibly at Nairobi for unmarried senior officials.

(4) That to save transport costs the buildings recommended at (3) be erected at Nairobi within walking distance of the site for the projected central offices.

(5) That while the present shortage of accommodation and high costs of building exist, Customs duties on building material (especially cement and iron) be suspended for a definite period of from year to year until housing conditions have improved.

(6) That a scheme be adopted to enable and encourage officials to acquire their own residences.

(Note:- Recommendation (1) will, of course, not be applicable to senior officers appointed or transferred to Kenya for specific purposes and under particular terms and conditions of appointment or service.

HOUSING OF NEW OFFICIALS

34. The adoption of recommendation (1) would necessitate some alteration in the terms and conditions of service of officials: e.g. the adoption of a consolidated rate of pay. It is suggested that an opportunity be taken on this occasion of creating a Kenya public service. The establishment of such a service would be on more favourable conditions, under which it is thought that savings might accrue directly to the Government and officials. There are raised under this head questions of:

- (a) Conditions of service
- (b) Rate of pay and allowances
- (c) Marriage and children's allowances
- (d) Leave - local and furlough
- (e) Gratuity
- (f) Local residence and inland passage
- (g) Transport.

and possibly other items relating to service as the cost of living. Moreover, it is suggested that a survey be made and offered to present officials to compare their present conditions of employment with those which would be the ultimate advantage of their service.

35. It is considered that very little would fall to officials by the adoption of recommendation (1) (a) because it is remarkable how quickly officials adjust themselves to meet the circumstances. It is thought that the situation would be greatly improved if immediate effect were given to recommendation (3).

36. It is hardly necessary to remark that there would be nothing to prevent an official on consolidated pay

pay from hiring a house in Nairobi or Mombasa from the Government at a fair rent for the property should a property be available for letting. Such rent would be based on the value of the property and have no relation to salary drawn by or grade of the official, and when assessing rents for Government bungalows due regard should be given to the value of the land on which they stand.

37. Outstations officials would not possibly be expected to find quarters themselves and should be in a position for a year or more but rent officials bid at considerable intervals and should have the amount of rent for a year or more in advance of receiving quarters. Rent for outstations should be based on the value of the property and have no relation to salary drawn by or grade of the official, and when assessing rents for Government bungalows due regard should be given to the value of the land on which they stand. *Extra accommodation provided for* allowance should be made for purposes of hospitality.

BACHELORS' QUARTERS.

38. The provision of bachelors' quarters at the larger outstations for single junior officials would be beneficial both to the Government and the individual; to the Government in that capital expenditure on buildings would be reduced and to the individual in that the accommodation available would be within his means.

39. It is suggested that consideration might also be given to the desirability, for other reasons, of letting quarters for single men in the larger outstations where they could be messaged or as they are more satisfactory for them than the quarters available at present.

40. The rent for bachelors' quarters would be based on their market value and have no relation to salary.

salary or grade. Their provision would necessitate a small capital outlay but they would bring in a good return, more than sufficient to cover maintenance, depreciation and redemption.

RESIDENTIAL FLATS

41. The present difficult position at Nairobi and Mombasa could be greatly relieved by the immediate erection of residential flats for married junior officials and at Nairobi, say in the neighborhood of the Club, for single senior officials.

42. The provision of flats for married junior officials within reasonable distance of the new Government offices, would prove beneficial to the individual, because he would be enabled to hire at a fair rental accommodation that would approximate to his spending power; and he would save in servants and transport.

43. The advantages that would eventually accrue to both Government and official by bringing about a reduction on the cost of living can be readily appreciated.

TRANSPORT

44. In a country where motor transport is well-nigh a necessity it might be found possible to adopt for Government officials - and the suggestion is here thrown out for future consideration - a standard British car (of varying type, size and power, to meet the needs of the individual) and thereby solve another factor in the cost of living.

BUILDING MATERIALS

45. There is a shortage of building materials and

and present normal building operations in the Colony are frequently delayed for want of material. There are scarcely any labour-saving devices in use for the making of bricks and tiles, preparation of stone, mixing of concrete etc.

46. Building costs would be reduced by about 10% if building materials were admitted duty free.

47. In all the circumstances there appears to be a clear case for suspending the Customs duties on building materials until the present shortage of housing is relieved.

PRIVATE OWNERSHIP BUILDING SCHEME.

48. There is no serious difficulty in the way of setting up a building scheme for public officials, provided reasonable assistance by the Government is forthcoming at the beginning for the benefit of those who are not possessed of the necessary margin of security to enable them to take up loans on first mortgage.

49. Would Government assistance be justified? This is a question that might well be answered here. I think that the answer is decidedly in the affirmative, for the following reasons:-

- (a) The State is being relieved of the burden of finding quarters for its new servants in the bigger centres;
- (b) The State will be relieved gradually of the present cost of maintenance in those centres;
- (c) assistance must be given at first so that there need be no delay in setting the scheme in motion in order to bring about immediate relief.

50. The form and the amount of the assistance are the next questions and these are rather more difficult to answer. A privately administered building society could be well-situated.

where a full time in the country in a building society and that such a society could only be set up not only in a scheme for the public, but also in a scheme for the private.

51. The amount of assistance that the Government might be called upon to give would, hereafter, be up to 33 1/3% of the value of the property to be purchased or built, including land, according to the need of the prospective purchaser. But I think it has been made clear that it will be in the interest of the State to grant this assistance. There is a slight possibility of loss but although a loss might be occasioned here and there the amount involved would be but a small sum compared with the amount the State will save by the adoption of the policy recommended.

