

1930

Kenya

No. 16100

Part II

SUBJECT

C.0533/398

Colonial Loan

REVISION OF RECORDS SECTION

This file should be returned to
Queen Street when no longer required.

Previous

Subsequent

17249/31

See 17020/31 (1921 loan)

See 17007/31 (Branch line)

33

M. L. J. tel 35. 18 November
Request approval for allocation of sum of
£16,175, saved on cost of construction of Niger
Kilali and Solar factory to use for general
improvements on main line and additional
equipment

Section 3 of the Order (copy
above No 17) empowers the Govt to make
such allocations subject to the
sanction of the Comptroller

above is in draft form

hereafter

15/11/30

12/11/30

10/11/30

10/11/30

10/11/30

~~DESTROYED UNDER STATUTE~~

To: 2 Comd for Transport Tel No 16. 14th Nov 1930

35 cable tel 398 Conf. 18 November
Give details of proposals under 2nd schedule,
propose to introduce bill with schedule as stated
and Treasury bill resolutions

36 cable tel 397 Conf. 19 November
Request early reply to No 6 in order that schemes
for assistance for Colonies Development Fund may be
facilitated

No. 35.

The total of the schedule differ
from

36a
(32) from the amount suggested in the Secretary of State's telegram of the 5th November, and I attach an explanatory note. There seems no reason to take any exception to the changes made locally, and I put up a draft telegram for approval. (The telegram does not, however, make it clear whether the Treasury Bill Resolution is to be to the amount of £2,000,000 referred to in the Secretary of State's telegram of the 11th October, or to the amount of the schedule to the Bill. The device as to unused borrowing powers ~~is~~ in accordance with instructions.)

No. 36. I submit a draft in reply. (A copy of No. 36, and this reply must be put with the Colonial Development Fund paper 1633a/30 referred to.)

I enquired of Mr. Davis of the Crown Agents as to the renewal of the existing Treasury Bills, and he told me they would be renewed to say to the amount of £1,400,000 at approximately the old rate. He also told me that they were now contemplating their further loan issue about the 8th December. The Treasury told us on the 3rd November that in a few days a further communication would be sent to us on the question of the loan issue. We have heard nothing further from them. Mr. Davis tells me, however, that their brokers have discussed the matter with the Government brokers, and apparently the Governor of the Bank of England is aware of the possibility

of

of a Kenya loan coming along very shortly. We do not want to invite the Treasury to intervene, but perhaps it would be as well to inform Mr. Waterfield by telephone what is pending. In the circumstances, it would seem necessary that the Loan Bill, which is to be introduced on the 27th or 28th November, should be passed very rapidly, and in addition, the Crown Agents will want to know the date and number of the Ordinance when passed. I accordingly submit a further draft Secret telegram to the Governor.

I also send draft letter to the Lt. Commr. of the C.D. Finance Dept. & Mr. Waterfield with the draft No. 36.

D. Allen

2/11/30

I have passed the proposed offer to the Treasury with the understanding that the Government will be asked to

if approved, will be referred to the Treasury, but my offer will be taken before the matter is brought to the notice of a Treasury Committee which I will handle up until the file returns.

Alfred Hutchinson

All this is witnessed by me, & I shall like to finish reading the main file later.

D. H. Lane

2/11/30

DESTROYED UNDER STATUTE

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100 To Treasury (w/c 32, 35, 36, 37, 38, 39)
101 To Crown Agent (w/c 32, 33, 36, 37, 39)

100-101

DESTROYED UNDER STATUTE

102 To Waterford (w/c 39), 50
103 To Lewis (w/c 39), 50

DESTROYED UNDER STATUTE

104 Mr. Phipps (Treasury) to Mr. L. Nelson 26 Nov 30

Wife records as oral
memo

Mr. Allen

24/11/30

I gave Mr. Phipps by phone
the text of No. 104. He said
"it's good" & the loan being
£3,000, 1932. He was
very nervous about the
prerogative of the C. of G.
in the matter of loans
was being infringed.
He was however satisfied,
I think, that No. 104
only offers "advice" -
this is quite clear
from the wording - but
he asked that it

Mr. Phipps did not mind that
might be the letter with
eff. of which it was prepared
to say in reply.

All Parkinson
24.11.30

Mr. S. Allen

He had to write to
Mr. Phipps & say
that when he had
written to the Comptroller
of the Treasury
on 11/11/30

2/11/30
1/11/30
1/11/30

I have no objection to
the original being forwarded only

Mr. Phipps

22.11.30

Mr. Parkinson

I have marked the amount
suggested in the original &
in view of the last sentence of
para 3 I send a copy for
autho. to send the letter.

Mr. Allen

24/11/30

All Parkinson

We have also
about the wording
of the diff. letter
sent as it
will imply before
that it was then
repeated in news & 3/30/30

26.11.30

DESTROYED UNDER STATUTE

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100 To Treasury (w/c 32, 35, 36, 37, 38, 39)
101 To Crown Agent (w/c 32, 33, 36, 37, 39)

100-101

DESTROYED UNDER STATUTE

102 To Waterford (w/c 39), 50
103 To Lewis (w/c 39), 50

DESTROYED UNDER STATUTE

104 Mr. Phipps (Treasury) to Mr. L. Nelson 26 Nov 30

Copy received as per
memo

Mr. Allen

24/11/30

I gave Mr. Phipps by phone
the text of No. 104. He said
"it's good" as the loan being
£3,000, 1932. He was
very nervous about the
prerogative of the C. of G.
in the matter of loans
was being infringed.
He was however satisfied,
I think, that No. 104
only offers "advice" -
this is quite clear
from the wording - but
he asked that it

Mr. Phipps did not mind that
might be the letter with
eff. of which it was prepared
to say in reply.

All Parkinson
24.11.30

Mr. S. Allen

He had to write to
Mr. Phipps about
the loan being
£3,000, 1932. He was
very nervous about the
prerogative of the C. of G.
in the matter of loans
was being infringed.

I have no objection to
the proposal being put forward only

Mr. Phipps

22.11.30

Mr. Parkinson

I have marked the amount
suggested in the proposal. In
view of the last sentence of
para 3 I send a reply for
approval to send the letter.

Mr. Allen

24/11/30

All Parkinson

We have also
about the wording
of the letter
and as it
will be implied before
that it was then
repeated in news & 3.30

26.11.30

so covers with me [unclear] 26 Nov
H. [unclear] (du R. Hopkins) %
46 Ca 27 Nov

47 U. A. G. #1 408 Conf. 28th. Nov.
Reports Loan Bill with schedules stated and
Treasury Bills resolution passed in Legislative
Council on 28th. November.

I have been in Davis
(CA) for this what they want
particulars of the minutes & date
(particulars the number) & the
order. ^{probably} ~~probably~~ the tel was
cut off as soon as the Bill
was passed & no doubt the
O.A. will tel the number &
date as soon as he has
decided. We asked for the
info in the secret tel to
2nd Nov (no 38) to Davis
Group he might want at any
rate till Monday morning. I Dec
keep considering whether to
revisit Davis.
J.D. Allen
28/11/30
atand

48 Brown Agents % _____ 18 November
enclose copy statement showing expenditure, up to
30 June 1930, incurred on loan services from monies
advanced pending raising of loan.

49 Treasury % _____ 29 November
Agree as to arrangement for amount in schedule of
new loan ordinance.

The O.A. want me to review status
to date & number of the ordinance & financial
statements of the loan.

~~SECRET~~
L. Gov. Kennedy tel to 301 Conf. conv. 1/12/30
DESTROYED UNDER STATUTE

No 48. Pub 5

No 49. There was no understanding
to the effect we had hit so far as can
be seen now there is no reason to
suppose that it will be necessary to
change % of the market again
before 1/12

by Caffee might send a
A/ Caffee to W. Graciel to mind off the
Commission with him. - ~~unsuccessful~~

Li. C. Bottomly thinks
"A" unnecessary - so 2/12/30
but J. D. Allen

~~SECRET~~
O.A. tel to 417
reporting no date of a Dec 1930
52 To C.A. (w/ces 47, 50 + 51) 2 DEC 1930
DESTROYED UNDER STATUTE

47 U.S.G. 41 408 Conf. 28th. Nov.
Reports Loan Bill with schedules stated and
Treasury Bill's resolution passed in Legislative
Council on 28th. November.

I have seen Mr Davis
(CA) of this what they want
particulars of the number & date
(particularly the number) of the
order. ^{probably} ~~probably~~ the tel was
sent off as soon as the bill
was passed & no doubt the
O.A. will tel the number &
date as soon as he has
received it. We asked for the
info in the secret tel to
Hobson (no 38) to Davis
Group he might want at any
rate till Monday morning. I see
hope considering whether to
revis

J.H. Allen
28/11/30
atand

48. Brown Agents 5% _____ 18 November
Enclose copy statement showing expenditure, up to
30 June 1930 incurred on loan services from monies
advanced pending raising of loan.

49. Treasury 5% _____ 29 November
Agree as to arrangement for amount in schedule of
new loan Ordinance.

In CA wait as to revised rates
to date number of the Ordinance. ~~Approved~~
J.H. Allen

~~50~~ Gov. Kennedy tel. no 301 Conf. cons. 1/12/30
DESTROYED UNDER STATUTE

No 48. Part 3.

No 49. There was no understanding
to the effect mentioned but so far as can
be seen now there is no reason to
suppose that it will be necessary to
change to go to the market again
separately.

Mr Caffee might send a

A/ Mr Caffee to Mr Graciel to send off the
concern with him - ~~interested~~

Mr Bottomly thinks

"A" unnecessary - so 2/12/30

but J.H. Allen

~~51~~ Mr G. tel. no 417 3/12 atand
reporting no date of a. ~~Order~~ 2 Dec 1930
2 to C.A. (w/ps 47, 50 + 51) 2 DEC 1930
DESTROYED UNDER STATUTE

Sir S. Wilson

We have now asked you to send the usual telephone message to Sir R. Hopkins about the loan. The draft prospectus is annexed.

The amount to be raised with the Treasury

The price of stock is expected to be 98 1/2, since 5% after 98 1/2

goes in the payment of a bill before 1st Oct 1931.

Sir J. Campbell considers this extremely satisfactory, as we all want, and it has been communicated to the Governor of the Bank of England by Sir Scrymgeour this morning, and the Governor "don't mind".

W.C.B.

3.12.30

I have told Sir R. Hopkins what is proposed. He had no remarks.

John Wood
Monday next

From letter to Sir R. Hopkins 5/12

24/12/30
Amount £3,400,000
Stock will not quite carry on this
£3,364,852.

DESTROYED UNDER STATUTE

Draft Prospects of Loan

(recd from C.A. 30 3 Dec 30)

Sir S. Wilson

We have now bank you to
send the usual telephone
message to Sir R. Hopkins about
the loan. The draft
prospectus is annexed

Sole amount
1100000000

From C.A. 30
R. Hopkins 50
26/12/30
Balance £3400000
stock will be quite
being on the
£3364.852

The amount has been included
with the Treasury

The price of issue is equivalent
to 98¹/₂, since 5% of the 98¹/₂
goes on the payment of a full
half year's interest on 1st July

1931. Sir J. Campbell considers
this extremely satisfactory, as far
as all went, and it has been
communicated to the Government
of the Bank of England by Mr.
Scripps on this morning, and
the Governor "don't mind"

W.C.S.

3.12.30

I have told Sir R. Hopkins what is
proposed. He had no real remarks

to offer

3116
atance

3112-30

For minutes
awaiting the letter
to Treasury in file
No. 2 on file I. 9. 16.

54

To Treasury (No. 2 on file, 31 and 16000/30) cons
31 and 14 Dec 1930

Parliamentary Question by Mr. S. Peto for oral
reply, Wednesday 10 December
(No. 1 on P.O. file)

55

Crown Agents 51 December
Enclose six copies of prospectus of loan to
be issued on Tuesday 5 December and copy
telegram to Govt of Kenya

Put in on mail soon
see something more

Doneen

G.P. atance

Extract from the Times dated 6 December 1930

Put by
Franklin
G.P. 12
B.A. Handley
+ writing to
Franklin

28 November

57 Crown Agents 70
Report enclosed statement of figures has brought up
to date in connection with loan

58 To CA (57 and) 14/12/30 28 November

Parliamentary Question by Mr. S. Peto for oral
reply on Wednesday 10 December
(No. 2 on P.O. file)

59 Crown Agents 10 December

Enclose copy letter and telegram sent to Treasury
Kenya reporting issue of the loan request Treasury be
moved to pay the Kenya Government 1/20th loan
stock 1901-1911 as trustee investment
Hires
Doniffice a 10 50 2 100/100

10/12/30

28/12/30

atance

60 To Treasury
To CA (copy 60 No 59 Annual) 6/12/30

to London

Can this be No 59 copy

Franklin

Doneen

6/12

P.T.O.

162 Treasury to 150 30 December
The result of further discussion
with Treasury

63 Treasury to 150 30 December
The copy of notes re loan to be furnished in
following series of London, Birmingham and Belfast
branches

164 Treasury to 150 30 December
Duplicate copy prepared of loan for record and
reply copy accompany future applications for
negotiating

165 As 62 has wanted to long
re might indicate it must wait
after his discussion with Treasury
first for the 62nd and to
can hope that an interim
copy should be sent it might
take the form of the 8th
herewith

166 Copy to CP of ref 61

167 Draft 810 herewith
Then send copies to D.O. (1913)
In action which had better
be independent of this file

with
A.S. 9 D.P. for action
1913

L.V. Allen
1/13
all P
2.1.13
at 10/13

168 Treasury to 150 30 December
The result of further discussion
with Treasury

169 Treasury to 150 30 December
The result of further discussion
with Treasury

I am sorry that owing to interruptions
I have not been able to read this on before.
I have, however, explained the delay to Mr. Skovington
and told him that I am the culprit. I have lettered
certain passages in the minutes

D. As regards this paragraph I have a note
to the effect that you said that the policy to be held
down, should be that the Colonial Government should
if possible in each year up to and including 1935
provide a surplus of such amount as would bring the
total balance up to £1,000,000 at the end of 1935.

Don't put it in
the minutes, but
we can say
something of the
kind (shorter)
in the letter.

that if the Colonial Government consider that they
cannot in any year estimate for such a surplus, they
will have to show good reason, and that during
any year experience shows that the surplus budgeted
for is not likely to be realized, the fact should be
reported at once with proposals for effecting
economies, when the matter will be discussed between
the Colonial Office and the Treasury. I think you
may wish to have something to that effect inserted
in the minutes.

I should tell Mr. Skovington that you
agree to the record, and that we will write to them
on the various points. I will then draft
accordingly. I think it will be necessary, and
certainly convenient, to send separate letters
about the Transport and Colony points.

(Intd.) W.C.B.

(Sgd.) H. ST. ALLEN

14/1/31.

that we are putting up drafts of letters to the
Treasury

Treasury for consideration by higher authority.

(Ltd.) W. C. B.

12/1/31. at ondo.

68 To Mr. Shewan (161 part) 1/10
(For minute's authorisation No 69 as above No 1172
Treasury - cons 28 JAN 1931

70 4/10 move for 796
no authentic & printed copies of specific
Iran Ordinance no 73 of 1930 together with legal
opinion by Attorney General

Copy to Library

To minute on the above

No. 72

Draft sent forward by cable

0788

W. C. B.

3071

71 Call (2) - (1/10 11.00 1608/30, 13, 14 on 16350/30
+ 31 + 69 on this file) - 5 FEB 1931

CA - (1/10 63 + encl) - B/1/c - 12 FEB 1931

Rec'd
1/10/31

1/10/31
522
16700
1/10/31

to 70. I have been through the
draft. Sections 2, 3 & 4 are
identical with the 2, 3 & 4
the Inter Office 22 1/10/31 Section
& is identical with the amended

Section in Dec 3, 1929.

Section 6's new. It follows

from the Top 1/2 of 26 of 28. The
unused borrowing power that exists
was £ 275,993. 6. 0 - but recorded by
the City in its account of 7 Dec 28
about the figure to £ 275,994 12. 10
- i.e. £ 275,995 all night

65
15006/28

6575
15006/28

Sanction 4/3 of coln

Order to Press ref 1063
CH ref 1072

W. Allen

(9/2/31)

Stance

To Treasury (w/c. Cont. name) (19/1/31)
(C.B. account) (w/c. name) (70)
C.A. C. (19/1/31)

To C. 129-70 through C/2 - 20 FEB 1931

Treasury
Subject to conditions stated, give authority for
additional loan expenditure of £ 1,331,595 and for
additional loan expenditure by Transport Administration

Copies of paragraphs 2 and 3 and
paragraphs 5 and 8 of this letter, which deal
respectively with surplus balances and with Railway
Renewals and Reserve have been registered on the
relevant

[Handwritten notes and scribbles in the left margin]

Treasury for consideration by higher authority.

(It'd.) W. C. B.

14/1/31. at once.

