

1921

KENYA

57426

18 NOV 21

FROM
CROWN AGENTS

DATE
17TH NOVEMBER 1921

660

POST CIRCULATION:—

SUBJECT

- Mr.
- Mr.
- Mr.
- Mr. Grindle
- Sir H. Lambert
- Sir H. Read
- Sir M. ...
- Mr. Wood
- Mr. Churchill

LOAN

Encloses copy of letter addressed to Kenya reporting on the expenses of raising.

Previous Paper

MINUTES

60
56256

The following

I fear this has been overlooked. But I spoke to you about it at the time, and you agreed that, as the Co. has written fully regarding the financing and result of the Loan, there was no need for us to write.

Paly

Paly *mk*

£100,000 was ... 6 ...

... ..

60329

661
4, MILLBANK,

WESTMINSTER,

LONDON, S. W. 1.

(VICTORIA 77507)

19 Nov. '21

Dear Mr. B. B. B.

There are no telegrams

sent for you

—

Yours

—

COPY

663

Telegrams from Crown Agents to Treasurer, Kenya

5th November, 1921

With the approval of the Secretary of State for the Colonies arrangements being made for underwriting Kenya loan on following terms £5,000,000 5 per cent inscribed stock at 298 redeemable in 35 years with the option of redemption in or after 25 years list opens 7th November payment will be made by instalments £5 on application £30 21st November £30 19th December £30 16th January dividends payable 15th March 15th September first dividend £2 payable 15th March 1922 sinking fund contribution not less than one per cent.

12th November, 1921.

With reference to our telegram of 5th November loan result Public applications £2,100,000 Underwriters take balance.



678
57428

ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
SECRETARY OF STATE FOR THE COLONIES,
THE HOUSE OF COMMONS AND THE
DATE OF THIS LETTER BEING QUOTED.

4, MILLBANK, 18 1921
WESTMINSTER,
LONDON, S.W. 1.

TELEGRAMS: "CROWN LONDON"
TELEPHONE: 7388-VICTORIA

664

17th Nov 1921

...
...
...
November on the subject of the Kenya Road. I have
the honour to transmit for the information of the
Secretary of State a copy of a letter which we have
addressed to the Colonial Government.

I have the honour to be,

Sir,

Your obedient servant,

W. A. D. ...

So. ...

The Under Secretary of State,

COLONIAL OFFICE.



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E7426

4, MILLBANK, W. 18 7V21
WESTMINSTER,
LONDON, S.W. 1.

664

17th November 1921

Sir,

6a
5424
In continuation of our letter of the 7th November on the subject of the Kenya loan, I have the honour to transmit for the information of the Secretary of State a copy of a letter which we have addressed to the Colonial Government.

I have the honour to be,

Sir,

Your obedient servant,

for Crown Agents.

The Under Secretary of State,

COLONIAL OFFICE.

17th November, 1921.

Sir,

With reference to our letters of the 5th and 12th November reporting the placing and result of the issue of the Kenya Government 8% loan authorized by Ordinance No. 30 of 1921, the list for which was closed on the 10th November, I have the honour to report that the expenses of raising the loan will work out as follows for each £100 of loan:-

1 Interest on deferred instalments	12s 6d
2 Underwriting commission	£1 5 0
3 Over-riding commission	5 0
4 To the Crown Agents' Office Fund for commission on the issue	5 0
5 Brokerage to Bankers & Brokers and applications bearing their stamps, say	5 0
6 Composition stamp duty on inscription of the Stock	1 5 0
7 Miscellaneous expenses, e.g. advertising, printing, stamp duty on allotment letters and scrip, legal and inspection charges, etc., say	3 7
	<hr/>
	£4 1s 3d

The net proceeds therefore (the issue price being 95 per cent) amount to £90 18s.11d. per cent, and the cost to the Colony per annum is approximately £5 11s.11d. per cent. To this should be added the Sinking Fund contribution, which

as

The Treasurer,

NAIROBI.

as will be seen from the prospectus of the loan, must not be "less than 21% per annum". This figure was mentioned so as to limit the undertaking given to stockholders in case the Colonial Government should find it difficult to provide the full amount. In a letter addressed to the Secretary of State we have recommended that the Colonial Government should pay the full amount of the contribution in half-yearly instalments of 13s. per cent required to repay the loan in 1956. (The starting of the sinking fund being deferred for 5 years after the issue of the loan, so that if a shortage should unavoidably occur in respect of any one contribution such shortage should be made up on the next occasion on which contributions fall due, or as soon as possible afterwards, with an addition for the interest payable accruing.

E. I should add that the new stock is quoted at about 1/2 discount on the Stock Exchange which is an indication that the price at which the issue was made was accurately gauged.

I have the honour to be,

Sir,

Your obedient servant,

(Signature)

for Crown Agents.