52. The form of assistance that I would suggest for consideration is two-fold, viz:

- (a) the gift of a portion of the value of the land, being Crown land, on which the building stands or is to be erected;
- (b) the loan of the balance required (to make up margin of security) to enable the official to take transfer ~~or~~ take up a mortgage.

53. There are three important reasons why (a)

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Government advancing the amount directly or guaranteeing it if found by the society. The real questions to be solved here are: the rate of interest that should be paid for this advance; the period of the loan; and the method of repayment.

57. A Building Society could not make advances at a lower rate of interest than it has to pay its deposits. It is contemplated that the society will be able to make advances on first mortgage on proper security to officials at a rate not exceeding 8% p.a. In the event of the Government guaranteeing the margin of security (vide previous para. second alternative) the society would be compelled to charge the normal rate of interest for the whole of the loan, i.e. up to 100% of the cost of the property, and this would fall a little hard on the borrower. Consequently and as a further inducement to the official to buy or build, it is recommended that the Government lend the individual the margin required free of interest or at as low a rate of interest as possible. (In fixing the rate, if any, the Government will need to continue to bear in mind the large amount it will save by the adoption of this policy). And it is further recommended that the amount be recovered by Monthly instalments of capital and interest over a period not exceeding 15 years with the right to the individual to pay the balance owing in full or in part at any time. If these suggestions be adopted the Government will be able to devise satisfactory safeguards for the repayment of their loan.

58. In addition to financing the individual to the extent of the balance of the margin of security

one third of the purchase price) the Government would at first have to finance the building society by depositing monies with it as required; not a big lump sum. Subsequently (and in a very short time if properly organized and encouraged) the society would receive sufficient deposits from private sources as will permit it to repay the Government deposits and carry on independently. The reason why Government would have to assist the society by deposits at first is to enable it to grant loans immediately and thus achieve the object desired. The amounts deposited by Government would earn the same amount of interest as monies deposited by private persons. The society could afford to pay interest at 5% p.a. on the monthly balance to savings bank current depositors and from 5% to 6% p.a. on fixed deposits according to period deposited. Little or no expense would therefore fall on the Government by the grant of such assistance to the society.

59. From enquiries made I am of opinion that, with Government recognition, the society contemplated would quickly receive deposits. There is no really active savings bank putting itself out to open savings accounts either for Europeans or Asians and these sources could be counted upon. The modern building society encourages thrift in every way and opens savings accounts for children and other small depositors. I have not had an opportunity of ascertaining how missions invest the monies deposited by Africans in their savings banks but it is possible that a fair amount might be expected from this direction. Incidentally the opening of facilities for deposits at a fair rate of interest may induce some of the amount of savings now sent abroad to remain in the country.

60. In addition to its savings bank (current and fixed deposits) the society would gradually raise funds by the sale of fully-paid (permanent) shares carrying a preferent dividend payable from the profits; and contributing shares bearing such dividend year by year as the level of profits permits. The regard being to the necessity for creating a fund for contingencies and contingent funds.

Under this scheme, the consideration being given to a compulsory deduction of a certain sum or percentage from the salaries of all new officials (being one of the conditions of service) for deposit in the building society's savings bank or as subscriptions to contributing shares, as may be decided on by the individual) to be a nucleus towards the purchase of a house. If and when the individual purchased a residence, the amount would be paid out to him and would then cease to suffer the deduction. If he never purchase, then the whole amount would accrue to him on his retirement or discharge. Such a compulsory saving scheme (just as the additional amount paid above rent in the purchase of a property under a building society scheme) would be of great benefit to the individual. Unless he save under either scheme an official is to live up to his income and before marriage at least, compulsory deductions for his benefit could not be a hardship. Such monies deposited with the society, to help to swell the capital for loan purposes.

It is possible, and suggested for consideration, that the Post Office Savings Bank might deposit new accumulations with the society and thus earn a higher rate of interest, with assured security, than is at present earned.

63. Two methods of redemption are usually in use by modern building societies and the choice is left to the borrower, viz:- the share system and the annuity system. Under the former, the borrower agrees to subscribe to a number of shares the total ultimate value of which, when matured, is equivalent to the sum borrowed; subscriptions are paid monthly and to them there is added the amount of dividend (share of profit) earned. Under the latter, the borrower pays a certain stated amount monthly, interest and redemption included; the monthly interest being calculated on the balance owing month by month, so that the part applied to interest decreases monthly and that applied to capital redemption increases monthly.

GENERAL OBSERVATIONS.

64. The following notes, more or less relating to the general subject of official housing and the writer's recommendations, are made at this stage in the hope that they may serve a useful purpose; they are made as a result of thoughts and observations while enquiring into the housing question generally and while writing this report.

65. It is contemplated that the Government will sell its own bungalows in Nairobi (other than those required to house specially appointed and short period contract officers) at a valuation and rid itself of the maintenance and administration charges as well as raising capital for new projects. It is suggested that, generally speaking, where a bungalow stands on a very large site, no more than sufficient land for a normal building site be sold with it. This is mentioned as it was observed that many of the bungalows have sufficient ground for two or more houses and it is better that Government should sell building sites direct to the individual than that the first purchaser/

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purchaser should profit by the purchase at a reasonable figure of much more land than he needs and the whole remainder at a much enhanced one.

66. The practice of building kitchens away from houses strikes one as being most undesirable; and those visited left a most unpleasant impression. It is thought that if bright, cool kitchens with modern improvements were provided our womenfolk would be able to take an interest in their cooking; and some would benefit in health and spirits by the extra work and interest.