69 To Mr. Livingston 167 and 5 to 15 Jan 1931
(For minute, reference No 69, see above No. 69
Treasury - cons 16207/30/1 1/1/31
28 JAN 1931

70 4 Box home 749 746 22 December
is authenticated - first copy of specific
has Pedicularis No 103 of 1930 together with legal
copies by Attorney General

see to library

For minute on this see below

No. 77

1/1/31

3. 1/1/31

Draft sent to Treasury comes to

OTR

1/1/31

30/1

71 To: State Bank (2) - £/12 11. on 16288/30, 13, 14 on 16350/30
+ 31 + 69 on this file - 5 FEB 1931

72 No. CA = C/c 63 (incl) - B/acc - 12 FEB 1931

Machine
1/1/31

1/1/31
52
16280
1/1/31

No 70. I have been through the
Office Pedicularis 2, 3 + 5 are
identical with 44 2, 3 + 5
The Inter Office 22 16929. Pedicularis
- 4 identical with the amended

PK I

Section in Dec 3, 1929.

Section 6's new. It follows

65
15006/28

from the Top 1/4 of 26 1/2 ac. The
unused borrowing have been even
was £ 275,293.6.0 - but recorded as
red letter in statement of 7 Dec 29
after the figure to £ 275,294.12.10
- so £ 275,295 5' all right.

6575
15006/28

Sanction 9/3. d. color

Order to Grass 10-13
CA 12/7

W. Allen

19/2/31

office

75 To Treasury (w/c Gov name) (19/1/31)
(63 amount) incl 70
- c.a. (- - -) 1/1/31

9 FEB 1931

75 To - Gov 129-70 allowed. 9/3 - 20 FEB 1931

76 Treasury } 26 February
Subject to conditions stated your authority for
additional loan expenditure of £1,331,595 and for
additional loan expenditure by Transport Administration.

Copies of paragraphs 2 and 3 and
paragraphs 5 and 8 of this letter, which deal
respectively with surplus balances and with Railway
Renewals and Reserve have been registered on the
relevant

As advised
D. P. Kelly
19/2/31
rec no 175

Mr Allen has enjoyed
working out all the
details so as to
leave no loose ends
The Dept is in the debt

6005

I have added a short
secret file to make
sure that the bond
stuff business is not
prematurely discussed

Acc Per Bureau

4/13/31

~~4/13/31~~

6005 6-3-31

77. Explanatory note on certain figures

78. to Governor - Secret file no. 74 -

79. to Governor - Conf. file no. 75 - [6 ansd] -

80. To Gov. Com (5): ("10 on 16088/30, 16 on 16250/30 & 76 on this file.) bonds

9 MAR 1931

81. To Treas. (in files Nos. 79 & 80, 13 on 16088/30 (76 ansd) & 16 on 16250/30)

In regards CA have spoken to
Mr Davis & have discussed send of 80

We all have been enjoying
working out all the
drafting work to
leave no loose ends.
The Dept. is in big debt.

666.

I have added a short
letter to make
sure that the board
stop business so not
prematurely discussed.

A. C. Parkman

4/13/31

~~4/13/31~~

See on 16088

666 6-3-31

77. Explanatory note on certain figures

78. to Governor - Report No. 74 -

79. to Governor - Conf. R. No. 75 - [6 ansd] -

5 March

80. To: Gov. Com (S): (4/13 on 16088/30, 16 on 16250/30 & 76 on this file) - Cons: 8 MAR 1931

81. To: J. J. (supcs. No. 79 & 80, 13 on 16088/30 (76 on) + 16 on 16250/30) - 1931

As regards CA, have spoken to
Mr. Davis & have answered same of 80.

which will I think see them all
by what if a scenario of by
want more to Davis will let us
know

Research
subject
V

by 80 to CA of the wife
of No 81 subsequent divorce
M Allen
M Allen

82 To L.A. (with 80) - 6/11/73

The Dechsa has taken copies
of all relevant extracts as to the
coastal strip & is dealing with the
matter with the relevant J's & J's
Part 5

M Allen
16/3
again

M Allen

C. O.

Mr. Allen *4/3*

Mr. *Polensdorf*

Mr. Tomlinson

Sir C. Bolton

Sir J. Shackleton

Sw. G. Grimaldi

Permt. U.S. of S.

Permt. U.S. of S.

Secretary of State

16100/30, Kenya

Downing Street,

10 March 1931

Sir,

I am etc. to acknowledge the

receipt of your letter (S. 32902/03) of the 24th February, from which he has learnt with satisfaction that the Lords Commissioners of the Treasury now agree

to the proposed addition of loan expenditure by the Government of Kenya and by the Kenya and Uganda Railways and Harbours.

I am to enclose for the information of their Lordships, copies of the undermentioned telegram and despatches:

(a) To the Governor of Kenya:

- (1) Confidential telegram No. ... of ... March.
- (2) Confidential despatch ... of ... March regarding the loan requirements of the Colonial Government and the Transport Administration.

DRAFT

THE SECRETARY,

TREASURY

Compt. det. hereon (70/8)

Compt. det. hereon No. 30

Compt. det. on 16088/30 No. 13

Compt. det. on 16250/30 No. 16

Handwritten notes and signatures:
Drafts
16250/30
16088/30

80/12

Mr. Allen 4/3

16100/30 Kenya

Mr. Mission 6/2/31

~~Mr. Campbell~~ 4/3/31

~~Commission~~

X Sir C. Bottomley 5/3/31

Sir J. Shuckburgh

Sir G. Grindle

Perm. U.S. of S.

Perm. U.S. of S.

Secretary of State

Downing Street,

9 March, 1931

Sir,

I have the honour to confirm

the telegram in the following terms:

which I sent to you on the 17th March

(Confidential No. 173) regarding the

loan requirements of the Government of

Kenya and the Kenya and Uganda Railways

and Harbours.

Your confidential despatch

17th June, 1930 No. 91 loan requirements.

With concurrence of Treasury I now

approve proposal to the extent and

subject to the conditions indicated in

the correspondence enclosed with my

confidential despatches of 9th

September and 5th February last.

Despatches follow.

2. I enclose a copy of the reply

which

DRAFT

KENYA

CONFIDENTIAL (3)

Comp. 8/1

Gov. Secy

Fri. Treasury 24th February 31

To Gov. Conf. March 31
(Comp. Art. on 16088/30)

To High Comm. 9th March 31
(Comp. Art. on 16250/30)

one copy draft

NO MAR 1931
11 MAR 1931
Copy to Secy
16088/30
16250/30
Copies 2
of end to 20

3 drafts of 16088/30
16088/30
16250/30
Recd. with Mr. ...
Secretary of State
on 10. 10. 1931

which has been received from the Lords
 Commissioners of the Treasury to the
 letters from the Colonial Office of the
 28th January, copies of which accompanied
 my confidential (2) despatch of the 5th
 February.

3. It will be convenient to summarise
 the position briefly.

The figures given in paragraph
 4 of Sir Edward Crigg's confidential despatch
 No. 91 of the 17th June, 1930 were as follows:-

Approved services	£3,264,140
Further requirements	£2,274,605

In submitting the proposals to
 the Treasury, the figures were revised as
 follows:-

	£.	£.
Approved services	3,264,140	
Add for Branch Lines	<u>43,100</u>	3,307,240
Further require- ments	2,274,605	
Nairobi Town services Planning branch Lines	30,000	
	<u>400,000</u>	<u>1,844,605</u>
		5,151,845

of which £3,453,954 represented Colony services
 and

and £1,657,891 Transport services.

The adjustments referred to in

paragraphs A(1) and B(1) of Mr. Moore's

(35) confidential telegram No. 394 of the 18th

1930

November had the effect of increasing the

Colony services by £153, and reducing the

Transport services by £2,000, with the

result that the total of the agreed

services to be met from advances pending

the issue of a further loan is now

£1,775,146, calculated as follows:

	Total Services.	Services provided in Schedule of Ordinances.	Services unprovided.
Colony	3,494,107	2,197,191	1,296,916 (a)
Transport	1,645,891	1,452,881	193,010
	<u>5,139,998</u>	<u>3,650,072</u>	<u>1,489,926</u>

(a)

This figure is also arrived at by deducting from the amount of £1,331,595 referred to in paragraph 4 of the Treasury

(76) letter of the 24th February, the sum of

(77) £69,459, representing services originally included in further requirements for which provision has been made in the schedule of the recent loan.

4. This additional loan expenditure

(2) That fresh capital expenditure on

Transport services will be deferred as far as possible until the traffic outlook improves, and

(3) That the programme of capital expenditure on Transport services will be regarded as final until 1952, except in abnormal circumstances.

5. The Lords Commissioners of the Treasury have agreed to exclude from the last stipulation the two extensions Kedowa-

Kericho (Janji) - £200,000 and Thika-Donyo Sabuk

(£50,000) included in the total provision of

£400,000 for rail lines. Provision for

the third extension (Butere) - £50,000 -

was made in the schedule of the recent loan.

As regards the Kedowa-Janji extension, I

would refer you to my telegram No. 32

of the 30th Jan and my despatch No. 32

of the 4th Feb. I am consulting the

Lords Commissioners of the Treasury with

regards to the extension to Donyo Sabuk

10
16278
11

Boarding
regards

to drawing canvas

and

and I shall communicate with you on the subject in due course.

7. The remaining item excluded from the programme submitted by Sir Edward Grigg is the sum of £30,000 in respect of Nairobi town planning. In this connection I would refer you to paragraph (11) of the letter to the Treasury of the 26th August, 1930, a copy of which accompanied my confidential despatch of the 9th September 1930. I shall be glad to receive in due course an estimate of the liabilities ultimately involved in this scheme.

8. I have also to invite your attention to the last paragraph of the above-mentioned letter to the Treasury, and in particular to the last sentence of the paragraph. I request that you will

send your views as to the final loan proposals of the Government till 1934, but I have no doubt that you will agree that it is now not merely desirable but imperative

that

*When the sum of the ...
is in a position
to formulate
them*

that any additional proposals for loan expenditure should be confined to really

essential services *as far as possible to services which are directly productive.*

9. In paragraph 11 of his despatch confidential No. 91 of the 17th June,

1930, Sir Edward Grigg submitted certain proposals as regards the power of virement. The position is, however, altered with the passing of the recent

Finance
Loan Ordinance No. 43 of 1930, section 3 of which governs virement between items in the schedule.

objection, however, to Sir Edward Grigg's proposals so far concerns the schedule of approved services not yet covered by issued loans.

10. I shall address you in a separate despatch with regard to the question of the purchase of the

Kenya
Zanzibar Protectorate; in the meantime

no public reference should of course be made to this matter.

I have, etc.

(Signed) PASSFIELD.

C. O.

Mr. Allen 4/3

Mr. Tolson 2/2/31

16100/30 Kenya

~~Mr. Tolson~~

Mr. C. Bottomley, Sec. of State

Sir J. Shackburgh

Sir G. Grindle

Parliamentary Secy of S

Parliamentary Secy of S

Secretary of State

Confidential

180

Your confidential despatch

(6) 17th June 1930 No. 91 loan require-

ments. With concurrence of

Treasury I now approve proposals to

the extent and subject to the conditions

indicated in the correspondence

enclosed with my confidential despatches

(9) of 9th September and 5th February 1930

(71) Despatches follow.

Despatches follow.

SECRET

Governor Nairobi

DRAFT Telegram (Code)

Copy to [unclear]

3 drafts

16088

16250/30

16/10/30
16/10/30

O.O.

16.00 / 10. Money

18. 7
Call...
130...

Mr.
Mr.
Mr.

reception

Mr. Tomlinson.

Sir, C. Bottomley.

Sir J. Shuckburgh.

Sir G. Grandie.

Perml. U.S. of S.

Partly. U.S. of S.

Secretary of State.

is JB

J. M. (handwritten)

DRAFT

Order to C

Primer
Mansoor

[m]

Secret No. 76

my copy of No. 76

Refer to date as

to be an

my secret telegram

No. 243

21 October

please ensure

that no further

reference is made

yet to purchase
of Protectorate
as to which separate
decs will be sent
later

Leary

77/18

3

EXPLANATORY NOTE REGARDING CERTAIN FIGURES INCLUDED
IN PARAGRAPH 3 OF THE DRAFT PROGRAM TO THE TREASURY

Repatch to the Governor

The general adjustments in the loan figures arising out of the Acting Governor's telegram in (35) are explained in the memorandum in (36A), but the particular figures in regard to which it seems desirable to record some further explanation are:-

- (1) £153
- (2) £12,000
- (3) £69,459

(1) The additional £153 to the Colony services arises out of the item £4,681 referred to in paragraph A(1) of No. 35. The original loan programme included on account of this item, three sums, namely, £3,200, £1,431, and £197, making a total of £4,828, and the difference between this total and the figure of £4,681 is £153.

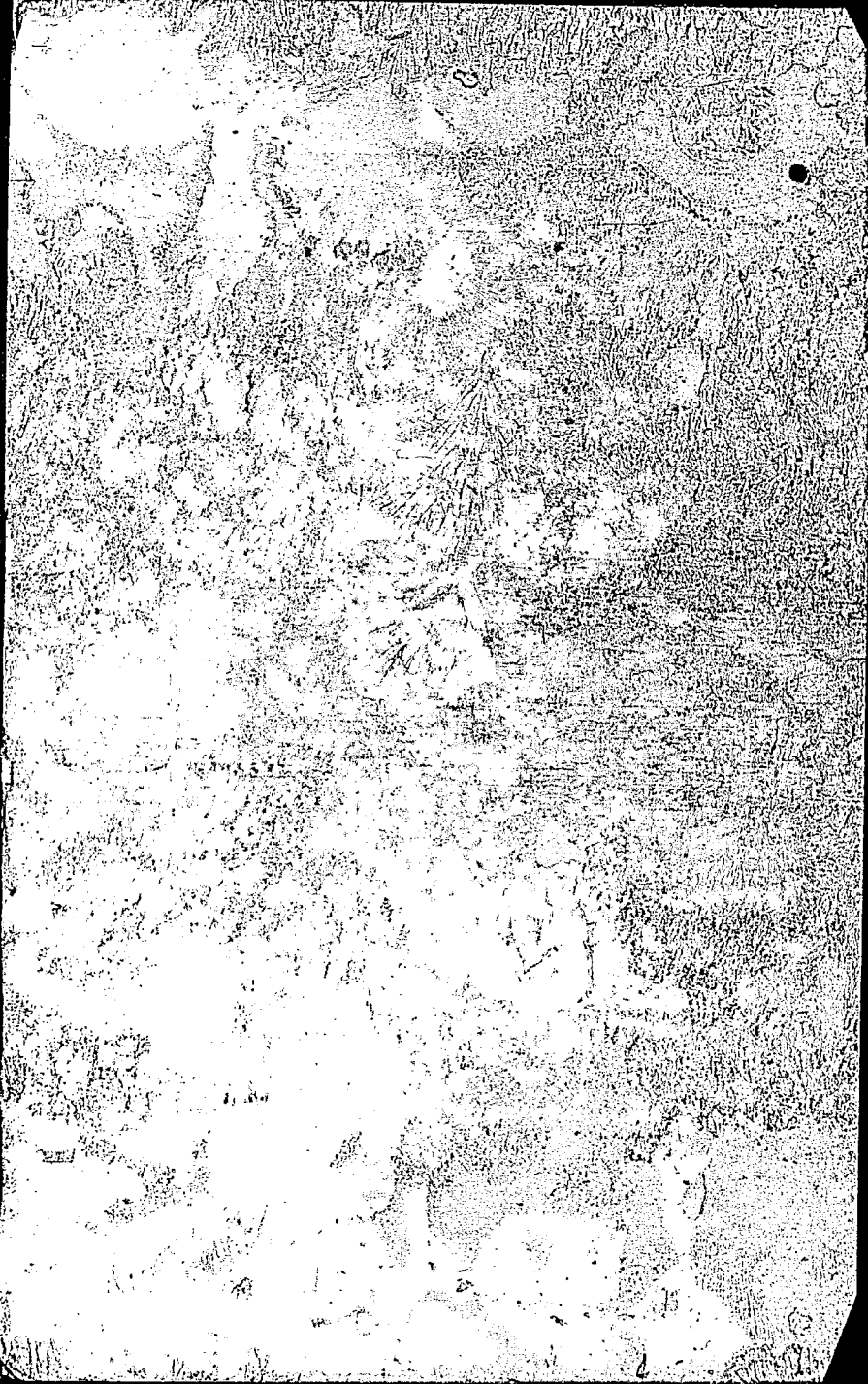
(2) The original programme submitted to the Treasury included £125,000 of branch lines. The only charges against this are:-
£63,000 for the Nanyuki extension;
£50,000 for the Buteri extension;
£113,000 representing a saving of £12,000.

(3) The figure of £69,459, representing services transferred from "future requirements" to the recent loan schedule is made up as follows:-

Mombasa Water Supply (Item C(1))	£68,300
Excess Eldoret (Item C(2))	£ 28
Water and sewage mains (Item E(1))	<u>£ 1,131</u>
	£69,459.