67. Houses for junior and subordinate officials might well be simpler in design and more compact, tending to ease housekeeping. It is suggested that consideration might be given to

- (a) cutting down verandahs to porches and using space for other purposes such as
- (b) increasing the size of living rooms
- (c) decreasing the size of sites; (bearing in mind site value for rating purposes)
- (d) Planting fruit trees

As a matter of fact the official will see to these items when he builds for himself, as he will be a free agent selecting his own site, architect, plans etc.

68. When considering the question of consolidating salaries the question of encouraging families by the payment of married and children's allowances, instead of increasing house allowance, might well be considered.

69. Medical opinion might be taken on the question of increasing the present tour of service for new officials. Such an enquiry might include the benefits to be derived from local annual leave and the provision of Government hostels and bur allows at a suitable centre for summer vacations.

vacations (such as Sabatia, West Kenia, Limoru, Nanyuki as well as Mombasa for winter. In considering periodic tours, due regard would be given to men stationed in unhealthy and lonely spots.

70. As a further incentive to settlement in Kenya their permanent home, consideration might be given to the sale to them on easy terms of crown land suitable for intensive cultivation after, say, ten years' residence. Provided his official duties were in no way affected, he could begin to develop the property before date for settlement. Final payment for the land might be accelerated or concluded by the commutation of part or whole of his salary.

48

HOUSING OF ASIANS

71. Although there are additional factors to be taken into consideration when dealing with the question of housing of Asiatics, I am generally of the opinion that the principles underlying my recommendations regarding housing of Europeans should be applied to Asiatics also.

72. The principle difficulty is the comparatively low salary paid to subordinate Asiatic officials. Many of these are middle-aged men, but hold lowly positions and have children to support. They claim that the allowance provided is insufficient for their needs. It is not an amount which may be said to be according to their actual value. That is a problem in itself and is not asked to be solved.

73. The other factors hardly fall within the scope of this enquiry, but they will readily present themselves to the mind and due weight will no doubt be given to them as the matter is under consideration.

74. Firstly, I would recommend that item (1) para. 1 be applied to Asiatics as well as Europeans, i.e. they should be paid fixed consolidated salaries and be required to find their own quarters or, if provided with quarters, be charged rent according to their value.

75. But there appears to be a serious shortage of housing accommodation for Asiatics in Malaya and, in consequence, high rents are being charged by landlords and while there is ample scope for private enterprise, it is not being utilized and, in fact, there is no private enterprise. Assuming there were some spirit of private enterprise here, I would urge that it be not braked by guaranteed rentals and so forth; such practices only tend to

tend to force up prices and do not help towards a permanent solution of the difficulty.

76. In the circumstances, I would recommend the immediate erection of a few rows of cottages, of a type commensurate with the salaries drawn by the officials for whom they are intended, so that effect may be given to the recommendation contained in paragraph 74. The erection of these cottages would relieve the Asian housing situation in the same way as the proposed flats for Europeans; and, in course of time, their rentals would cover all expenditure.

77. I am given to understand that the Asians in Nairobi, as elsewhere, have a strong inclination to invest in fixed property; and that while the lower paid officials could not undertake the obligations of hire-purchase, a few of the higher paid would probably be glad to avail themselves of a building scheme to enable them to become their own landlords. If similar encouragement and assistance be given in their case, under proper safeguards, the housing shortage for Asians would be still further relieved to the extent of the new building undertaken.

78. It was observed that some Asians were well housed in separate bungalows on large sites but that the ground was totally uncultivated. I consider this type of housing wasteful and feel sure that the rental value of the properties would be considerably out of proportion to the salaries drawn by the officials concerned. It is recommended that the housing of Asians be placed on the same economic basis as is suggested for the housing of Europeans, i.e., ~~and~~ their housing should be commensurate with their salaries.

79. The Asian community would, it is understood, be glad of the opportunity of exercising thrift through the agency of a building society; and a progressive society would quickly bring to their notice the advantages to be gained by saving through its medium.

CONCLUSION.

80. Owing to the wide scope of the enquiry and the short time at my disposal I have had to content myself with reporting in general terms and, rather than give too much thought to the literary side, I have endeavoured to be thorough and practical. Some of the recommendations ^{and suggestions} may be novel and without precedent; but there seems to be no reason why Hong Kong should not make its own precedents, as must indeed be done when the position is unique.

81. May I be permitted, through this medium, to express my grateful thanks to all those who have been kind enough to give me freely of their thoughts and experience. One and all with whom I have come in contact have helped with information and done their best to further my investigations.

82. And finally, may I express to Your Excellency the hope that this report, in spite of its shortcomings, may be found of much practical value and help to further the Colony's progress.

I have the honour to be,

Your Excellency's most obedient servant,

(Sgd) A. E. BADEN,
Incorporated Secretary.

REPORT OF THE SELECT COMMITTEE OF LEGISLATIVE COUNCIL APPOINTED TO CONSIDER "A SCHEME TO ADVANCE MONEY TO EUROPEAN CIVIL SERVANTS TO ENABLE THEM TO BUILD THEIR OWN HOUSES".

The Committee consisted of the following:-

- The Hon. the ~~Member~~
- The Hon. the ~~Commissioner~~ of Local Government, Lands and Settlement.
- The Hon. Capt. H.E. Schwartz.
- The Hon. Mr. W.C. Mitchell.
- The Hon. the Director of Public Works, Chairman.

2. The Committee having considered the scheme recommends its adoption with the following amendments:-

Clause 1. Replace the words "An unofficial member of Legislative Council" by the words "two unofficial members of whom one shall be a member of Legislative Council".

Clause 3. after the word "it" in the 6th line insert the words "beyond that limit in exceptional cases and".

At the end add the following:- "The scheme will be open for application for a period of two years only from the date on which it is brought into operation".

Clause 6. After the word "scheme in the 9th line insert the words "together with the building conditions attached thereto. In the 12th line replace the comma after the word "zones" by a full stop and replace the words "e.g. Hill Kabete Road, Parklands, Muthaiga, etc." by the words "The sizes of the individual plots of Crown land shall be determined by the

same/

same method and by the same authority as they would be determined if they were to be auctioned".

Clause 7. In the 3rd and 4th lines delete the words " as fixed by the Commissioner of Lands at time of alienation".

Immediately before the last sub-clause insert the following sub-clause:-

"the fair capital values of plots, for the purposes of this scheme, in Nairobi and its environs shall be determined by a Board consisting of the Surveyor General, a representative of the Nairobi municipality and a representative of the Nairobi Town Planning Authority. In the case of townships, other than Nairobi, and their environs, the fair capital value shall be determined by a Board consisting of the Surveyor General or his representative, and two members of a local body, or local bodies, as the Governor may appoint."

New Clause 9.

Privately owned land or building.

9. In the event of an eligible official desiring to purchase a plot of land or building or both in private ownership, he may be accepted by the Board as a participator under this Scheme".

Old Clauses 9 to 18.

Re-number 10 to 19.

New Clause 20/

New Clause 20.

Fire Insurance.

20. Every participator shall insure the property, for which the advance is made, against fire in favour of the participator and Government, in an Insurance Company approved by the Board for not less than the total sum advanced on the property. In the event of the participator failing to insure in the above manner, or to renew the premium when it falls due, Government may effect the required insurance and recover the amount of the premium from the participator by deduction from salary or pension as the case may be."

Old Clauses Re-number 21 to 28.
19 to 26.

3. The Committee is of the opinion that Government will be amply secured under the Scheme if 100% of the value of the property is advanced as provided by the Scheme.

For and on behalf
of the Committee

(SGD) H.L. SIKES.

CHAIRMAN.

NOTE/

NOTE.

The Hon. Mr. W.C. Mitchell expressed the opinion that the land set aside for alienation under this scheme should not exceed 50% of the land available for alienation, but the other members of the Committee did not express concurrence with this view.

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FRIDAY, 15th JUNE. 1928.

The Council assembled at 4.30 a.m. on the 15th June, 1928. His Excellency the Governor (SIR EDWARD WILLIAM MACLEAY GRIBB, K.C.M.G., K.C.V.O., D.S.O., M.C.) presiding.

His Excellency opened the Council with prayer.

PAPERS LAID ON THE TABLE

BY THE HON. THE DIRECTOR OF PUBLIC WORKS (MR. H. E. SIKES)

Third Report of the Roads and Traffic Committee

BY THE HON. THE CHIEF SECRETARY (MR. J. G. DUNDAS)

Report of the Commission of Enquiry into the State of the Roads in the Colony

Report of the Committee of Enquiry into the State of the Roads in the Colony

BY THE HON. THE ATTORNEY-GENERAL (MR. J. D. H. BRUCE)

Report of the Select Committee on the Proposed Amendment of the Bill

REPORT OF MR. J. O. W. HOPE

THE HON. THE CHIEF SECRETARY (MR. J. G. DUNDAS) said that I should give the following motions in the course of the Session

That J. O. W. Hope

1. That the Council agree to pay to Mr. J. O. W. Hope the sum of £1,000 being the sum which would be payable to the said Mr. J. O. W. Hope if he were to be appointed to the office of Secretary to the Council, and that the sum of £1,000 be paid to the heirs of the said Mr. J. O. W. Hope.

2. That the Council agree to pay to Mr. J. O. W. Hope the sum of £1,000 being the sum which would be payable to the said Mr. J. O. W. Hope if he were to be appointed to the office of Secretary to the Council, and that the sum of £1,000 be paid to the heirs of the said Mr. J. O. W. Hope.

It is considered desirable that the time during which the scheme should be open for applications should be limited, so as to avoid the possibility of holding in readiness the sale of any plots which might be reserved under the scheme in anticipation of their being required in the future and for which there might be a public demand. A limit of two years from the date of the commencement of the scheme is therefore recommended as an amendment to clause 3. The alternative proposal that Civil Servants who desired to participate in the scheme should bid at auctions for the plots which they desired did not commend itself to the majority of the Committee and was, in fact, abandoned by the minority in favour of the time limit.

Provision is made by amendment of clause 6 for the delimitation of the sizes of plots by the same authority as if they were to be auctioned and by amendment of clause 7 for the fair capital value of plots in Nairobi to be determined by a Board consisting of the Surveyor General, a member of the Municipal Council and a member of the Town Planning Authority, and in places other than Nairobi by the Surveyor General or his representative and two members of a local body or local bodies.

In new clause 9 a provision by the Board of an eligible officer as participant who desires to purchase a plot in private ownership is provided for.

The Committee had the advantage of hearing two members of the Council of the European Civil Servants' Association, and those gentlemen expressed their concurrence with the amendments which the Committee decided to recommend.

THE HON. THE TREASURER: I beg to second the motion.