*Item C1 - now
transferred to
A*

*(See heading
in 36A)*



19 7/6

Telephone No. 7122 (1931)

Any reply to this letter should be addressed to
The Secretary



TREASURY
WHITEHALL, LONDON, S.W. 1
and the following number quoted:



TREASURY CHAMBERS

RECEIVED February, 1931.
25 FEB 1931
COLONIAL OFFICE

S. 32902/03/4.

Sir,

I have laid before the Lords Commissioners
of His Majesty's Treasury Mr. Parkinson's two letters
(16100/30 and 16250/30) of the 28th January, 1931,
regarding the surplus balances of the Colony of Kenya
and the provision to be made for Renewals and Reserve
in the accounts of the Kenya and Uganda Railways and
Harbours, and they direct me to request you to convey
to the Secretary of State for the Colonies the
following reply.

[2. My Lords consider first the question of the
surplus balances of the Colony of Kenya. They note
that, while Lord Passfield shares their view as to
the importance of raising the surplus balances to at
least £1,000,000 as soon as possible, he does not
consider it practicable under present conditions to
insist on that figure being reached definitely by the
end of 1936. Their Lordships are prepared to agree

The Under Secretary of State,
Colonial Office.

in

NO 509
110 MAR 1931
18 MAR 1931
COPY TOY Secy (19)
Extract of para
2 of 3 para on
16088/30

in the circumstances that the Colonial Government should be required, if possible, to provide in its Estimates in each year from 1932 to 1936 for a surplus of such amount as would bring the balances up to a total of £1,000,000 by the end of 1936, on the understanding that They will be consulted if a postponement of the provision in whole or part is proposed in any year on account of adverse conditions. It will, of course, be understood that if owing to such postponements the sum of £1,000,000 is not reached by the end of 1936 the annual provision for a surplus will continue year by year until the full £1,000,000 is reached.

They further assume that in the event of adverse conditions arising in the course of any financial year in which provision for the required surplus has been made in the Estimates, They will be consulted before authority is given to allow the surplus to fall below the amount provided.

4. Subject to the foregoing arrangement, and on the understanding

understanding that until the revenue outlook is brighter the Colonial Government will proceed slowly with fresh capital expenditure not directly and immediately productive, My Lords now give Their authority for the additional loan expenditure of £1,351,595 by the Colonial Government referred to in paragraph 2(d) of Treasury Letter of 3rd November 1930 (S.32902/03/3).

No 1

5. Their Lordships turn now to the question of the provision to be made for Renewals and Reserve in the accounts of the Kenya and Uganda Railways and Harbours.

6. With regard to Renewals Fund contributions in respect of the Railways, My Lords concur in the views expressed in paragraph 4 of the letter under reply bearing the reference number 16250/30 and They are willing to agree, as an interim arrangement, to an annual contribution of 2½ per cent of the capital value of the wasting assets for the years 1931-1933, on the understanding, -

*Extract of para
5-8 wgd et.
16250/30.*

(a) that the "life" basis is accepted as the proper one;

(b) that the short provisions during the years 1931-1933 are to be made good in later years on a plan to be subject to approval by Their Lordships;

(c) that acceptance of this arrangement is not to be regarded as prejudicing in any way the decision to be taken by His Majesty's Government in 1934 as regards the liability in respect of the cost of the original Uganda Railway.

7. Their Lordships concur in the Secretary of State's proposal to approve the recommendation conveyed in paragraph 11 of the High Commissioner's despatch of the 22nd May 1930, with reference to the provision for renewals in respect of the marine, motor services and harbours services; also in his proposal to inform the High Commissioner that he is unable to agree to the General Manager's recommendation that when the balance in the Renewals Fund becomes adequate the policy of purchasing new stock out of accrued depreciation should be permitted.

permitted.

8. My Lords note that Lord Passfield feels some difficulty in committing the local Transport Administration to a policy of accumulating a Reserve Fund of £600,000 by a fixed date, allowing no margin for the continuance of adverse conditions. They will be content if he gives instructions for the Reserve Fund to be raised to that figure as rapidly as circumstances allow, and if possible by the end of 1934, on the understanding that Their sanction will be sought before any recourse is had to the Renewals Fund to meet any emergency for which the funds in reserve are insufficient.

9. Subject to the arrangements set out in paragraphs 6 to 8 of this letter, My Lords now give Their authority for the additional loan expenditure of £513,010 by the Transport Administration, referred to in paragraph 2(d) of Their letter of 3rd November 1930, provided that this fresh capital expenditure will be deferred as far as possible until the traffic outlook improves and that the programme

no 31

permitted.

8. My Lords note that Lord Passfield feels some difficulty in committing the local Transport Administration to a policy of accumulating a Reserve Fund of £600,000 by a fixed date, allowing no margin for the continuance of adverse conditions. They will be content if he gives instructions for the Reserve Fund to be raised to that figure as rapidly as circumstances allow, and if possible by the end of 1934, on the understanding that Their sanction will be sought before any recourse is had to the Renewals Fund to meet any emergency for which the funds in reserve are insufficient.

At 31

9. Subject to the arrangements set out in paragraphs 6 to 8 of this letter, My Lords now give Their authority for the additional loan expenditure of £513,010 by the Transport Administration, referred to in paragraph 2(d) of Their letter of 3rd November 1930, provided that this fresh capital expenditure will be deferred as far as possible until the traffic outlook improves and that the programme

programs of capital expenditure will be regarded as
final until 1932 except in abnormal circumstances. They
agree, however, that the item of \$400,000 referred to in
paragraph 2(d)ii of that letter - expenditure on branch
lines - may be excluded from the letter proviso.

10. Their Lordships note that a separate letter
will in due course be addressed to Them regarding the
branch line from Thika towards Donyo Sabuk, included under
this item.

Yr. an.

Sir,

Your obedient servant,

R. H. M. M. M.

Ans

programmes of capital expenditure will be regarded as
final until 1952 except in abnormal circumstances. They
notice, however, that the sum of 2400,000 referred to in
Paragraph 20a of that letter - expenditure on branch
lines - may be excluded from the latter proviso.

10. Their Lordships note that a separate letter
will in due course be addressed to Them regarding the
branch line from Thika towards Donco Sabuk, included under
this item.

Yours faithfully,

Sir,

Your obedient servant,

R. W. Munn

Ans

0.0

Mr. Allen 29/1

X.16100/30 Kenya.

Mr. *Salvatore*

Mr.

Mr. Tomlinson

Sir C. Balfour

Sir J. Shackleton

Sir G. Grindal

Parly. U.S. of S.

Parly. U.S. of S.

Secretary of State

for consen:

DRAFT

KENYA

CONFIDENTIAL (2)

O.A.G.

Fr. Treasury 3rd Nov. 30
(31)

To Kenya Con. 2nd Jan 31
(comp. dft. on 16088/30)
No. 11

To Treasury 28th January 31
(69)

Transport Dept. No. 15
25 February 31
(comp. dft. on 16250/30)
No. 11

To Treasury 28th January 31
(Comp. 16250/30)

Note: If you agree with these drafts, perhaps you will return them to me, and I will arrange with the Copying Dept. and X.E.A. as to number of copies of enclosures to be sent.

With drafts on 16088/30 and 16250/30.

Downing Street,

15 2-11
January 1931.

Sir,

With reference to my Confidential telegrams No. 289 of the 2nd November 1930 and No. 3 of the 29th January, I have the honour to transmit to you, for your information, a copy of a letter from the Treasury dated the 3rd November, 1930, regarding the loan requirements of the Government of Kenya and the Kenya and Uganda Railways and Harbours.

I informed you in my telegram of the 21st November, 1930, that it was proposed to discuss further with the Treasury the questions raised in paragraphs 5 to 10 of their letter of the 3rd November, regarding

(a) surplus balances of Kenya, and

(b)

(copy)
all copy & but 1 copy
is kept available

7/12

(b) the provision to be made for
Renewals and Reserve in the
accounts of the Kenya and Uganda
Railways and Harbours.

3. As a result of that discussion
further letters were addressed to the
Treasury on the 28th January; and for
~~reference~~ ^{Convenience} and in order to preserve con-
tinuity with the relevant previous corres-
pondence, I am forwarding copies of those
letters ~~and~~ these separate despatches men-
tioned below: -

Kenya despatch No: ^{Confidential} 4... of 5th Feb
Surplus Balances

(off. in 16982/0)

Transport despatch No: 75... of 15th Feb
Renewals and Reserve

(off. in 16750/50)

But for ready reference, I enclose herewith
copies of the abovementioned despatches
together with copies of the letters to
the Treasury of the 28th January, but not
^{4c other}
of any enclosures.

4. I shall communicate with you
again when ^{replies are} ~~replies are~~ received from the Treasury.

I have, etc.

(Signed) PASSFIELD

6100/30

70
23



KENYA.
No. 796

GOVERNMENT HOUSE,
NAIROBI,
KENYA.

RECEIVED
19 JAN 1931
COL. OFFICE

22nd DECEMBER, 1930.

My Lord,

I have the honour to forward herewith two authenticated and twelve printed copies of an Ordinance entitled "An Ordinance to Make Provision for Raising of a Loan of Three Million Three Hundred and Sixty-four Thousand Eight Hundred and Fifty-two Pounds Sterling for the Construction of certain Public Works and Other Purposes 1930" together with a Legal Report by the Attorney General.

Ordinance.

Legal Report.

*Copy of Ord to { Treasury 1910 }
 { C.A. 1911 }
 { Revised - 129 - 20 FEB 1931 4/5 }*

2. This Ordinance passed its third reading in the Legislative Council on the 28th November, 1930, and I assented to it in His Majesty's name on the same day.

I have the honour to be,

My Lord,

Your Lordship's most obedient, humble servant,

W. H. M. M. M.

ACTING GOVERNOR.

THE RIGHT HONOURABLE LORD PASSFIELD, P.C.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON S.W.1.

LEGAL REPORT

THE SPECIFIC LOAN BILL, 1930.

In my opinion, His Excellency
the Governor may properly assent to this Bill
in the name and on behalf of His Majesty.

Nairobi,

28th November, 1930.


ATTORNEY GENERAL.



Colony and Protectorate of Kenya.

IN THE TWENTY-FIRST YEAR OF THE REIGN OF
HIS MAJESTY KING GEORGE V.
HENRY MONCK-MASON MOORE, O.M.G.,
Acting Governor.

Assented to in His Majesty's
name this 16th day of November
1930.

H. M.-M. MOORE,
Acting Governor.

An Ordinance to Make Provision for Raising of a
Loan of Three Million Three Hundred and
Sixty-four Thousand Eight Hundred and
Fifty-two Pounds Sterling for the Construc-
tion of certain Public Works and Other
Purposes.

WHEREAS it is expedient to raise a loan of Three
Million Three Hundred and Sixty-four Thousand Eight
Hundred and Fifty-two Pounds Sterling for the purposes
specified in the Schedule hereto :

BE IT THEREFORE ENACTED, by the Governor of
the Colony of Kenya, with the advice and consent of the
Legislative Council thereof, as follows :—

- 1. This Ordinance may be cited as the Specific Loan Short title
Ordinance, 1930.

Authority to Governor to borrow by debentures or inscribed stock. Cap. 49.

2. The Governor is hereby authorised to issue debentures or stock or both under the provisions of the General Loan and Inscribed Stock Ordinance to an amount sufficient to produce as nearly as may be the sum of three million three hundred and fifty-four thousand eight hundred and fifty-two pounds sterling, and such further sum as may be necessary to defray the expenses of issue.

Application of loan.

3. The money to be borrowed under the authority of this Ordinance shall be appropriated and applied to the purposes specified in the Schedule hereof.

Provided that it shall be lawful for the Governor, with the sanction of the Secretary of State, to utilise any money not spent upon any item in the said Schedule to cover any excess of expenditure in respect of any other item.

Commencement of contribution to Sinking Fund. Cap. 46.

4. Contribution to Sinking Fund as contemplated by sections 14 and 28 of the General Loan and Inscribed Stock Ordinance shall commence in respect of any stock or debentures issued under this Ordinance not later than three years after the date from which the interest on such stock or debentures shall commence to run.

Power to issue Treasury Bills. Cap. 49.

5. Pending the issue of the whole or any portion of the loan hereby authorised, the Governor may, if necessary, raise instalments of the money as required by the issue of Treasury Bills under the Colonial Treasury Bills Ordinance.

Unused borrowing power under Ord. 22 of 1927 not to be exercised.

6. The unused borrowing power conferred by the Specific Loan Ordinance, 1927, and amounting to the sum of two hundred and seventy-five thousand nine hundred and ninety-five pounds shall not be exercised.

SCHEDULE.

	£	£
I—COLONIAL DEVELOPMENT.		
(a) Public Buildings	1,275,318	
(b) Water Supplies	225,800	
(c) Loans to Local Authorities	250,578	
(d) Communications	240,275	
(e) Land and Agricultural Bank	240,000	
		2,231,971
II—KENYA AND UGANDA RAILWAYS AND HARBOURS		
(a) Railway Development—		
(1) Branch Lines	313,000	
(2) Rolling Stock	25,000	
(b) Harbour Development—		
(1) Construction of Quays and Oil Jetty	695,330	
(2) Port Improvements	90,549	
		1,132,881
Total	£3,364,852	

Passed in the Legislative Council the twenty-eighth day of November, in the year of Our Lord one thousand nine hundred and thirty.

This printed impression has been carefully compared by me with the Bill which passed the Legislative Council and is presented for authentication and assent as a true and correct copy of the said Bill.

G. R. SANDFORD.

Clerk to the Legislative Council.

C. O.

16100/Kenya

69 27

Mr. Allen 2/11

Mr. ~~Lawson~~ 21. 1. 31

Mr.

~~Tomkinson~~

X Sir C. Bottomley 22. 1. 31

Sir J. Shuckburgh.

Sir G. Grindle.

7 ~~Permt. U.S. of S.~~ 26/1/31

Parly. U.S. of S.

X Secretary of State 27/11

And to 46

DOWNING STREET,

28 January 1931.

Sir,

I am directed by Lord
 Passfield to refer to the letter
 from this Department of the 4th
 December, No. 16100/30, regarding the
 Surplus Balances of the Colony of
 Kenya, and the provision to be
 made for Renewals and Reserve in
 the accounts of the Kenya and
 Uganda Railways and Harbours.

2. These matters have now been
 discussed between representatives
 of the Colonial Office and the
 Treasury, and a separate letter
 is being addressed to you in regard
 to the question of the Renewals
 and Reserve funds of the Transport
 Administration.

3. As regards the Surplus

balances

DRAFT for Conson.

(For minute see 16250/30)

THE SECRETARY,

No. 54.

TREASURY.

5 FEB 1931

copy 70V done (2) -

(See extra copies to be made for ~~the~~)

+ off an 16250/30

Balances of the Colony of Kenya,
the Lords Commissioners will be
aware from the correspondence
enclosed in the letter under
reference, that Lord Passfield
is fully alive to the importance
of increasing the balances, and has
already adopted a policy of accumu-
lating not less than £1,000,000 on
a definite plan. His Lordship
does not, however, consider it
practicable under present conditions
to ~~require~~ ^{insist} that that figure shall be ^{reached}
reached definitely by the end of
1936, and he would ~~suggest~~ ^{propose} as an
alternative to require that the
Colonial Government should if possible,
in each year up to and including 1936,
provide in the estimates for a surplus
of such amount as would bring the
balances up to a total of £1,000,000
by the end of 1936, on the understanding
that the Lords Commissioners will be
consulted

consulted if a postponement of the provision is proposed in any year on account of adverse conditions.

4. Lord Passfield trusts that their Lordships will see their way to agree to this alternative proposal and to authorise the additional loan expenditure now under consideration, on the understanding mentioned in paragraph 7 of your letter of the 3rd November 1930.

(S:32902/03/3), namely that until the revenue outlook is brighter the Colonial Government should proceed slowly with fresh capital expenditure not directly and immediately productive.

5. I am to add that the present position in regard to the surplus balances is understood to be as follows:

The excess of assets over liabilities at the 31st December 1930 was estimated to be £561,599, when the estimates for 1931 were submitted.

it appears from a recent telegram from the C.A.G. that the actual excess will fall short of the estimate by about £50,000. The Estimates for 1931 provide for a surplus of £73,051, but there is, of course, considerable doubt whether this surplus can be realised, especially if the present trade depression continues. Mention should also be made of the fact that Lord Passfield has found it necessary to agree to the allocation from the surplus balances of a sum not exceeding £108,000 for further advances to the maize industry. The arrangements for repayment of these balances also contemplate the refund of a sum of £26,950, which had previously been granted ^{as a part of} ~~in~~ aid to the cereal industry generally, and which had apparently been charged as final expenditure.

The position may therefore be set out in tabular form as follows :-

Estimated balances 31 December, 1930	561,599 ✓
Short fall 1930	50,000
Revised estimate of balances 31st Dec. 1930	511,599
Estimated surplus 1931	73,051 ✓
Estimated balances 31st Dec. 1931	<u>584,650</u>
Advances to cereal industry	26,950
	<u>611,600</u>
Making a total of	<u>611,600</u>
allocated as follows	
Working balance	100,000
Unallocated Stores	110,000
Civil Servants House Scheme	44,000
Advances to Local Authorities	25,000
Agricultural Advances (1930)	100,000
Advances to maize industry (1931)	108,000
Advances to cereal industry (1930)	26,950
Balances	<u>584,650</u>
	<u>611,600</u>
	<u>611,600</u> ✓

(Signed) A. C. C. PARKINSON.

C.O.

68
29

Mr. *[Signature]*
Mr.
Mr.
Sir C. Bottomley
Sir J. Shuckburgh
Sir G. Grindal
Parly. U.S. of S.
Parly. U.S. of S.
Secretary of State

In reply please

C. D.
R. 16 JAN
D. 1907

15 Jan 27

DRAFT

Dear Mr. Bottomley

J. Kenneth

Bottomley

Treasurer

with regard to your letter of the 7th inst. by which you asked for a copy of the report of the committee on the subject of the proposed amendment to the law relating to the control of the sale of opium.

En

Please also note Extract from the minutes of the committee on the subject -

*to be sent to you by the Secretary of State. I am, Sir, very respectfully,
Yours faithfully,
Herbert Asquith
Secretary of State*

Draft

will
treasure ~~of~~ ^{will} ~~and~~ ^{be} ~~best~~
put of ~~it~~ ^{it} ~~also~~ ^{to} ~~by~~
the ~~best~~ ^{best} ~~action~~ ^{action} ~~here~~

live success

(Signed) H. T. ALLEN



TREASURY CHAMBERS,
WHITEHALL, S.W. 1

In reply,
please quote Regd. No.

S. 32902/03/3.

7th January 1931.

Dear Bottomley,

As arranged I am sending you 3 copies of the draft notes of the Conference yesterday. Would you let me know in due course what amendments, if any, you consider necessary.

I have not sent a copy to anyone else, but Waterfield has seen the draft and has no comments.

Yours sincerely,

J. Freeman

Amended 30. 15 JAN 1931

Sir W.C. Bottomley, K.C.M.G., C.B., O.B.E.,
Colonial Office.

31

Notes of a Conference at the Colonial Office on 6th January, 1931, to consider the provisions to be made for (1) Uganda Railway renewals (2) Kenya and Uganda Railways and Harbours reserve fund and (3) Kenya surplus balances;

Present:-

Sir W.C. Bottomley (in the Chair)	} Colonial Office
Sir John Campbell	
Mr. Allen	
Brig. General Hammond	} Treasury
Mr. Waterfield	
Mr. Bkevington	

Uganda Railway renewals.

Mr. Waterfield said that the Treasury were impressed with the importance (which had been emphasised by General Hammond) of establishing the principle of providing for renewals on a proper "life" basis, i.e. for each wasting asset an annual provision equivalent to the original cost divided by the estimated physical life. On the basis of the existing wasting assets the sum of those annual provisions worked out at an all over percentage of 3.11. Provision on a more frugal basis would meet the actual cash requirements for renewals for some years, but the longer the period to be considered the more closely would the provision required on a "cash requirements" basis approximate to that on the "life" basis. Having regard to obsolescence and other factors which had been referred to by General Hammond, it would not be safe to provide less than on the "life" basis.

He recognised however, that where (as appeared to be contemplated for the Uganda Railway) the railway assets had been acquired out of loans carrying sinking funds, and it was not intended to re-borrow on the repayment of the loans, the railway would be saddled with interest and sinking

fund charges during the currency of the loans and with nothing for those charges afterwards. For this reason he would not ordinarily see any strong objection to a renewed provision for renewals during the currency of the loans on the clear understanding that the subsequent savings on loan charges would be definitely earmarked for raising the future annual renewals provision to the proper "life" basis and, in addition, making good the total deficiency of the renewals provisions in previous years taking the "life" basis as the proper one from the start.

In the present case, however, there was the difficulty that nothing had yet been settled about the liquidation of the Exchequer debt of 251 millions odd, and pending the settlement of that question, the Treasury did not feel able to sanction any renewals arrangement which would involve drawing in due course on the savings on loan charges. He recognized that it had been agreed to defer consideration of the Exchequer debt until 1934, and whilst the Treasury did not wish to prejudice the decision in any way they could not ignore the fact of the existence of the debt. The Treasury would be prepared to sanction an annual renewals provision of 2% for the period 1931 to 1933 on the understanding that the "life" basis was accepted as the proper one and that the short provisions during 1931 to 1933 would be made good in later years on a plan to be approved by the Treasury.

Sir Cecil Bottomley said he thought that a reasonable arrangement on the understanding that its acceptance would not be taken as prejudicing in any way the decision to be taken in 1934 regarding the Exchequer debt.

Kenya and Uganda Railways and Harbours Reserve Fund.

Sir Cecil Bottomley said that it seemed very doubtful whether it would be practicable to raise the reserve fund to £600,000 by the end of 1934, particularly if the renewals provision was to be 8½% instead of 2% as the High Commissioner had contemplated. The railways were at present having a very lean time. The Colonial Office were, however, anxious that the reserve fund should be raised to £600,000 as soon as possible, and whilst they would aim at reaching that figure by the end of 1934, they could not give an assurance that the object would be achieved.

Mr. Waterfield said the Treasury would be content with that on the understanding that in the event of an emergency there would be no raid on the Renewals Fund without the consent of the Treasury.

Kenya Surplus Balances.

Sir Cecil Bottomley said the Colonial Office fully appreciated the desirability of increasing the surplus balances and had already adopted a policy of accumulating not less than £1,000,000 on a definite plan. In view, however, of the present abnormal conditions he did not consider it practicable to insist on the £1,000,000 being reached definitely by the end of 1936.

Mr. Waterfield emphasised the importance of adequate accumulated balances, and he instanced in support the recent remarkable change for the worse in the finances of the Sudan owing to the slump in the price of cotton. The Treasury were interested in the maintenance of adequate balances in Kenya by reason of the question of the war expenditure debt, which was to come up for consideration in 1934. One million pounds was less than half a year's Kenya revenue, and he

thought an effort should be made to reach that figure by the end of 1936. In proposing that date the Treasury had assumed that 1931 would be a bad year, and that it would not be possible to add to the balances before 1933, but it now appeared that the Estimates for 1931 showed a surplus of revenue over expenditure. He suggested that a definite plan should be adopted for increasing the surplus balances (including the working balance) to £1,000,000 by the end of 1936 on the understanding that the Treasury would agree to the provision being postponed, if necessary, in any bad year, ^{etc.} with one postponement the amended plan would be to reach £1,000,000 by the end of 1937.

D Sir Cecil Bottomley suggested that there might be a difficulty through the Colonial Office and the Treasury disagreeing as to what constituted a bad year. Mr. Waterfield thought there should be no difficulty. The Colonial Office and Treasury interests were not really in conflict, and he would undertake that the Treasury would deal with the matter, if it arose, in a reasonable spirit.

Sir Cecil Bottomley said he would be content on that understanding.

It was arranged that when the record of the conclusions of the Conference had been agreed the Colonial Office would put forward the proposals officially if approved, where necessary, by higher Colonial Office authority.

Any reply to this letter should be addressed to
THE SECRETARY,

TREASURY
WHITEHALL, LONDON, S.W.1.

and the following number quoted

F 759/010



RECEIVED
21 DEC 1930
COL. OFFICE

TREASURY CHAMBERS.

20 December, 1930.

63
35

Sir,

No. 60

In reply to Mr. Parkinson's letter of the 19th
December 1930 (16100/30) I am directed by the Lords
Commissioners of His Majesty's Treasury to transmit here-
with for the information of Lord Passfield a copy of a
Notice which they are causing to be published in the
forthcoming issues of the London, Edinburgh and Belfast
Gazettes adding Kenya Government 4½ Inscribed Stock 1961-
1971 to the list of Stocks kept by the Treasury under
Section 2 of the Colonial Stock Act, 1900.

I am,

Sir,

Your obedient Servant,

Herbert Morrison

Copy of memo to C.A. Mc 12 FEB 1931
Amended MPTS 19 FEB 1931

The Under Secretary of State,
Colonial Office.

Morrison

63
35

Any reply to this letter should be addressed to—
THE SECRETARY

TREASURY

WHITEHALL, LONDON, S.W.1.

and the following number outside

F 759/010



TREASURY CHAMBERS.

20th
December, 1930.

RECEIVED
31 DEC 1930
COL. OFFICE



Sir,

No. 60

In reply to Mr. Parkinson's letter of the 19th December 1930 (16100/30) I am directed by the Lords Commissioners of His Majesty's Treasury to transmit herewith for the information of Lord Passfield a copy of a Notice which they are causing to be published in the forthcoming issues of the London, Edinburgh and Belfast Gazettes adding Kenya Government 4½% Inscribed Stock 1961-1971 to the list of Stocks kept by the Treasury under Section 2 of the Colonial Stock Act 1900.

I am,

Sir,

Your obedient Servant,

Herbert Morrison

Copy referred to C.A. 1910 12 FEB 1931
Amended 1917 19 FEB 1931

The Under Secretary of State,
Colonial Office.

Morrison

NOTICE.

Colonial Stock Act 1900 (87 and 84 Vic. c. 62)
Addition to list of Stocks under
Section 2.

Pursuant to Section 2 of the Colonial Stock Act 1900 the Lords Commissioners of His Majesty's Treasury hereby give notice that the provisions of the Act have been complied with in respect of the undermentioned Stock registered or inscribed in the United Kingdom:-
Kenya Government 4% Inscribed Stock 1961-1971.

The restrictions mentioned in Section 2 Subsection (1) of the Trustee Act 1925 apply to the above Stock (see Colonial Stock Act 1900 Section 2).

DECODE

RECEIVED
27 DEC 1930
C.O.L. OFFICE

62³⁷

TELEGRAM from the Officer Administering the Government of Kenya to the Secretary of State for the Colonies.

Dated 24 December, 1930. Received 1.56 p.m. 24 December, 1930.

No. 30

No. 450. Confidential. Your telegram No. 289. Confidential.

Glad to know the result of further discussion with the Treasury.

Amos sel 2/1/31

O. O. 16100/30 Kenya.

60

- Mr. Pooley 19/12/30.
- Mr. Venning: *G. H. P. 2/31*
- Mr. Allen: *G. H. P. 2/31*
- Mr. Tomlinson
- Sir C. Bottomley
- Sir J. Shuckburgh
- Sir G. Criddle
- Permt. U.S. of S.
- Parly. U.S. of S.
- Secretary of State

and to 6/3

19 December 1930.

Sir,

(No. 40)

DRAFT

The Secretary,
Treasury.

Sir

With reference to the letter from this Department of the 22nd November, I am etc. to request you to inform the Lords/Commissioners of the Treasury that the Crown Agents for the Colonies have reported that the provisions of the Colonial Stock Act 1877 have been complied with in respect of the Kenya Government ~~4 1/2~~ ^{percent} Inscribed Stock, 1961-1971 recently issued by them.

copy to ca. 14/12/30 DEC 1930

Copy to C.A. if (herewith)

2. Lord Passfield would be glad therefore if steps could be taken to gazette Kenya Government Inscribed Stock, 1961-1971, as a trustee investment.

I am etc.

(Signed) A. D. PATKINSON

*Recd of us
Duck*

39
59



ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
CROWN AGENTS FOR THE COLONIES,
THE FOLLOWING REFERENCE AND THE
DATE OF THIS LETTER BEING QUOTED:

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

A/263

TELEGRAMS: CROWN, LONDON.
TELEPHONE: 7246 VICTORIA.

15th December 1930

Sir,

I have the honour to enclose for the information
of the Secretary of State a copy of a letter and telegram
which we have addressed to the Treasurer, Kenya on the
subject of the loan which has just been raised.

The provisions of the Colonial Stock Act 1877 have
been complied with in respect of this stock, and I have to
request that the Secretary of State will move the Lords
Commissioners of H. M. Treasury to Gazette the Kenya
Government 4% Inscribed Stock 1961-1971 as a Trustee
investment.

I have the honour to be,

Sir,

Your obedient servant,

Spencer

The Under Secretary of State,
Colonial Office,
S. W. 1.

Approved 18/12/30 DEC 1930

11.12.30.

10.12.30.

OA

THE CROWN AGENTS TO THE TREASURER, NAIROBI, KENYA.

No. 904.

11th December 1930

Sir,

Referring to our telegram of the 10th December regarding the Kenya Government 4% Loan of £3,400,000, I have the honour to state that after consultation with our brokers we came to the conclusion that the present time was favourable for the issue of the Loan and, having obtained the approval of the Secretary of State, we arranged for the issue to be made on the 8th December. I enclose 6 copies of the Prospectus.

2. The price at which the loan was issued was regarded in some quarters as rather high and during the time the list was open the market was somewhat dull. These two factors resulted in the support for the loan being not quite so good as it otherwise might have been and the underwriters were called upon to take up about 25% of the amount underwritten.

3. The market price of the new issue opened yesterday morning at a slight discount but very soon rose to par.

4. The result of the issue at the very favourable prices obtained for the Kenya Government will no doubt be regarded with satisfaction.

5. The estimated expenses of raising the loan are given below in respect of each £100 of loan :-

	£	s	d
Underwriting commission	14	9	(approx)

(Underwriting commission is 1% of the amount of the loan underwritten, but as we reserved £900,000 of the loan for funds of various Colonial Governments this commission will be paid on £2,500,000 only)

Over-riding or placing commission paid to the brokers for arranging underwriting	4	0	
--	---	---	--

Crown Agents' commission	2	6	
--------------------------	---	---	--

Commission to bankers and brokers
on applications bearing their
stamp

£ 5 0

Miscellaneous expenses i.e.
advertising, printing &c. (say)

1 0

Total (say)

£11 7 0

6. We do not propose to set aside the sum of £12 to meet the cost of stamp duties on transfers as was done on the occasion of the two previous loan issues and a separate letter will be addressed to you on the subject.

7. The proceeds of the loan will, as received, be credited to the Colony's General Account.

8. The Sinking Fund contribution as will be seen from the prospectus of the loan must not be less than 2 1/2% per annum, the first half yearly contribution being taken not later than the 1st July 1934.

9. We note from your telegram of the 10th instant that the sum of £2,700 has been subscribed locally and a separate letter will be addressed to you as to the procedure to be adopted and the information to be supplied in connection with the local subscribers.

I have the honour to be,

Sir,

Your obedient servant,

(Sgd.) P. EZECHIEL.

A/263

THE CROWN AGENTS TO THE TREASURER, KENYA.

Telegram dated 10th December 1939

Referring to our telegram of the 4th December Kenya
Loan £900,000 taken from funds of various Colonial
Governments £1,915,400 subscribed by public balance taken
by underwriters. Full information will be sent by mail.
Provision has been made for meeting allotments to local
subscribers.

A/263.

THE CROWN AGENTS TO THE TREASURER, KENYA.

Telegram dated 10th December 1930

Referring to our telegram of the 4th December Kenya
Loan £900,000 taken firm for funds of various Colonial
Governments \$1,913,400 subscribed by public balance taken
by underwriters. Full information will be sent by mail.
Provision has been made for meeting allotments to local
subscribers.

Colonial Office

This is in reply to Mr. Allen's minute of December quoting a question to be asked in the House of Commons by Mr. A. M. Samuel on Wednesday next, on the subject of the local subscriptions to the recent Kenya Loan.

After the issue of the previous loan in 1928 the Kenya Government asked us whether we could give facilities for local subscriptions to subsequent issues, and we replied that we would do so and set out in detail the procedure that would be adopted. Copies of this correspondence are attached as noted in the margin.

Kenya 22 May 1928

C.A. 13 AUG. 1928

C.A. 4 Dec. 1930

Kenya 6 Dec.

C.A. 6 Dec.

C.A. 10 Dec.

Kenya 10 Dec.

Kenya 13 Dec.

C.A. 17 Dec.

On the present occasion, as will be seen from the telegraphic correspondence of which copies are also attached, the procedure indicated was duly followed, and £50,000 was reserved for local subscribers. The lists were open in London on the 8th and 9th December; we telegraphed the terms to the Colony on the 4th December, and asked to have the total amount of the local subscriptions not later than the morning of the 11th; and the response was only £2,700. This small response may have been due (see the Colony's telegram of 6th December) to difficulty of communication and short notice, but neither of these handicaps can be avoided, because the terms of an issue (which depend on the constantly fluctuating market conditions) can only be settled in London a few days before the opening of the lists here, and the local lists cannot be kept open longer than

43

than at the most a day or so after the London lists have been closed. In any event, in such a Colony as Kenya, the amount of the local subscriptions must be so small as to be negligible in determining the result of an issue.