THE HON. CONWAY HARVEY: Your Excellency, I am in substantial agreement with the majority of the recommendations in this Report with one exception, and I desire, Sir, to associate myself with the opinion expressed by the Hon. Member for Nairobi North. It seems to me, Sir, that it is not quite fair that members of the Service should be placed in an advantageous position in connection with the selection of sites as compared with other sections of the community and it does appear, as the recommendation stands, that there is a very great danger that they can go round and select the very best sites available within a radius of ten miles from Government House. I do not consider, Sir, that they should be given that exclusive privilege.

THE HON. W. C. MITCHELL: Your Excellency, I did not speak in regard to this scheme when it first came before this Council because I felt that any points I wished to have

amended could be dealt with when it was considered by the Select Committee. My objections to the scheme as it originally came before Council were mainly two. One was that it appeared to provide facilities for the alienation of land to Government officials at prices which might have very little relation to current market values and I feel that alienation by auction could impose no hardship on anyone and so provide for a method of alienation which has been approved in other cases throughout the Colony for many years past. The second objection was that putting such a scheme into effect would involve holding up land for which a normal demand existed in order to meet a quite indefinite demand which may be anticipated under the scheme. The restriction of the scheme to a period of two years does to some extent reduce my objection to it on that point, but it does not remove it entirely and I feel most strongly that some provision should be made to meet the demand for land for other sections of the community as well as Government officials.

There is one other small point which I mentioned in Select Committee in connection with the maximum advances to be made in advance to officials drawing certain salaries. In the case of officials on the scale £200 to £400 per annum I work out that with the amount it will be necessary for them to contribute monthly to meet interest and capital redemption it is only a net amount of about £29 per month on which to live for the next two or three years. That sum seems hardly adequate in the case of a married man and, Your Excellency, I feel that it will be a multi-stone round the necks of those officials who are drawing £300 to £400 per annum.

THE HON. THE GENERAL MANAGER: Your Excellency, I should like to support my colleagues in the objections they have raised to this scheme and to again repeat my objection to the proposal for advance of 100 per cent on the property. I see no reason why that extreme advance should be given. Any man who is contemplating the purchase of a property must be assumed to have some idea of its value and it is reasonable to assume that he would have accumulated some small proportion of the purchase price before he actually enters into the transaction. I think it is unnecessary and undesirable that Government should agree to advance up to 100 per cent. of the buyer of the property. I should also like to ask whether any alteration has been made in the scheme to extend it to other townships than Nairobi. There are other parts of the country where we are beginning to get men who are likely to be stationed permanently in the Government service in those townships and it seems to me unfair that they should not have the advantages of the scheme. If this scheme is confined exclusively to

Nairobi it will obviously be the wish of all the members of the Service to be settled in Nairobi and will give further support to the belief widely held that if you want to get on in the Government service you have got to remain at the capital.

THE HON. THE GENERAL MANAGER: KENYA AND UGANDA RAILWAYS: Your Excellency would strongly urge, Sir, that the scheme be either amended to include and give an opportunity for railwaymen to build their own houses, or that the Government agree to a subsequent resolution giving railwaymen that opportunity. (Hon. Conway Harvey: Hear, hear.) There is no class of men that I know of who it is so desirable to encourage to stay here permanently as the class representing what is known as the railway subordinate staff, the works staff. It is, Sir, essential that we ought to attract them in every way to remain here permanently, because it is from the children of this particular class that we shall obtain not only the employees but the artisans of the future. This has been the experience, Sir, in most European colonies and I strongly urge the Government to make an amendment or allow a resolution to be moved subsequently for the participation of the railwaymen in the scheme.

As far as the question of advances of money are concerned the Railway funds will have to make these advances and, as far as the Railway is concerned, I would like the scheme extended to places like Nakuru and Eldoret.

THE HON. THE DIRECTOR OF PUBLIC WORKS: Your Excellency, I think the points mentioned by the Hon. Member for the Lake are amply safeguarded by the fact that there would be two unofficial members on the Board and by the method for selecting and fixing the sizes of plots.

I am sorry that the Hon. Member for Nairobi North has raised additional points which were not expressed in Select Committee, as I understood he was entirely satisfied with the Committee's recommendations. The question whether the maximum advance was too high was considered by the Committee, but it was felt that there were circumstances which made it desirable not to curtail this maximum. Some officers might, for instance, be in receipt of a salary of £1,000 per annum and

HON. W. C. MITCHELL: On a point of order, Your Excellency, I was not referring to the maximum advance of £3,000, but to the advance of £1,000 to officials drawing salaries of between £300 and £400.

THE HON. THE DIRECTOR OF PUBLIC WORKS: Your Excellency, that matter was fully considered by the Council of the European Civil Servants' Association and I think their opinion on this point should carry weight. It was the Hon. Member for Plateau South who expressed the opinion that the maximum advance of £3,000 was too high. As I mentioned in my speech last month on this subject, it is distinctly to the advantage of Government that officers should enter the scheme, because in addition to saving the difference between rent and house allowance Government would save furniture allowance. On the average, Government would save £56 per annum for every individual who entered the scheme who was not drawing house allowances at the time. An officer might be drawing £1,000 per annum in pay. His house allowance would be £150 and his total emoluments, £1,150. If we accepted Mr. Basden's principle that a retired officer is on the average entitled to live in a house having a capital value of 100 per cent of salary, that man would be entitled to a house having a capital value of £2,300. The plot of land might be worth £200 bringing the value of the property to £2,500. Exceptionally he might have four children and require a European house. Two additional rooms, a passage and bathroom would be requisite and would be likely to cost not less than £500, bringing the total capital sum required to be advanced to £3,000. Provision was made in the scheme for the extension of the scheme to townships other than Nairobi at the option of the Board.