The reply to Mr. Samuel might be to the following effect. Lord Passfield is glad to see facilities given whenever possible to residents in a Colony to subscribe to loans issued for the Government of the Colony by the Crown Agents in London; but the extent of such facilities is necessarily limited by the conditions which govern the issues here. [In the case of the recent issue of £5,400,000 Kenya 4½% stock, £50,000 was reserved for local subscriptions by the Crown Agents at the request of the Government of Kenya, who were asked to telegraph the total of the actual subscriptions not later than the morning of the second day after the final date for the closing of the lists in London. The amount received was only £2,700.] It is possible that the response might have been larger but for the shortness of the notice and the difficulties of communication within the Colony; but such difficulties could not be avoided, and it does not seem probable that in their absence the amount of the local subscriptions would have been large enough to have an important bearing on the results of the issue.

37
15th December 1930.

P.O.Box No.621

THE SECRETARIAT,

NAIROBI, KENYA,

22nd May, 1938

received C. Agents 21st June 1938

Ref: P/21/8/2/17/75

Gentlemen,

I have the honour to enclose a copy of a letter which has been received suggesting that an opportunity should be given to the general public in this Colony to subscribe in any Kenya loans which are placed upon the market.

I presume that in the event of any portion of a specific allotment for subscription in Kenya being un-subscribed it would be necessary for this Government to take over the balance unless the allotment was made to banks having branches in Kenya.

I should be glad of any information as to the practice in other Colonies.

I have the honour to be

Gentlemen

Your obedient servant,

(Signed) Nixon Barton

for COLONIAL SECRETARY

Means, The Crown Agents for the Colonies,

4 Millbank,

Westminster,

London, S.W.1.

TYSON BROTHERS, LIMITED

P.O. Box 129

McCaaway Buildings,
Sixth Avenue,
Nairobi,
Kenya Colony.

14th May, 1928

The Hon. G. Grannum,
Treasurer,
The Treasury,
NAIROBI

Sir,

From a newspaper announcement I see that a further £3,500,000 of the Kenya Loan is being offered in London today for public subscription, of which apparently £1,000,000 has been taken firm.

I suggest that it would have been a suitable occasion to have given the public in East Africa an opportunity of subscribing to this loan, for, as I know, under the present conditions it is probable that the whole of the amount offered will be subscribed immediately, and applicants from here would have no chance of receiving any allotment.

I am satisfied that throughout the territories there are a number of people who would have been glad of an opportunity of subscribing small sums, say £100 to £500, for a gilt edge security of this character. The number of investments for which there is a ready market, available to the local investor is very small indeed, and even assuming £50,000 or £100,000 had been reserved for local subscription, and the whole had not been taken up locally, there would, under the present financial conditions, have been no difficulty in finding a home for the balance not taken up without loss to the Government.

I am, Sir,
Your obedient servant,

[Signed] G.A. Tyson

A/106

Dated 13th August
1928.The Colonial Secretary,
Nairobi,
KENYA.

Sir,

I have the honour to acknowledge the receipt of your letter of the 22nd May No. MIN 21/9/2/FV/75, as to the participation of the general public of Kenya in any future Kenya loans issued in this country, and in reply to state that arrangements could be made for such a purpose. Within the last few years the Governments of Jamaica and Nigeria have arranged on a very small scale for local participation in loans issued by us.

2. The procedure would be as follows. The Colonial Government would authorise us to reserve, say 250,000 for local subscription which would be invited on receiving from us particulars of the terms of the issue. The general form of the prospectus would be as in the enclosed prospectus of the last Kenya loan. We should telegraph to you a few days before the date of issue the amount of the loan, the rate of interest payable, the issue price, the currency of the loan, the amounts of instalments and the dates on which they are payable, discount allowed on payment in full, the amount of the sinking fund contribution and the dates on which subscription opens and closes.

3. The amount subscribed by local applicants should be telegraphed so as to reach us not later than the morning of the day following the opening of the list here so that we may know whether the amount is less or more than the amount reserved for them. If local applications do not amount to the full sum reserved we should be able to dispose of any reasonable amount not required. If the amount required

should /

should prove to be in excess of the amount reserved it will rest with the Colonial Government to allot the amount reserved amongst the applicants in such manner as they may think fit, subject to the rule stated in the prospectus that allotments must be for multiples of £100 stock. Our own practice in the event of the over-subscription of a loan, which we suggest might be followed, is to make full allotments to small applicants up to a certain limit according to circumstances and to apply a pro rata reduction in respect of applications above that limit. The instalments could be payable locally.

4. It is essential that negotiations as to the terms of issue of a public loan should be kept secret up to the time of underwriting the loan, and as soon as that is completed it is necessary to issue the loan at the earliest date possible, usually within four or five days, since the terms are agreed with the under-writers on the basis of the existing state of the market. As soon as the prospectus is issued we must be prepared for closing the list at once in the event of the issue being fully subscribed. This will explain why the procedure set out in the foregoing paragraphs is necessary.

I have etc.

for Crown Agents.

1263
COPY

THE CROWN AGENTS TO THE TREASURER, NAIROBI, KENYA

TELEGRAM

48
Dated the 4th December
1930

Arrangements being made for issuing Kenya loan £3,400,000
4½% inscribed stock at £98.10.0d. per cent redeemable 1971
Government retaining option to redeem it 1961 1st and 8th
December dividends payable 1st January 1st July full dividend
payable 1st July 1931 £5 payable on application £40.18th
December £53.10.0d. 17th February Payment in full may be made
on or after 18th December under discount at the rate of 2 per
cent per annum Sinking fund contribution commencing 1934
Telegraph amount to be reserved for private local subscribers
not later than morning of 11th December 6 copies of ordinance
required as soon as possible. Crown Agents.

COPY OF A TELEGRAM FROM THE TREASURER, KENYA, TO

THE CROWN AGENTS

Via Eastern and Imperial

Dated 6th December 1930

Received

Referring to your telegram of 4th December regarding Loan Reserve 50,000 for local subscription but difficulty of communication and short notice will probably affect the number applications. Telegraph latest data you require notification of total local applications. If the date approximate 18th December must 45 per cent be paid by 18th December or may similar interval be permitted from local opening as from opening in London. Please quote exact position as to income tax vide 1928 prospectus. Request reply to-day without fail. Prospectus must printed to-morrow Sunday.

MP

TELEGRAM FROM CROWN AGENTS to TREASURER, KENYA

Dated 6th December 1930

definite
 "Your telegram 6th December/amount
 to be reserved for private local subscribers must be
 telegraphed to us by 11th December see paragraph 3 our
 letter of 13th August 1928 instalments must be paid on
 dates indicated in our telegram of 4th December. Loan
 and interest is not subject to Kenya taxes when the
 property of persons not resident in Kenya"

Crown Agents.

COPYTELEGRAM FROM CROWN AGENTS to TREASURER, KENYA

Dated 10th December 1930

"Referring to our telegram of the 4th December Kenya Loan £900,000 taken firm for funds of various Colonial Governments of £13,400 subscribed by public balance taken by underwriters. Full information will be sent by mail. Provision has been made for making allotments to local subscribers."

Crown Agents.

TELEGRAM FROM THE TREASURER KENYA to CROWN AGENTS

Pt. 71
Via Eastern Imperial

Recd. & Dated 10th December 1930

"Referring to your telegram of 6th
December regarding Loan amount subscribed locally is
£2700 only."

Treasurer.

COPY

FROM THE TREASURER, KENYA, TO THE CROWN AGENTS

Via Eastern & Imperial
PT 23

Dated and Received 13th December

Referring my telegram of 10th December regarding
loan. I am pressed by a late applicant to
ascertain by wire if they can still be allowed
to have pounds [sterling] as it is understood loan
not fully subscribed. A few other late applicants
were informed list closed.

Treasurer.

A/263.

COPY OF TELEGRAM FROM THE CROWN AGENTS FOR THE COLONIES TO THE TREASURER, NAIROBI, 15th DECEMBER.

In reply to your telegram of 13th December regret cannot reopen list Kenya loan to local subscribers. Balance of loan allotted to underwriters.

Crown Agents.

I append a copy of a question to be asked in the House of Commons on Wednesday next, the 17th December:-

49. Mr. Arthur Michael Surrall. - To ask the Under Secretary of State for the Colonies, as it is the policy of the Government to encourage local residents in Crown Colonies to subscribe to the loans issued by the Crown Agents for those Colonies, if he will state what specific arrangements were made to that end in respect of the issue of the recent Kenya loan and the result of those arrangements.

I understand that arrangements were made to facilitate local subscriptions in Kenya but with very indifferent results.

Would you kindly let us know briefly what those arrangements were and the results.

56

We should also be glad to have your suggestions as to the reply which should be returned to the question.

LMA

East Africa Department

December, 1930.

58
57

Mr. Goldberg:
Crown Agents.

As requested in your note of the 25th November, I enclose a revised statistical statement which was issued with the prospectus of the Kenya 1928 Loan, together with actual figures for 1927, 1928 and 1929, and estimated figures for 1930. The figures for 1927 differ from those in the earlier statement against which the word "estimated" should have appeared, but apparently dropped out in printing. It was noted at the time, but too late to correct. There is also a very slight alteration in the import figures for 1927, which have been taken from the latest returns.

W. H. Allen

Tropical African Division,
Colonial Office.

29 November, 1930.

Mr. Allen
C.O.

58
59

Would you please have
the annexed statement of
figures brought up to date &
returned to me early, so
as to be required in connection
with the forthcoming loan.

recd. (55) - 27/1/30

[Signature]
Finance Dir. I.
C.A.
25/11/30

Mr. Morris

Please attach to
sample

[Signature]
11/12/30

1042

0927

59

~~2,126,000~~

1,219,473 ✓

273,456 ✓

1,150,786

374,787 ✓

58,824 ✓

h 2

Res

1,946,540

Skilars

1,150,786

263,433

286,972

40,549

1,741,665

704,875

1,946,540

~~1,076,587~~

10,023

107,865

18,300

204,295

928

h 1

1678,720 ✓

22,516 ✓

58,964 ✓

2,290,200

635

1893698 ✓

676552 ✓

158,954 ✓

2,679,214

930-85

Cameras	Rf	2847150 ✓
		429,900 ✓
		<hr/> 3,077,070 ✓

Capex

Rf

1,829,332 ✓
540,614 ✓
39,527 ✓
50,000 ✓
<hr/> 2,459,473 ✓
147,000
<hr/> 2,312,473
928

Income

28,195 ✓
187,474 ✓
<hr/> 489,473
469,273

Colony of the Kenya and Uganda Railways and Harbours
1930

The following figures show the Revenue and Expenditure of Kenya for the years 1923 to 1928

Year ending	Revenue		Expenditure (including Debt Charges)		Imports (Trade only)	Exports
	Colony	Railways & Harbours	Colony	Railways & Harbours		
31st Dec., 1923	£ 1,830,447	£ 1,237,730	£ 2,137,633	£ 886,131	£ 4,302,574	£ 1,564,855
31st Dec., 1924	2,111,565	1,635,189	1,861,511	1,217,004	4,038,914	2,239,614
31st Dec., 1925	2,430,509	1,903,509	2,339,906	1,617,265	5,383,684	2,724,629
31st Dec., 1926	2,627,223	2,058,710	2,414,681	1,868,120	5,476,476	2,414,341
31st Dec., 1927	2,720,018	2,042,830	2,667,057	2,170,157	5,978,666	3,088,016
31st Dec., 1928 (estimated)	2,809,104	2,181,910	2,810,197	2,200,000		2,156,409
	3,333,072		3,500,077			2,795,940

The Revenue of the Railways and Harbours which have been separated from the Administrations of Kenya and Uganda are liable to the Government of Kenya for the debt charges on the portion of the loan to be spent on Railway and Harbour services and the estimate for 1928 of the Railways and Harbours Administration have already made provision for the payment out of revenue of an additional charge in this respect of £232,704. In the same way that Administration already contributes to the Government of Kenya a sum of £210,400 annually in respect of the charges on the Kenya £5,000,000 loan of 1921.

Prospectuses and Application Forms may be obtained from the Crown Agents for the Colonies at 4, Millbank, S.W. 1, or at 1, Tokenhouse Buildings, E.C. 2; Messrs. Mullens, Hall, Steer, Lawford & Co., 13, George Street, Mansion House, E.C. 4; Messrs. J. & A. Scrimgeour, 11, St. Martin's Lane, E.C. 2; the National Bank of India, Ltd., 28, Bishopsgate, E.C. 2; the Standard Bank of South Africa, Ltd., 10, Clements Lane, E.C. 4; or Barclays Bank (Dominion Colonial and Overseas), Circus Place, E.C. 2.

OFFICE OF THE CROWN AGENTS FOR THE COLONIES,
4, MILLBANK, LONDON, S.W. 1.

10/11/1928

17

Year Ending	Revenue		Expenditure (Including Debt Charges)		Imports (Trade only)	Exports
	Colony	Railways and Harbours	Colony	Railways and Harbours		
	£	£	£	£	£	£
31 December, 1927.	2,846,110 ^a	2,257,408 ^a	2,515,115 ^a	1,246,540 ^a	5,877,219 ^a	3,085,511 ^a
31 December, 1928.	3,020,694	2,511,227	2,634,547	2,390,800	6,707,957	2,255,400
31 December, 1929.	3,333,742 ^a	2,825,310 ^a	3,505,072 ^a	2,672,214 ^a	6,289,733	2,345,911 ^a
31 December, 1930. (Estimated)	3,403,351 ^a	3,077,070	3,519,729	2,925,592		

^a Revised estimates in
Annex to 33rd Report

These differ from figures with
1928 Expenditure as the figures
the same except that the
road charges dropped out
of expenditure in 1928

These differ from 1928
Imports figure as
computed in 1928
but when

Year Ending	Revenue		Expenditure (Including Debt Charges)		Imports (Trade only)	Exports
	Colony	Railways and Harbours	Colony	Railways and Harbours		
	£	£	£	£	£	£
31 December, 1927.	2,846,110 ^a	2,257,408 ^a	2,515,115 ^a	1,246,540 ^a	5,877,219	3,085,200
31 December, 1928.	3,020,694	2,511,227	2,834,547	2,290,200	6,707,957	3,255,400
31 December, 1929.	3,333,742	2,825,310	3,505,072	2,672,214	6,286,733	2,745,000
31 December, 1930. (Estimated)	3,403,351	3,077,070	3,843,729	2,928,092		

* Revised estimates in memo on 3/1/31 P.S.

These differ from figures with 1928 Appropriation as the figures have been estimated although the figures have dropped and in expenditure in Co. J - see minutes 1/11/28 & 1/13/28 P.S.

It should be noted that the figures for 1928 are estimates and later returns.

06
163

Kenya 9/12/38

CITY NOTES

KENYA PROSPECTUS

DEFERRED BREAD

RECOVERY

The prospectus is published to-day of the Kenya Government Four-and-a-Half per Cent. Loan for £3,400,000, of which £2,500,000 is offered for public subscription at the price of 98½. The application lists will not be opened until Monday morning, so that country subscribers will have as good an opportunity as Town subscribers of lodging their applications in time to secure allotment. Not that there is likely to be the same rush for this issue as for most of the recent loans, because the Kenya loan is offered at a price which is calculated to repay, and not attract, the "steep" The yield on the loan works out to about £4 11s. 6d. per cent. Kenya enjoys a good credit as in Botswana, the existing Four-and-a-Half per Cent. loan being quoted at about 98. The public debt of the colony consists of £2,000,000 of Six per Cent. stock issued in 1921, in respect of which a sinking fund has been accumulated to the value of about £402,000, £5,000,000 of Five per Cent. stock issued in 1927, and £3,500,000 of Four-and-a-Half per Cent. stock issued two years ago, making a total of £13,500,000. The Budget record of Kenya is good for although in the last two years ordinary expenditure has exceeded revenue, in the previous four years the balance was on the "right" side. The revenues from railways and harbours in Kenya and Uganda have regularly been in excess of expenditure. These revenues are subject to the debt charges on those portions of the loans which have been spent on railway and harbour services. Already the Railway and Harbours Administration has made provision for the payment out of revenue of £754,580 annually in respect of the charges on the three existing Kenya loans. The present issue is being raised to provide for the cost of further railway and harbour works and for other development purposes. The stock, of course, is a trustee investment.

X 20

*attach to
loan file*

oel

9.11.38

alms

ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
CROWN AGENTS FOR THE COLONIES,
THE FOLLOWING REFERENCE AND THE
DATE OF THIS LETTER BEING QUOTED.



55
14

A/263

TELEGRAMS: CROWN LONDON
TELEPHONE: 7730 VICTORIA

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

5th December 1930.

Sir,

I have the honour to acknowledge the receipt of your letter No. 16400/30 of the 2nd December 1930 enclosing copies of telegraphic correspondence with the Officer Administering the Government of Kenya regarding the loan requirements of the Colony and the Kenya and Uganda Railways and Harbours.

I enclose six copies of the prospectus of the loan which will be issued on Monday the 8th December. A copy of a telegram which we have sent to the Colonial Government is also enclosed.

I have the honour to be,

Sir,

Your obedient servant,

No. 57
9 Jan 1931
Copy of Prospectus to Mr. ...

6
12.30

The Under Secretary of State,
COLONIAL OFFICE.

A/263

TELEGRAM FROM THE CROWN AGENTS TO THE TREASURER
KENYA.

4th December, 1930.

Arrangements being made for issuing Kenya loan
£3,400,000 $4\frac{1}{2}\%$ Inscribed Stock at £98.10.0 per
cent redeemable 1971 Government retaining option
to redeem it 1961 list opens 8th December dividends
payable 1st January 1st July full dividend payable
1st July 1931 £5 payable on application £40
18th December £53. 10. 0 17th February payment in full
may be made on or after 18th December under
discount at the rate of 2 per cent per annum
Sinking fund contribution commencing 1934 telegraph
amount to be reserved for private local
subscribers not later than morning of 11th December
6 copies of ordinance required as soon as possible.

The Treasurer,
Nairobi,
Kenya.

4/263

TELEGRAM FROM THE CROWN AGENTS TO THE TREASURER
KENYA.

4th December 1930.

Arrangements being made for issuing Kenya loan
£3,400,000 4½% Inscribed Stock at £98.10.0 per
cent redeemable 1971 Government retaining option
to redeem it 1961 list opens 8th December dividends
payable 1st January 1st July full dividends payable
1st July 1931 £5 payable on application 1st
18th December £53. 10. 0 17th February payment in full
may be made on or after 18th December under
discount at the rate of 2 per cent per annum
Sinking fund contribution commencing 1931 telegraph
amount to be reserved for private local
subscribers not later than morning of 11th December
6 copies of ordinance required as soon as possible

The Treasurer,
Nairobi,
Kenya.

The list will be closed on or before Tuesday, the 9th December, 1930.



KENYA GOVERNMENT 4 $\frac{1}{2}$ % INScribed STOCK, 1961-1971.

Issue of £3,400,000.

of which £900,000 has already been placed in the terms of this Prospectus and the remaining £2,500,000 is now offered for subscription.

Interest Payable 1st January and 1st July.

First Six Months' Interest payable 1st July, 1931.

Authorised by Ordinance No. 43 of 1930.

PRICE OF ISSUE £98 : 10 : 0 PER CENT.

Payable as follows:—

On application	£ 5 : 0 :	cent.
On 18th December, 1930	£40 : 0 : 0	per cent.
On 17th February, 1931	£53 : 10 : 0	per cent.
	<u>£98 : 10 : 0</u>	per cent.

The Government of Kenya having complied with the requirements of the Colonial Stock Act, 1900, Trustees are authorised to invest in this stock, subject to the restrictions set forth in the Trustee Act, 1925.

The Loan is raised to meet the cost of Railway and Harbour Works and other Works for the development of the Colony.

The Loan and the Interest thereon, the property of persons not resident in Kenya, will not be subject to any Taxes, Duties or Levies by the Government of the Colony.

THE CROWN AGENTS FOR THE COLONIES, on behalf of the Government of Kenya, invite applications for £2,500,000 stock as stated above. The stock will be issued under the provisions of the General Loan and Inscribed Stock Ordinance of Kenya and will be inscribed in accordance with the provisions of the Colonial Stock Act, 1877.

The loan is secured on the general revenues and assets of the Government of Kenya and the principal will be repaid in par on or after the 1st January, 1971, but the Government of Kenya will have the option of redeeming at par on or after the 1st January, 1961, on giving six months' notice by advertisement in the *London Gazette* and in *The Times* or by post to the then stockholders at their registered addresses. A sinking fund will be formed in this country for the redemption of the loan under the management of the Crown Agents, who are appointed Trustees. Half-yearly contributions at the rate of one per cent. per annum will be commenced on or before the 1st July, 1934. These contributions may be increased and will only be discontinued if and when the Trustees are satisfied that no further contributions will be required to ensure the repayment of the loan at the due date.

Interest will be payable half-yearly on the 1st January and 1st July by dividend warrants, which shall be forwarded by post at the stockholder's risk, either to the stockholder or to any other person, bank or firm named by him within the United Kingdom. Principal and interest will be payable at the office of the Crown Agents for the Colonies, London.

The Stock will be transferable at the Crown Agents' Transfer Office, No. 1, Tokenhouse Buildings, E.C.2, without charge. Stamp duty will be paid by the Colonial Government.

Applications, which must be accompanied by a deposit of £5 per cent., will be received at the Crown Agents' Office at 4, Millbank, S.W.1, and at 1, Tokenhouse Buildings, E.C.2. Subsequent payments are to be made at the Crown Agents' Transfer Office, 1, Tokenhouse Buildings, E.C.2, not later than the dates above-mentioned.

In the case of partial allotment, the balance of the amount paid on application will be applied towards the payment of the first instalment. If there should be a surplus after making that payment, such surplus will be refunded by cheque.

Applications must be for £100 stock or a multiple of £100.

Payments may be made in full after allotment under discount at the rate of two per cent. per annum. In the case of full payments made before the 18th December, 1930, discount will only be allowed from that date.

Interest at five per cent. per annum will be charged on instalments in arrear, and non-payment of any instalment at its due date will render the deposit and instalments previously paid liable to forfeiture and the allotment to cancellation.

After payment by the allottees of the instalment due on the 18th December, 1930, they will receive from the Crown Agents' Transfer Office, No. 1, Tokenhouse Buildings, E.C.2, in exchange for the receipted Letter of Allotment, Scrip Certificates, which, when paid in full, will be convertible into Inscribed Stock. Letters of Allotment may however be inscribed in the books of the Stock at any time after payment in full.

A commission of Five Shillings per cent. will be allowed to Bankers and Stockbrokers on allotments in respect of applications bearing their stamp.

The Government of Kenya are liable in respect of the above stock and the dividends thereon, and the Commissioners of the Treasury of the United Kingdom, and the Commissioners of His Majesty's Treasury are directly or indirectly responsible for the payment of the stock or of the dividends thereon, under the provisions of the Finance Act 40 and 41 (Vict. c. 59).

The Public Debt of Kenya consists of £5,000,000 6 per cent. Stock 1946/56 issued in 1921 (in respect of which a Sinking Fund has been accumulated to the value of approximately £402,000), £2,000,000 5 per cent. Stock 1948 issued in 1927, and £3,500,000 4½ per cent. Stock 1950 issued in 1928.

Application No.

Allotment No.



KENYA GOVERNMENT

4½ PER CENT. INSCRIBED STOCK, 1961-1971

ISSUE OF £3,400,000

TO THE CROWN AGENTS FOR THE COLONIES

GENTLEMEN,

I
We hereby apply for £

_____ pounds

of Kenya Government 4½ per cent. Inscribed Stock, 1961-1971, according to the conditions contained in the Prospectus of the 8th December, 1930, and undertake to pay £98 10s. 0d. for every £100 Stock, and to accept the same, or any less amount that may be allotted to ^{me}_{us} and to pay for the same in conformity with the terms of the said Prospectus.

I
We enclose the required deposit of £ _____ being _____ per cent. on

the nominal amount applied for.

Ordinary Signature _____

Name in full _____

(BLOCK LETTERS.)

(State whether Mrs. or Miss, and Titles, if any.)

Address _____

Date _____

*Cheques should be made payable to Bearer and crossed BANK OF ENGLAND.
If altered from "Order" to "Bearer" the alteration should be signed by the drawer*

If the Allotment Letter is required to be forwarded to other than the Applicant, it should be stated. No commission will be allowed to Bankers or Stockbrokers unless their stamp appears on the Application.

Applications must be for even hundreds of Stock, and must be accompanied by the amount of Deposit thereon, and the Application must be enclosed in an envelope marked outside "Application for Kenya Government Loan."

PLEASE
WRITE
DISTINCTLY.

The following figures show the Revenue and Expenditure of Kenya and of the Kenya and Uganda Railways and Harbours for the years 1925 to 1930.

Year ending	Revenue.		Expenditure. (Including Debt Charges).		Imports (Trade only).	Exports.
	Colony.	Railways & Harbours.	Colony.	Railways & Harbours.		
31st December, 1925	£ 2,430,509	£ 1,993,509	£ 2,339,996	£ 1,647,265	£ 5,383,024	£ 2,724,628
31st December, 1926	2,627,223	2,058,710	2,414,681	1,868,120	5,476,475	2,414,311
31st December, 1927	2,846,110	2,257,403	2,515,115	1,946,540	5,877,219	3,086,916
31st December, 1928	3,020,694	2,511,227	2,834,647	2,290,200	6,707,957	3,266,403
31st December, 1929	3,333,742	2,825,310	3,505,072	2,679,214	6,289,733	2,745,910
31st December, 1930 (Estimated).	3,403,351	3,077,070	3,549,729	2,928,892	—	—

The Revenues of the Railways and Harbours which have been separated from the Administrations of Kenya and Uganda are liable to the Government of Kenya for the debt charges on the portion of the loan to be spent on Railway and Harbour services. The Railway and Harbours Administration have already made provision for the payment out of revenue of a sum of £754,560 annually in respect of the charges on the Kenya loans of 1921, 1927 and 1928.

Prospectuses and Application Forms may be obtained from the Crown Agents for the Colonies at 4, Millbank, S.W.1; or at 1, Tokenhouse Buildings, E.C.2; Messrs J. & F. Marshall, Secy, Lawford & Co., 13, George Street, Mansion House, E.C.4; Messrs J. & F. Marshall, Secy, 5, Lothbury, E.C.2; the National Bank of Uganda, Ltd., 20, Bishopsgate, E.C.2; the Standard Bank of South Africa, Ltd., 10, Clements Lane, E.C.3; or Barclays Bank (Dominion, Colonial and Overseas), Circus Place, E.C.2.

OFFICE OF THE CROWN AGENTS FOR THE COLONIES,

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

8th December, 1930.

54/68

C. O.

16100/130/Kenya.

Mr. Allen

Mr. Parkenson

[Handwritten signature]

[Handwritten signature]

X Sir C. Hollenby

Sir T. Shuckburgh

Sir G. Grindle

Permt. U.S. of S.

Party U.S. of S.

Secretary of State.

Downing Street

November 1930.

[Handwritten initials]

Sir,

I am directed by

Lord Passfield to refer to your letter of the 3rd November (S.329) regarding the requirements of the Government of Kenya and the Kenya and

2 DRAFTS. With 3 dfts. on 16100/30
16100
THE SECRETARY,
TREASURY.

(31)

- To Govr. Conf. 27th Mar. '30 ✓
No. 2 on 16097/30
- To Govr. Conf. 98 of 26 June '30 ✓
No. 4 on 16088/30
- To Govr. Tel. No. 137. 8th Aug. '30 ✓
No. 5 on ditto.
- To Govr. Conf. 4th Sept. '30 ✓
No. 6 on ditto.

- No. 31. Uganda Railways and Harbours, and also to the Confidential telegram No. 109 to the High Commissioner for Transport, Kenya and Uganda of the 21st November which accompanied the letter from this Department of (No.40) the 22nd November.

2. The Lords Commissioners will have observed from that telegram that their

Yours faithfully,
Lordsships!

Lordships' views in regard to the accumulation of surplus balances by the Colony, and of a Reserve Fund by the Railway agree generally with those which Lord Passfield had already formed. As regards the surplus balances of the Colony, I am to enclose a copy of correspondence with the Governor from which it will be seen that Lord Passfield had in fact already adopted the plan of accumulating balances amounting to not less than £1,000,000 on a definite plan, and it will also be seen from the separate communication which has been made to you with regard to the Railway Renewals and Reserve Funds, that his Lordship had also proposed that the Reserve Fund should be raised to £500,000, in addition to making proper provision for the Renewals.

3. Lord Passfield feels, however, some difficulty while conditions remain

abnormal.

Lordship's views in regard to the accumulation of surplus balances by the Colony, and of a Reserve Fund, by the Railway agree generally with those which Lord Passfield had already formed. As regards the surplus

balances of the Colony, I am to enclose a copy of correspondence with the Governor from which it will be seen that Lord Passfield had in fact already adopted the plan of accumulating balances amounting to not less than £1,000,000 on a definite plan, and it will also be seen from the separate communication which has been made to you with regard to the

Railway Renewals and Reserve Funds, that his Lordship had also proposed that the Reserve Fund should be raised to £250,000, in addition to making proper provision for the Renewals.

B. Lord Passfield feels, however, some difficulty while conditions remain abnormal

abnormal, in committing the local Administrations to ^a policy of accumulation by fixed dates allowing no margin of elasticity. His Lordship would therefore suggest that it would facilitate a settlement in these matters and the connected ~~xxxxxx~~ question of the provision to be made for ~~the~~ railway renewals were discussed between representatives of the Treasury and this Department, and that General Hammond should be invited to attend the discussion in so far as the question of the ~~the~~ railway renewals and Reserve Funds are concerned. If the Lords Commissioners are disposed to agree to this suggestion, the arrangements for the discussion would no doubt most conveniently be made semi-officially.

I am, etc.

(Signed) G. O. PARSONS

O.O.

Mr. *James*
Mr.
Mr.

to
16/00/30
Kenya

2 Dec 1930

Sir C. Bottomley
Sir J. Shackleton
Sir C. Grindle
Parlt. U.S. of S.
Parly. U.S. of S.
Secretary of State.

Sent,

DRAFT.

Crown Agents

(46)

With ref. to the
letter from this Dept of the
27 Nov I am so to transmit
to you for your info the
acc. copies of the letter
comes with the O.R.S. to
Kenya regarding the loan
requirements of the
Govt of the Kenya
Harambee Railway
Harambee

From O.R.S. No 448 28 Nov 30 (47)
No 307 Dec 30 (50)
No 447 2 Dec 30 (51)

2. You are
observed from the
in the O.R.S. letter
has been that the

Copy No. 47 to 20-6
Dated

New Orleans is numbered

43 7 930 was assigned to

on the 28th Nov

Lawry

(Signed) A. G. PARSONS.



TREASURY CHAMBERS,
WHITEHALL, S.W. 1

In reply
please quote Regd. No.

(Tel. VICTORIA 1234)

71 49

RECEIVED
- 1 DEC 1930
COLF OFFICE

29 1/2 p.m.

Kenya

Dear Sir,

This has again been mentioned

to Harvey (the Governor being away). He

agreed that the arrangement mentioned in

your letter to Hopkins of the 26th would

NO 45

meet the case very well, it being understood

for Kenya

that no further loan would require to be raised

before the end of 1931.

Yours sincerely

J Phillips

4. MILLBANK,
WESTMINSTER,
LONDON, S.W.1.
(VICTORIA 7750)

RECEIVED
24 NOV 1930

18th November, 1930.

Dear Allen,

KENYA LOAN

I enclose a copy of the statement which we have received from Kenya showing the expenditure incurred up to the 30th June, 1930 on Loan Services from monies advanced pending the raising of the proposed loan.

Yours sincerely,

H.I. Allen Esq.,
Colonial Office,
S.W.1.

QUARTERLY STATEMENT [30.6.30] SHOWING THE APPLICATION OF MONEY PENDING RAISING OF AUTHORISED LOANS.

Expenditure incurred on loan services for which loans have not been raised:-

Advances by Crown Agents to Kenya [General Account] 682,000. 0. 00

Amounts utilised from unexpended balances:-

£5 Million 1927 Loan: £.237,875.12.19

£3½ Million 1928 Loan 147,065.13.49

Accrued Interest Imperial Loan 1924 66,777.12.41

451,718.18.09

Balance met from Colony's Cash 514,671. 5.58

£1,648,390. 3.67

Colonial Development.

Public Buildings 582,897. 3. 09

Municipal Requirements 193,029.16. 80

Communications 167,161. 3. 28

Miscellaneous 13,897.18. 81

£956,986. 1. 98

Railways and Harbours.