With regard to the proposal of the Hon. General Manager, I fully concur with him that the scheme should be open to railway officials. That could be achieved by the insertion of the words "or the Kenya and Uganda Railway" after the word "Colon" in the second line of the Board and by the inclusion of provision for a representative of the Kenya on the Board under clause 4.

HIS EXCELLENCY: Does the Director of Public Works agree that as an amendment to the motion?

HON. THE DIRECTOR OF PUBLIC WORKS: Yes, Sir.

HIS EXCELLENCY: If that is the case, members are entitled to debate that addition.

THE HON. THE GENERAL MANAGER: I beg to second.

HIS EXCELLENCY: The question is that in the report of the Select Committee of Finance, in clause of the following words to be inserted at the Department after the word "Colon" in the second line insert the words "or the Kenya and Uganda Railway."

THE HON. THE GENERAL MANAGER: Your Excellency, I am afraid that the amendment will not quite meet the case, because in another paragraph the scheme is stated to be for members of the permanent and pensionable staff. The officers I have in mind are not on the pensionable staff, but there is a provident fund, and I would suggest that it would be wise to leave this and, so far as the railwaymen are concerned, to accept the principle by a further resolution at some future date, because it would be most unwise to make this applicable to one section of the staff and not the other.

HIS EXCELLENCY: If hon. Members desire to discuss the principle of the inclusion of railway servants in the scheme, they can do so at this moment.

THE HON. W. G. MITCHELL: Your Excellency, I should oppose it if it came forward in the form of an amendment. I should oppose it partly because of the reasons given by the Hon. the General Manager, partly because the question of security for the advances is affected and because of the fact which I have already emphasised that it will increase the danger of locking up land. We were told in Select Committee that the demand for these plots could in all probability not be very great. That was one of the arguments used when I brought forward the contention that it might be locking up land against other sections of the community. If we are going to extend the principle to the members of the Kenya and Uganda Railway—and I have no objection to extending it—presumably they would get the same treatment as Government officials, and I am opposing it because it will tend to increase the danger of locking up land. I do not know what other there is a demand from every section of the community, and I oppose if the scheme is going to be extended, there is another way of alleviating it than to put up the plots to be sold and allowing everyone to bid in the open market. It is only by public auction that you will arrive at the fair market value of the land and it seems to me that an auction is the only way of arriving at a fair value where a limited quantity is available, and I shall oppose it where ground.

HIS EXCELLENCY: I think it will probably be to the convenience of this Council if Government are asked to submit the question of the inclusion of railway servants in the scheme to the Select Committee, which sat upon this scheme, with the addition of the General Manager of the Railways, and that in the meantime the amendment moved by the Director of Public Works be withdrawn. If the Select Committee agree to amend it, it may be brought to Council again. Is that course acceptable?

THE HON. CONWAY HARVEY: I think it is an admirable course.

HIS EXCELLENCY: I understand the Director of Public Works will withdraw his amendment.

THE HON. THE DIRECTOR OF PUBLIC WORKS: Yes, Sir, I will withdraw the amendment.

HIS EXCELLENCY: The amendment is by leave withdrawn.

HIS EXCELLENCY: The question is—

That the Report of the Select Committee appointed to consider the Housing Scheme for Civil Servants be adopted.

The motion was put and carried.

THE HON. THE CHIEF JUSTICE: I beg to move the motion for the adjournment of the Council.

THE HON. THE CHIEF JUSTICE: I beg to move the motion for the adjournment of the Council.

That the Council do adjourn until the 14th day of November 1962, at 10 o'clock in the forenoon, to the Kenya Club, Nairobi, for the purpose of considering the Report of the Select Committee appointed to consider the Housing Scheme for Civil Servants.

You have heard the Chief Justice say that if his motion is carried, the Council will adjourn until the 14th day of November 1962, at 10 o'clock in the forenoon, to the Kenya Club, Nairobi, for the purpose of considering the Report of the Select Committee appointed to consider the Housing Scheme for Civil Servants. I beg to move the motion for the adjournment of the Council.

That the Council do adjourn until the 14th day of November 1962, at 10 o'clock in the forenoon, to the Kenya Club, Nairobi, for the purpose of considering the Report of the Select Committee appointed to consider the Housing Scheme for Civil Servants.

The value of the work done will not be completely estimated by the results which have been obtained. The methods by which the whole of the investigation has been conducted is of the utmost importance. The fact that special workers have been paid



THE SECRETARIAT,
NAIROBI.
KENYA.

AS.

WHEN REPLYING
PLEASE QUOTE
NO. S
AND DATE

3rd July
June, 1928.

The Acting Colonial Secretary of the Colony and Protectorate of Kenya presents his compliments to the Under Secretary of State for the Colonies and has the honour to transmit twelve copies of the following papers:-

A Scheme to Advance Money to European Civil Servants to Enable Them to Build Their Own Houses.

Abridged Report of the Post and Telegraph Department, 1927.

Summary of Closer Settlement Proposals, 1928.

Financial Report and Statement for the Year, 1927.

SEPARATE

AM



COLONY AND PROTECTORATE OF KENYA.

A SCHEME TO ADVANCE MONEY TO
EUROPEAN CIVIL SERVANTS TO ENABLE
THEM TO BUILD THEIR OWN HOUSES.

(As passed by the Legislative Council on the 15th June, 1928.)

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COLONY AND PROTECTORATE OF KENYA.

A SCHEME TO ADVANCE MONEY TO EUROPEAN CIVIL SERVANTS TO ENABLE THEM TO BUILD THEIR OWN HOUSES.