Thomson's Falls 165,981.16. 39

Completion of Berths 3 & 4, Kilindini 73,027.15. 17

Port Improvements 18,288. 6. 77

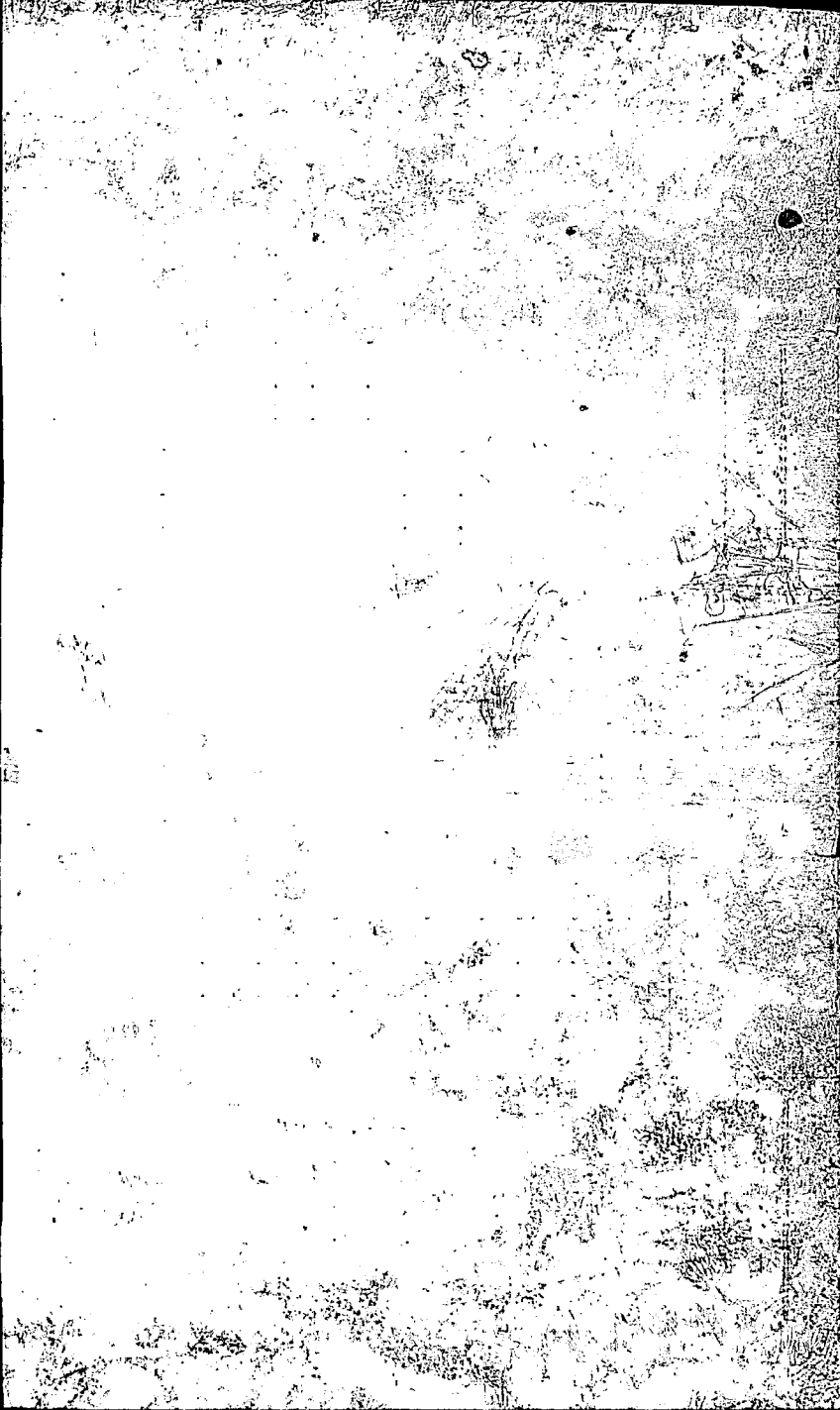
Completion of Berth No. 5, Kilindini 355,455.15. 51

Oil quay, Kilindini 32,784. 7. 73

Nanyuki Narco-Moru Extension 45,866. 0. 12

691,404. 1. 69

£1,648,390. 3. 67



DECODE

RECEIVED
28 NOV 1930
COL. OFFICE

47
74

Telegram from the Officer Administering the Government
of Kenya to the Secretary of State for the Colonies.
Dated 28th November, 1930. Received 3.34 p.m. 28th Nov.

-----000-----

PRIORITY.

No 408. Confidential. Your telegram No 287 Confidential
Loan Bill with following Schedules:

I Colonial Development (a) Public Buildings
£1,275,318 (b) Water supplies £225,800 (c) Loans to
Local Authorities £250,578 (d) Communications £240,275
(e) Land and Agricultural Board £240,000 Total £3,231,971.

II. Kenya and Uganda Railway and Harbour
(a) Railway Development (1) Branch 1. £313,000
(2) Rolling stock £25,000 (b) Harbour Development
(1) Construction of Quay and Oil Jetty £695,339 (2) Port
Improvements £99,542. Total £1,132,881. Grand Total
£3,364,852 and Treasury Bills Resolution for the
last mentioned sum both passed in Legislative Council
this morning.

718
com. 1/2/30
V. Gov. Tel 301 Conf
copy to C.C. 2 DEC 1930

0.

16100/30/Kenya.

75
H6

24/11
Lansgr

C. B. ...
G. Grindis.
... of S.
... of State.

Gentlemen:

(No.41) to the letter from this Department of
the 22nd No. regarding the loan
for the Colony of Kenya,
and the Kenya and Uganda Railways and
Harbours.

After

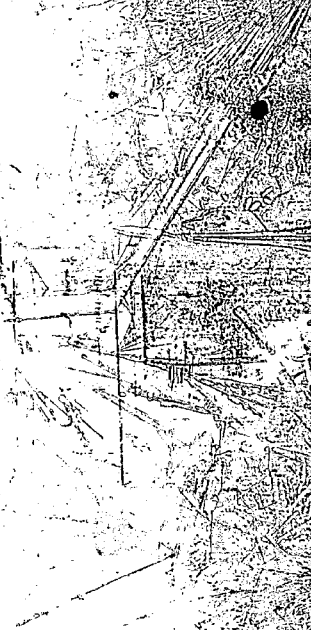
2. As a result of semi-official
consultation with you, it is under-
stood that it is now proposed that a
further loan to meet services to the
amount of £3,364,852 should be issued

about

about the 8th of December, and I am
to inform you that he approves of your
making arrangements accordingly.

THE CHAIRMAN
THE S.W.
etc.

29 November *ASL*



C.O. 16100/30 Kenya.

43
76

Mr. Allen 24/11

Mr. Parkinson S.O. for Sir Samuel Wilson's signature.

Mr. [unclear] 24/11/30 (to Mr. Egerton just to accuracy)

Sir G. Balfour 24/11/30

Sir J. Shuckburgh

Sir G. Grigg

+ Form D.O. of S. 24/11/30

Partly U.S. of S. 24/11/30

Secretary of State

For conson

DOWNING STREET

24th November 1930

C.D.
R 26 NOV
D. [unclear]

DRAFT

SIR HENRY HOVINGE, G.O.B.

[unclear]

(This is a draft of the document
sent to the Secretary of State
for the Colonies
by Sir H. Hovinge)

Mr. H. Hovinge

I have received Phillips'

letter of the 20th November

regarding the proposed Kenya loan.

I note that the Governor of
the Bank of England
and the Treasury advise

that the loan should not be limited
to £2,500,000, but should be for the

full amount likely to be required

with security up to the end of

1931, say £4,000,000.

The fact is that, as will
be seen from the recent official
correspondence, the total of the

services at present agreed with

the Treasury amounts to £3,364,852

only, and the schedule to the

3 drafts

Hen

New Loan Ordinance is therefore being limited to that amount. No issue beyond an amount to produce that sum plus expenses, is therefore possible.

I have gone into the matter with the Crown Agents for the Colonies, and as they raise no objection to increasing the issue to the maximum ^{amount} I have mentioned the Secretary of State ^{is} ~~has~~ ^{and} approved of their proceeding accordingly.

an amount in the neighbourhood of

*Yours sincerely
(Sgd) S. A. Wilson*

449

4, MILLBANK,
WESTMINSTER,
LONDON, S.W. 1.
(VICTORIA 7750)

26th November 1930.

Dear Cliffe,

Kenya Loan.

I have your letter of 25th instant with its enclosures.

I see that the Governor of the Bank of England only gave his advice on the request of Hopkins, he consulted him as to the best time for a public issue and the amount of the issue. It is not clear to me why Hopkins, or the Treasury, should interest themselves in these questions, or whether, in the special case of Kenya, the Treasury are entitled to have a voice in the manner in which the Colony's loans are raised - this being normally determined by the Crown Agents with the approval of the Colonial Office.

Assuming however that they have such a voice, I told Parkinson that we had no objection to increasing the amount of the issue to £34 millions or thereabouts, as

C.A.L.Cliffe Esq.,

I/

I understood that the Colonial Office were disposed to favour this course. I want it to be clear that we do not advise it or consider it necessary, and that the responsibility for taking it lies with the Colonial Office.

A In the circumstances the only alteration I suggest in the draft of Sir Samuel Wilson's reply is to add in the last paragraph the words "an amount in the neighbourhood of" before the word "the maximum". This will allow the price to rise for the public issue a round figure and to pay the balance afterwards (as is quite commonly done) by creating fresh stock and selling it to the market.

Yours sincerely,

J. G. [Signature]



Brig. C. Beaton
Please leave
25/11/30
21.11.30
4479
please
advice as to

TREASURY CHAMBERS,
WHITEHALL, S.W.1.

20th November, 1930.

For reply
Please quote Regd. No.

Copy to Mr. Dyball S.O. 25/11/30
and S.O. 22/11/30

Dear Wilson,

Following Treasury Letter of the 3rd November last about Kenya's capital expenditure, Sir Richard Hopkins consulted the Governor as to the best time for a bond issue and as to the amount of such issue.

It would appear that Kenya expects to have spent by the end of 1931 some 25m. more than the amount of its long term borrowing. Possibly 25m. is rather optimistic on their part, but even if the figures proved to be only 24m., it is clear that if they raised only 22½m. now, they would have to come on to the market again for a further issue in the not very distant future. The Governor thinks that the present would be an opportune moment for an issue and favours an issue for the full amount likely to be required with certainty up to the end of 1931, say 24m. We concur in this advice and think that one issue for the whole sum is much to be preferred to two issues in present circumstances.

Brig. Gen. Sir S.H. Wilson, G.C.M.G., K.C.B.,
Colonial Office.

Perhaps

Perhaps you will consider this with the
Crown Agents. If you agree to an issue for the
whole sum, the way is clear for you to fix up terms
and float the issue.

Yours ~~truly~~

Encl.

J. H. [unclear]

MSU y

Perhaps you will consider this with the
Crown Agents. If you agree to an issue for the
whole sum, the way is clear for you to fix up terms
and float the issue.

Yours _____

an. *J. Phillips*

350-y

12/16/00/30
Henry

O.O.

Mrs. H. A. ... 2/11
Mr. ...
Mr.
Sir C. Bottomley.
Sir J. Shuckburgh.

[Handwritten signature]

Mr. G. Grindle.
Parol. U.S. of S.
Parly. U.S. of S.
Secretary of State.

[Handwritten signature]

22nd Mar 01

DRAFT.

Comments of
the Volaries

(27)

In continuation of
the letter from the Dept of
the 15 Oct. ...
transmit to you a
copy of ...
comes with the ...

To: O.P.P. ...
From: ...
To: O.P.P. ...
To: ...
To: ...
To: ...
To: ...

Notes
(see with ...
attached)

6 of 6

Henry ...
loan requirement of
the Volary ...
Henry ...
Railways & Stations.

I saw also to
enclose a copy of a
note explanatory of the
difference between the

amount of the Schedule to

the Loan Bill mentioned
17^o 263

in the Report of the

Committee of the amount

proposed in the bill from

the 17th of the 18th Nov

No 394.

Lansing

(32)

(35)

2. I am also to

include a note explanatory

of the difference between

the amount of the Schedule

to the ~~total~~ ^{Bill mentioned} ~~order~~ ^{performance}

to the ~~total~~ ²⁸³ ~~order~~ ^{Li}

to the ~~total~~ ^{the amount} ~~order~~

to the ~~total~~ ^{to the} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

to the ~~total~~ ^{18 Nov} ~~order~~

THE GOVERNMENT

2. I am also to

address a note explanatory

of the difference between

the amount of the schedule

to the ~~total~~ ^{Bill mentioned} ~~total~~ ^{proposed}

to the ~~total~~ ¹⁸³ ~~total~~ ^{the}

proposed to be from

18 Nov

the amount

to be from

18 Nov

Wm. J. Waller

WALLER

O. O.

JG/16100/30, Kenya.

539 82

Mr. H.V. Elliott

Mr. Farnham

~~Mr. [unclear]~~

~~Mr. [unclear]~~

Mr. J. Shuckburgh

Mr. G. Grindley

Partly U.S. of S.

Partly U.S. of S.

Secretary of State

DRAFT

Common

(36)

minute.

SERVICE

MA. 10.11.30

Copy to Treasury
by CA

NO. 289

CONFIDENTIAL.

Your Confidential

telegram No. 37. I regret that I am

not yet able to give definite reply

to your Confidential despatch of 17

June No. 91. The present position is

as follows. The Government

prepared to agree fresh loan

expenditure of £1,531,895 if colony

undertakes to budget on definite plan

for raising accumulated surplus to

not less than £1,000,000 by end of

1936 and, until revenue outlook

improves, to proceed along with

fresh capital expenditure not

directly and immediately

repudiated. B. Transport, before

agreeing fresh capital expenditure

CS13019

6 d/s

C.O.

85

Mr. Allen 4/11
 Mr. Parkinson 2/11/20
 Mr. Campbell 2/11/20
 Mr. Bottomley 2/11/20
 Sir J. Shackleton
 Sir G. Grindle
 Kenya U.S. of S.
 Parly. of S. of S.
 Secretary of State

X.16100/30 Kenya

39
 21/11
 11
 11
 11

Amal
no. 745
3/11
(copy of)

NO. 258

Secret

17c

for consan. v. minute
DRAFT Telegram

My Confidential telegram
 No. 259, Crown Agents for the
 Colonies, contemplating further

loan issue about 8th December,
but the date must be left unchanged
 Loan Bill should therefore be
 passed through all stages as
 rapidly as possible and you
 should telegraph date and number
 of Ordinance as soon as passed.

Governor, Nairobi

*Copy to (with file) (Secretary)
 (Kenya) (CA)*

SECRET

6 d/s



36a
3c

NOTE.

No. 32

Secretary of State's telegram of 5th November suggested total loan schedule of 23,507,240 and limited to agreed services - the total being made up as follows

Page 9 of No. 6.

"Approved" services	23,264,140
Balance of £125,000 for Branch lines	43,100
	<u>23,307,240.</u>

2. The total proposed by the Colony is £3,364,852 or an increase of 3,307,240

£ 57,612

3. This increase is accounted for as follows. (As the figure 23264,140 was arrived at after deducting the provision in the 1928 Loan the deductions in respect of that provision may be ignored).

<u>Colony.</u>	<u>Added.</u>	<u>Deducted.</u>
A. Buildings.	(24,681 - 2197) = 24,484	Nil.
C. Water	(Mombasa approved additional requirement and 228 excess Eldoret Item C.2.)	268,328
B. Local Loans.	Nil	Nil
D. Communications	Nil	Nil
E. Miscellaneous	Nil (Item H transferred to A.)	3,200
<u>Transport</u>		
A. Railway	Nil (Branch lines)	12,000
Harbour	Nil	Nil
	<u>272,812</u>	<u>15,200</u>

Copy (corrected) in
 40/11/30
 G.A.

DECODE

RECEIVED
19 NOV 1930
COL OFFICE

6100/35

36
86

TELEGRAM from the Officer Administering the Government of Kenya to the Secretary of State for the Colonies.

Dated 19 November, 1930. Received 4.22 p.m. 19 November, 1930.

No. 2 on 16338/30 Col. Dev. Fund

No. 327 Confidential. By telegram No. 373 and your telegram No. 263 Confidential. Grateful for early reply if possible to my despatch 17 June Confidential No. 91 regarding further loan requirements in order that consideration by Select Committee during present Session of scheme (s) proposed for assistance from Colonial Development Fund may be facilitated.

No. 32
main file
no. 6
main file
Apr 4 1931
Copy to Treasury for 11.30
CA

DECODE

RECEIVED

19 NOV 1930

COL. OFFICE

87 35

16/11/30
Asst. L. Allen has
seen

Telegram from the Officer Administering the Government of Kenya to the Secretary of State for the Colonies.

Dated 18th November 1930. Received 5.4 a.m. 18th Nov. '30.

-----oOo-----

PRIORITY

No 32

No 394. Confidential. Your telegram No 263.

mail file
No. 27
16/11/30
Copy to Treasury 16/11/30
Copy to 6
Copy to 6
Copy to 6

1. Loan Schedule proposed is A. Colonial Development Public £1,275,318. This is arrived at by deducting from approved figure of £1,553,714 given in Confidential despatch No 91 of 17th June sum of £282,880 provided in 1928 £3,500,000 loan then adding figure of £4,681 which is now ascertained expenditure upon Head B 1 Water and Sewerage Loans for New Loan Building in Schedule in that despatch difference of £197 being accounted for by expenditure already incurred from K.A.R. provision which was not known at the time despatch sent.

2. Water Supplies £225,800. This is arrived at by adding to figure of £157,472 given in despatch under reference sum of £68,300 approved in your telegram No 139 Confidential plus excess of £28.

3. Loan to local authorities £250,578. This is arrived at by deducting from approved figure of £490,000 in despatch under reference sum of £240,259 provided in 1928 Loan.