The Scheme will be administered by a Board, of which the following shall be members:

Treasurer

Commissioner for Local Government, Lands, and Settlements

Director of Public Works

Two members nominated by the Governor and the members of the Executive Council.

One member of the General Council of European Civil Servants Association.

Suitable arrangements will be made for the Board to employ such officers and departments to provide the necessary accounting, valuation, and technical services as may be required.

2. The necessary funds will be put at the disposal of the Board by Government to enable them to make advances.

3. Only European officials on the permanent and non-removable staff of the Colony shall be eligible for loans under the Scheme and shall participate in the Scheme.

The Scheme will be for houses to be built in the main in the vicinity of Nairobi, but it shall be open to the Board to extend beyond that limit in special cases and to other centres under such conditions as it may impose. The Scheme will be open for applications for a period of two years only from the date on which it is brought into operation.

4. Any European official eligible for and desirous of participating in the Scheme may make application on a prescribed form, addressed to the Board, and shall give on such form such information as to the applicant's bona fides as the Board may deem necessary.

5. The Board shall consider each application and if they are satisfied that the applicant on account of his duties now or in the future, or for other good cause, has reasonable grounds for wanting a house under the Scheme he may be accepted by them as a participator in the Scheme.

Applications accepted by Board as participators

Allocation of sites to occupied participators.

6. Any European official who shall have made application to the Board and who shall have been accepted by the Board as a participator in the Scheme shall, if he desires, be granted (on terms hereinafter provided) a building site of Crown land within a radius of ten miles of White House (or at any other centres subject to such conditions as the Board may impose) the allocation being made on the system adopted in connection with the Soldier Settlement Scheme, together with the building conditions attached thereto. A Schedule of the land available for the Scheme will be prepared by the Commissioner of Lands. In this Schedule plots will be of varying sizes and will be divided into standardised zones. The sizes of the individual plots of Crown land shall be determined by the same method and by the same authority as they would be if they were sold as private land. No European official shall be deemed to be a participator in the Scheme unless he has deposited with the Board a sum of the capital required for the purchase of the land on which the house is to be built.

7. The term of office of participators for a term of five years shall be as follows:—

(a) For plots of capital value of £100 or more the fair value for the purposes of this Scheme shall be determined by a Board consisting of the Surveyor General, a representative of the Municipality and a representative of the Land Bank. In the case of plots of less than £100, and their environs, the fair value shall be determined by a Board consisting of the Surveyor General or his representative, and two members of the local body, or local bodies, or the Governor.

(b) For plots of capital value of less than £100, the fair value shall be determined by a Board consisting of the Surveyor General or his representative, and two members of the local body, or local bodies, or the Governor.

8. A participator having been accepted by the Board shall, if he desires, be granted a building site of Crown land within a radius of ten miles of White House (or at any other centres subject to such conditions as the Board may impose) the allocation being made on the system adopted in connection with the Soldier Settlement Scheme, together with the building conditions attached thereto.

9. The site having been allotted to the participator shall, within four months from the date of allotment, or within such further time as may be allowed at the discretion of the Board, submit to the Board for their approval plans and specifications (in sufficient detail as the Board may deem necessary) of the house he proposes to build. The Board shall

then inform the participator if they approve or otherwise of the plans and specifications. If they do not, then the participator shall be allowed to amend them until they meet with the approval of the Board. On the plans and specifications being approved, the participator shall be informed what value the Board will place on his property (including the land) when the house has been completed in accordance with said plans and specifications. Actual alienations will not be made until plans and specifications are approved. Standard types of plans and specifications will be exhibited to participators upon application to the Director of Public Works.

10. Except with the express permission of the Board, each participator shall have only one site alienated to him by the Board throughout his service.

11. All mortgage or charge deeds shall be approved by the Attorney General.

12. The site having been allotted to the participator shall, within four months from the date of allotment, or within such further time as may be allowed at the discretion of the Board, submit to the Board for their approval plans and specifications (in sufficient detail as the Board may deem necessary) of the house he proposes to build. The Board shall

then inform the participator if they approve or otherwise of the plans and specifications. If they do not, then the participator shall be allowed to amend them until they meet with the approval of the Board. On the plans and specifications being approved, the participator shall be informed what value the Board will place on his property (including the land) when the house has been completed in accordance with said plans and specifications. Actual alienations will not be made until plans and specifications are approved. Standard types of plans and specifications will be exhibited to participators upon application to the Director of Public Works.

13. The mortgage or charge deeds having been signed the Board will make advances on account to the participator as the building work proceeds and at such intervals as they deem reasonable. Such advances to be made at the discretion of the Board only up to ninety per cent. of the value in their opinion of the building work done at the time of each advance on account.

14. On the building being completed and ready for occupation to the Board's satisfaction in accordance with the plans and specifications approved, the balance of the advance up to the full value (including land) placed by the Board on the property, plus the premium on the Mortgage Policy, shall be paid to the participator. The Board may approve plans which provide for an extension of accommodation, and a further advance may be granted in such cases when the officer rises in grade, provided that the total amount is repaid within the original period of repayment. The amount to be advanced will be at the discretion of the Board, provided that the maximum advance shall in no case exceed £3,000 and that for officers drawing salaries of—

- £300 — £400 the maximum advance shall be £1,000.
£400 — £600 the maximum advance shall be £1,200.

15. Interest at the Land Bank rate (or at six-and-a-half per cent. if a Land Bank is not established) shall be payable by the participator on advances on account up to the date when the balance to make the total is paid over to the participator, but during this interim time no repayments of capital shall be made.