4. Communications £240,275. This is arrived at by deducting from approved figure of £328,275 in despatch under reference sum of £88,000 provided in 1928 Loan.

5. Land Bank £240,000. This sum has now your approval.

Total Colonial Development £2,231,971.

B. Railway and Harbour Development 1. Railway Development £338,000. This is arrived at by deducting from approved sum of £306,900 shown in despatch under reference sum of £18,900 being saving on NANYUKI branch and by then adding 250,000 for BUTLER extension approved in your telegram No 239 Confidential.

No 3
16/11/30

DECODE

RECEIVED
11 NOV 1950
COL. OFFICE

99 33
END

Telegram from the High Commissioner for East Africa and Nyrota-Uganda
to the Secretary of State for the Colonies
Dated 8 November
Received 2.55 p.m. 8 Nov 1950

No 972
14/11/50

... to ... Ordinances
... of Nyero Kitale
... the following saving
... of Nyero Kitale and Solai
... interest out of capital
... (group omitted)

It is desired to reallocate above sum totalling £46,173
to Item II (b) General improvements on main line and
additional equipment. As only a very small balance if
any will be available for transfer to betterment fund
this year trust you will approve of re-allocation at an
early date when resolution will be moved in Legislative
Council.

Yes

Trs a petition addressed to the S.O.S. by Mr. R. M. MORGAN, lately Personal and Confidential Stenographer to the Postmaster General, in regard to his contribution to the Asiatic Widows and Orphans Pension Fund.

Sec 8 of the Ordinance (25/1927) provides that in the case of an officer retiring below the age of 50 the contribution shall be assessed upon his last salary.

Sec 9 stipulates that contributions shall be deducted from salaries, but it does not say how contributions are to be excepted from pensioners. And, as salary is not defined in the order, it seems to me that the Govt of Kenya has added nothing in deducting his pension contributions from his pension.

Point this out and suggest that the order be amended accordingly, and say that in considering the proposal referred to you, it might be given retrospective effect.

J. H. H. H. H. H. 28/2/30

I agree it is all very well to say that Mr Morgan elected to join the scheme with his eyes open, but he could hardly have been expected to appreciate a point of this sort. It will be much better to make the amendment - which is obviously reasonable - retrospective.

all

In the absence of any provision for discontinuance of contribution on premature retirement

E. J. Griffiths 28/2/30

R. G. O.

proposed amendment show that
the possibility of x is
represented
and up by saying that the
petition may be up until
his petition has been received
is under consideration
deal

3. 4. 20
2. Co. 328 - 1. Answer - 22 APR 1930

Mr. Portwood

no reply to no. 2 yet

shows
5/12/30

we might wait two months
at once

(11)

Mr. Horne

still no reply to no. 2. There are four
minutes of 6/12/30 above.

shows
6/2/31

Kenya is probably corresponding with
Uganda (para 4 of 1)
wait three months
at once

Mr.

Mr. Horne

Henry has not replied to
to 2, yet

Albion

? angle two months
Enigma

9/5/31
11.5.31

Albion

Mr. Horne

Please see your minute of

11/5/31 above

Albion

14/7/31

? Remind 46
Enigma

30.7.31

Albion

3. To Gov 537 - Enigma - A/2 - 5 AUG 1931
(Reminder to No. 2)

4. Gov. Paper 422 _____ 23rd July 1931

States points raised have been provided
for in Amate Wilsons and Biphens Section
(Amend.) Ordinance 1931 and steps will be
taken to effect necessary adjustment. In interest
is reported to have died in India on 3rd March 31

Put by

Albion
17.8.31

Albion
17.8.31

In House

Keays has not replied to
No 2 yet

Alhambra

? another two months
Emissions

11/5/31
11.5.31

Walter at once

In House

Please see your minute of

11/5/31, above

Alhambra

14/7/31

? Remind #6
Emissions

Walter 30 at once

3 No. Gov 537 - Govs - A/2 - 5 AUG. 1931
(Reminder to No 2)

Walter

4 Gov. Paper 1122 _____ 23rd July 1931
State funds raised have been provided
for in Asiatic widows and Orphans' Pension
(Amend.) Bill 1931 and steps will be
taken to effect necessary adjustment. Mr. Wilson
is reported to have died in India on 3rd March 31

Put by

Alhambra 17.8.31

Walter
17.8.31
Alhambra

KENYA

No. 422



GOVERNMENT HOUSE

NAIROBI

KENYA

RECEIVED
15 AUG 1931
COL. OFF.

23rd July, 1931.

My Lord,

No. 2
With reference to Your Lordship's despatch No. 328 of the 22nd April, 1930, respecting contribution to the Asiatic Widows' and Orphans' Pension Fund by Mr. R. Menon, lately Personal and Confidential Stenographer to the Postmaster General, I have the honour to refer to the enclosure to my despatch No. 389 of the 15th of July, from which it will be observed that the points raised by Your Lordship has been provided for in the Asiatic Widows' and Orphans' Pension (Amendment) Ordinance, 1931.

2. - Steps have been taken for the necessary adjustment to be effected in regard to the contributions made by the late Mr. Menon to the Asiatic Widows' and Orphans' Pension Fund in accordance with the provisions of the Amending Ordinance.

3. Mr. Menon is reported to have died in India on the 3rd March, 1931.

I have the honour to be,
My Lord,
Your Lordship's most obedient,
humble servant,

BRIGADIER-GENERAL.
GOVERNOR.

THE RIGHT HONOURABLE
LORD PASSFIELD, P.C.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET, LONDON S.W.

X 19168

33 Kings

5

D.O.

Received by
J. H. ...
Parliamentary

RECEIVED
19 APR 1945

28 April 1945

Mr. Holloman
Sir J. Shackleton
Sir G. Grindley
Dept. U.S. & S.
Partly U.S. of S.
Secretary of State.

DRAFT Cons

Receipt
No.
for

I have to acknowledge the receipt
of your despatch of 11 Feb. 1945
Feb, ~~1945~~ today: a petition for
Mr. R. Menon formerly Personal
or Confidential stenographer to
the Prime Minister generally

~~...~~
Menon's contribution to the
Asiatic ~~...~~ Menon
under Sec of Office No 23 of
1927 ^{But} there is no specific
provision for the destruction
of records contributed at the
source in the case of persons

~~...~~
I am advised that
Government of Mysore
has acted illegally

deducting the contribution for
Menon's pension is not
strictly legal.

(3) With regard to
his claim to contribute on the
Mysore pension, I am inclined

Must delay owing to pressure
of work

To think that ~~the~~ ~~proposal~~ referred to in the preliminary part of your despatch ^{is} proceeded with,

the absence of any financial facts discontingent of contributions or payments retained

~~it is not at all desirable that it should be applied~~ with retrospective effect to cover the case of Mr. Menon. I assumed that

~~it is of course possible~~ any such retrospective amendment would not affect the finances of the Fund. ^{materially affect}

~~would be affected if the proposed amendment is applied retrospectively.~~ I should be glad, therefore, to be furnished with ~~any~~ further views on this matter before arriving at ~~my decision~~

I see the mention of you will not do. I inform Mr. Menon that I have received his petition & that it is under perusal.

(SIGNED) PASSFIELD.

L. J.

KENYA.

No. 117



GOVERNMENT HOUSE,
NAIROBI,
KENYA.

28 February, 1930.

My Lord,

Pétition.

I have the honour to transmit a petition addressed to Your Lordship by Mr. R. Menon, lately Personal and Confidential Stenographer to the Postmaster General, in regard to his contribution to the Asiatic Widows' and Orphans' Pension Fund.

2. Mr. Menon apparently advances the following two arguments in support of his petition:-

- (a) That it was obviously the intention that contributions should be based on 4% of the emoluments drawn at the time, and
- (b) That when he joined the Scheme, he did not anticipate, and could not have anticipated, the contingency of having to retire ten years earlier on the grounds of ill-health.

3. In view of Section 8 of the Asiatic Widows' and Orphans' Pension Ordinance 1927, his first argument cannot, of course, be considered.

In regard to the second, I have to state that Mr. Menon's application to join the scheme was made on the 3rd of December, 1927 - only 74 days before the Medical Board, which recommended his retirement on the grounds of ill-health, was held. It has been ascertained that his health had not been good since the beginning of 1926 and that he actually received 30 days sick leave on the 15th December, 1927, on account of the illness which eventually necessitated his retirement. It would appear,

therefore,

THE RIGHT HONOURABLE
LORD PASSEFIELD, P.C.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET, LONDON S.W.

Answer - 328 - 22 Feb 1930

therefore, that in all probability the petitioner was not in perfect health when he elected to join the Scheme.

4. The Asiatic Widows' and Orphans' Pension Fund Board has recommended that contributions after retirement should be made at the rate of 4% of pension; this recommendation will be submitted to Your Lordship in due course on receipt of a reply from the Government of Uganda to whom it has been referred.

Should this recommendation be eventually approved, it will not have retrospective effect and will only relieve Mr. Menon as from the date of operation of the amending Bill.

5. The position is that Mr. Menon, who voluntarily joined the Scheme, is now objecting to its terms. The election of an officer to contribute is irrevocable. I have carefully considered the petition and I am unable to see that he has any case for sympathetic consideration.

I have the honour to be,
My Lord,
Your Lordship's most obedient,
humble servant

Edward Gigg
GOVERNOR.

Er. n a k n l a m,
Cochin State, South India,
10th January, 1930.

The Right Honourable
Lord Passfield, P.C., M.P., &c., &c.,
His Majesty's Principal Secretary of
State for the Colonies,
Downing Street,

L O N D O N, S.W.1.

Thro'

His Excellency

The Governor & Commander-in-Chief,
Colony & Protectorate of Kenya,
N e i r o b i.

My Lord,

2.

I have the honour to forward herewith copies of correspondence exchanged between His Excellency the Governor of Kenya and myself, with regard to my contribution to the Asiatic Widows' & Orphans' Pension Fund, and respectfully beg to approach Your Lordship, by way of appeal on the order from the Governor (enclosure II) for Your Lordship's kind consideration and favourable disposal.

2. I had been for over twenty years in the combined Post and Telegraph Department of the Colony and Protectorate of Kenya and Uganda and, on the 1st of January 1928, was appointed as the Personal & Confidential Stenographer to the Postmaster General. As the climate did not agree with my constitution I was compelled, in July 1928 when I had an attack of illness (Bright's disease), to retire on pension. My pay was then Shs. 600/- per mensem and the proportionate pension that I became eligible to for 20 years' service is only Shs. 216.56 cents per month. I became a subscriber to the Asiatic Widows' & Orphans' Pension Fund from its very starting and, as enjoined by the Rules, was contributing 4%

of

2.

9

of my pay, viz:- Shs.24/- per mensem till the day of my retirement towards the end of June 1928.

3. I need hardly submit that when I joined the Fund with its obligation of having to contribute 4 % of the pay until the 50th year, I did not anticipate, and could not have anticipated, the contingency of being obliged ~~to~~ retire ten years earlier and the obligation of having to pay 4 % of the Shs.600/- (my pay) on the last day of my retirement, though I draw only Shs.216.56 cents by way of pension. It goes without saying that the spirit of the rules requires that only 4 % of the "emoluments" to be contributed, leaving 96 % for the subsistence of the pensioner.

4. Towards the close of April 1929, the Agents in India for the Colony and Protectorate of Kenya intimated to me that instructions had been received by them for recovering from my poor pension of Shs.216.56 cents, contribution at the old rate of 4 % of my pay while in service. Such a collection deprives me of 11 % of my allowance, a result which surely could not have been intended by the Government who, with all good intentions, instituted the Fund and framed the rules which inflict great hardship upon me. I therefore complained to the Governor and Commander-in-Chief of the Colony by a petition dated the 7th of October 1929 (enclosure No.13). The Governor, while regretting his inability to reduce my contribution, was pleased to direct that the arrears of contribution be collected in 15 monthly instalments, while maintaining intact my liability to pay 4 % on the "pay" last drawn. The result is I have now to contribute Shs.38.40 cents out of my pension every month, i.e., 17 % of my pension and, after the arrears are cleared, 11 %.

5. The present pension is barely sufficient for the needs of myself and my growing family and the cost of existence

existence is increasing year after year. My case is a unique one. Ordinarily officers are retired at the 50th year and the liability to contribute ceases with their retirement. And it is within Your Lordship's power to mete out justice to me by lightening my burden. When the framers of the rules laid down the rule that 4% of the "pay" should be contributed, they could only have meant "the emoluments" drawn by the servant.

6. I therefore most respectfully beseech Your Lordship to have sympathy upon my exceptional and embarrassing situation and accord sanction to collect out of my pension contribution to the Widows' & Orphans' Pension Fund only at the rate of 4% on the pension drawn by me from the date of my retirement, and to reimburse me with the excess amount already collected from me in this connection.

I beg respectfully to remain,

My Lord,

Your Lordship's most obedient, humble
Servant,

R. Menou

RETIRED PERSONAL & CONFIDENTIAL STENOGRAPHER
TO THE POSTMASTER GENERAL OF KENYA AND
UGANDA.

Trivandrum,
7th October, 1929.

His Excellency

The Governor & Commander-in-Chief,
Colony and Protectorate of Kenya,

N a i r o b i

Your Excellency,

I beg to place before you the following facts before Your Excellency for kind and sympathetic consideration.

2. After a service of over 20 years in the Post and Telegraph Department of the Colony, I was, in January 1928, appointed Personal and Confidential Stenographer to the Postmaster General. Owing to ill Health, I was obliged to retire on pension from July 1928 and to return to India. At the time of retirement my salary was at the rate of Shs.600/- per mensem and my pension is at the rate of Shs.216.56 cents per month. I became a subscriber to the Asiatic Widows' and Orphans' Pension Fund as soon as it was instituted and was making my contributions at four per cent of my salary, i.e., Shs.24/- per mensem, until the 1st of July 1928.

3. Towards the close of April 1929, the Agents in India for the Colony and Protectorate of Kenya intimated to me that instructions had been received by them for recovering from me contributions at the rate of Shs.24/- per mensem from the 1st of July 1928 till the date of my attaining my fiftieth year on the 7th of August 1938, when the liability to contribute will cease. I was also asked to remit at once Shs.216/- or Rs.144/- being the arrears due at the above rate for the period from the 1st of July 1928 till the 31st of March 1929. Since then I have been in correspondence with them, and they have, finally, on the 1st instant, communicated to me copy of the Treasury Order No. MB/23/80 dated the 11th September 1929. I am therein given to understand that recovery of the arrears of contribution will be effected in nine monthly instalments

2

of Rs. 25-10-8 plus the current contribution of Rs. 16/- per month.

4. As I have already represented through the Agents, the present pension is barely adequate for the needs of myself and my growing family. The reduction of more than 11 per cent in my monthly pension will put me to considerable inconvenience and hardship. Living as I do solely on my pension, I felt that the sudden ~~and~~ removal of such a big slice therefrom to clear the arrears and in payment of current contribution would land me in financial embarrassment, and I was prepared not only to give up the benefit of the pension but to abandon all claim in respect of payments already made in the past, if only I were permitted to discontinue my contribution. The law does not seem to allow it. Ordinary officers retire only at fifty, when their liability to contribute also ceases. I believe I am the only one in whose case such an embarrassing situation has arisen.

5. I most respectfully beg that the above facts may be kindly taken into consideration and sanction accorded for my contribution being fixed at the rate of four per cent of my actual pension, and for instructions being issued to the Agents not to make any recoveries till this appeal is disposed of, or at least to order recoveries being effected only at the rate of four per cent on my pension pending the final decision of the question.

I have the honour to be,

Your Excellency,

Your Excellency's most obedient, humble
Servant,

(Sd.) R. MENON.

RETIREE PERSONAL & CONFIDENTIAL STENOGRAPHER
TO THE POSTMASTER GENERAL OF KENYA AND
UGANDA.

COPY.

Enclosure II 13
END

The Secretariat,
Nairobi, Kenya.

No. S/E.1533/2/5/29.

7th December, 1929.

Sir,

I am directed by His Excellency the Governor to acknowledge the receipt of your letter of the 7th of October.

2. His Excellency regrets that it is not possible to consider your application to recede from your original decision to become a subscriber to the Asiatic Widows' and Orphans' Pension Fund nor is it possible under the Regulations to make any reduction in the amount of your contributions.

3. In view, however, of the omission to notify the Agents in India at the time of your retirement of the deductions to be made from your pension, it has been decided that the arrears of contribution amount to Shs. 216/- may be deducted in 15 monthly instalments of Shs. 14.40 each. Under this arrangement the total monthly deductions until the arrears are cleared off will amount to Shs. 0 or Rupees 25-9-0 and I trust that this decision will be satisfactory to you.

4. The Agents in India are being instructed to make deductions from your pension accordingly.

I have the honour to be,

Sir,

Your obedient Servant,

(Sd.) J. E. S. MERRICK.
for COLONIAL SECRETARY.

Mr. M. R. Menon,

Trivandrum,

India