Provided that if a Land Bank is established any payment of payments of interest which may have been made prior to the establishment of the Land Bank shall be subject to adjustment by the repayment to the participator of the difference between the amounts actually paid by the participator and the amounts which would have been paid by him if all payments had been made at the Land Bank rate.

16. From the first day of the month following the date on which the complete advance has been made, interest at the Land Bank rate (or six-and-a-half per cent. if a Land Bank is not established) shall be charged. Such advance and interest shall be repayable by equal monthly instalments by deduction from pay, either over a five-year, a ten-year, or fifteen-year period, as the participator may have elected at the time of executing the mortgage or charge deed, which deed

Each participator only one site

Mortgage deeds.

Submission of plans and specifications of houses to be built and valuation to be placed on same.

Advances as work proceeds

Completion of advances

Interest on interim advances

Repayments of principal and interest

shall contain a schedule showing principal outstanding after each monthly payment and the amounts of principal and interest repayments respectively included in each monthly repayment.

Repayments during leave

17. Repayments to continue monthly during leave by deductions from salary.

Repayment of outstanding principal may be made at any time

18. Participators shall be at liberty at any time to pay off outstanding principal together with interest accrued.

Mortgage Insurance Policy

19. If any participator elects to take up with any approved Insurance Company, a single premium Mortgage Insurance Policy ensuring that such Insurance Company will, in the event of the death of the participator, pay to the Government the principal outstanding at the time of death (including any principal outstanding on the money lent for the single premium) then in any such case, the Board will, on the policy being handed to them in advance to the participator in addition to the money to be advanced under paragraphs 13 and 14 hereof, the amount of the single premium paid by the participator to the Insurance Company, and such advance shall be repayable as to principal and interest as provided for repayment for the complete advance for building as laid down in paragraphs 16, 17 and 18.

Fire Insurance

20. Every participator shall insure the property, for which the advance is made, against fire, in favour of the participator and Government, in an Insurance Company approved by the Board, for not less than the total sum advanced on the property. In the event of the participator failing to insure in the above manner, or to renew the premium when it falls due, Government may effect the required insurance and recover the amount of the premium from the participator by deduction from salary or pension in the case may be.

Valuations

21. Valuations for the purpose of making interim advances during construction, and completion reports signifying that the work has been completed in accordance with the plans and specifications approved, may be made by the Board at their discretion from any persons qualified by the Board to make valuations. The Board shall not be bound to accept any such valuations, and shall have the right to cause any such to be made by its own officers as it thinks fit.

22. In the case of any official accepted by the Board as a participator who owns a house, which he started to build or acquired subsequent to the 1st June, 1926, and on which there exists a mortgage or charge, the Board may at their discretion advance him a sum of money thereon not being greater than the amount needed to pay off any existing mortgages or charges, provided that such advance is not more than, in the opinion of the Board, is the value of the property on which the advance by the Board is to be made and the participator lodges with the Board the deeds of such property and enters a proper mortgage or charge deed with the Board. The participators in such cases and all other matters in relation to the same shall be dealt with in accordance with the conditions laid down herein for other participators under this scheme, so far as such conditions apply.

23. In the event of any participator dying before the outstanding principal is paid off, then in any such case the deceased participator's heirs or executors may, if they wish, repay to Government the outstanding principal together with interest accrued and not paid at the date of repayment (providing they do so within one year of the death), when the property shall pass completely to such heirs or executors, and if not, then the property shall be valued by the Director of Public Works and taken over by the Government at such valuation, the Government paying over therefor to the participator's estate the difference between such valuation and the amount of the principal and interest outstanding at the time.

Death of a participator

Notwithstanding the provisions as laid down in this paragraph if the Board for any reason deem it reasonable they may at their discretion permit the heirs or executors to become participators and allow them to continue making monthly repayments of principal and interest until the outstanding advance is completely paid off.

24. In the event of the retirement, discontinuance of service of a participator, or dismissal from the service of any participator without pension, then in any such case the participator may, if he wishes, repay to Government the outstanding principal together with interest accrued and not paid at the date of repayment (providing he does so within one year of leaving the service), and if not, then the property shall be valued by the Director of Public Works at a fair market value and taken over by Government at such valuation, the Government paying over to the participator the difference between such valuation and the amount of the principal and interest outstanding at the time. Participators retiring on pension will be allowed to continue repayments after retirement by deductions from their pensions if they so desire.

Discontinuance of service or dismissal of participator

25. No participator shall without the permission of the Board be allowed to sell his house within three years of taking up his complete advance. After three years he shall be at liberty to sell his house at his own discretion, but in either case the outstanding principal and interest at the time of sale must be paid back to Government when the sale takes place so releasing the property from the Government mortgage.

Sale of properties

26. The Board may at their discretion permit a participator to sell his house to any other official eligible to participate in the scheme and accepted by the Board, provided the vendee takes over all the commitments of the vendor in this matter.

Transfer of property to other officials eligible

27. Participators having once entered the Scheme and having completed the building of the house will not be provided with a house by Government when stationed in Nairobi, or at such other centre as may have been approved in individual cases, but will only be able to draw house allowance in lieu.

Participators to have no right to Government housing

28. For participators in this Scheme house allowance shall not be reduced below the existing rate and shall not be less than £75 (seventy-five pounds) per annum during the period of repayment, provided that the Government may reserve to themselves the right to introduce a scheme, in keeping with the conditions contained in the first paragraph of this clause, for the consolidation of house allowance and salary applicable to the whole service including participators in the building scheme.

House Allowance

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