

1935

1935

38225

KENYA

38225

C0533/461

Stamp Duty Reserve Fund

Previous		
23292/34	R 297	25/6
	Room 309	25/6
	Mr Cade	25/6
	Mr Howard	25/6
	Mr Fashin	25/6
	Mr Walker	25/6
	Mr Howard	4/7
	Mr Varnan	2/7
	E.A.D.	3/7
	299	7/7
	R 297	
R. 297	13/11	
R. 300	15/4	
Mr. Cade	1/11	
R. 297	20/10	
R 303	21/10	
298	22/11	
297	22/5	
Room 309	25/6	
Mr Cade	25/6	
Mr Fashin	25/5	
Mr. Cade	25/5	
Mr. Parker	26	
Mr. Plura	27	
Room 309	28	
297		

States that it is learned that it is contemplated that a circular despatch will issue regarding certain decisions affecting the treatment of the Stamp Duty Reserve Fund. Indian's existing practice enquire whether it is proposed to issue any instructions.

Mr. Cade.

What reply may we send, please? Perhaps you could suggest some formulae ad interim, in the event of an early decision being unlikely.

A. MacArthur
15

The circ. despatch is to deal with all classes of funds - not merely the Stamp Duty Reserve Funds as to which the procedure to be followed has been agreed. It is, I think, a pity that we have not already sent Kenya an explanatory despatch as directed in Mr. Pood's minute of 21.12.34 or 23.2.35.

To avoid too long a minute I attach a draft despatch for consideration which is, I think, self-explanatory.

A. MacArthur
16. 11. 35

A nice little circular for Kenya

A. MacArthur
18. 11. 35

By Act March
19/11/35 **2** To Kenya, 940 (1 unrecd) 19 NOV 1935

By Act 22/11/35 **3** To C.A. (copy 1+2) B/C

4. Governor No. 204. ----- 22 April, 1936.
Ref. No. 2; reports position of the Stamp Duty Reserve
Fund at the end of 1935.

Note & file covering
sanction for the special warrant
in respect of the amount
payable to the K.R.F.
C. Ross Miller

I find it difficult to believe that the sum set aside
for Stamp duty is so large that the securities in which
it is invested should yield £30,000 in appreciation and
interest in a single year. I do suggest that before we
sanction the warrant we should
send copy of (4) to C.A. asking whether they
agree the figure quoted is a reasonable one.

J. J. Paine
26/5/36

M. Cole

But is it not clear that, as far
as appreciation is concerned, that part
of the £30,000 which is due to this has
not accrued in a single year? It is
very hard to bring only the interest to the
general reserve, & it will appear that
there is an accumulation of capital
appreciation.

J. J. Paine
26/5/36

W. Pookin

It appears from (6) on 2322a/5 that some
time in 1934 they transferred to revenue (£12,169 13/7
representing appreciation and interest down to 31/12 1933
and in (1) the Govt said that the sum of £28,068 was
due for transfer at the end of 1934. It was agreed in
(2) that insofar as that figure represented appreciation and
interest it would be taken into revenue, but there is
nothing in (6) to indicate whether or not that was done.
If it was the present figure of £29,813 must relate
only to 1935 & it appears to me excessive. If no transfer
was made in respect of 1934 the figure of £29,813 seems
insufficient to cover both 1934 & 1935 - incidentally
if there was not transferred at the end of 1934 they must
either have kept the appreciation in the dividend itself or
in the investment & adjustment account and both
figures are wrong.

J. J. Paine
26/5/36

Then ? to C.A. as proposed.

J. J. Paine
26/5/36

400
220 Head
26 above

To C. A. (copy 3) cons - 9/11/1936

6 Comm Agents A 886
Sand gives details required

24th June 1936

According to these figures the appreciation
& interest is in respect of
1935 - we must assume that
a transfer of the appreciation at
the end of 1934 was only affected.
C. Ross Miller
27/6/36

John A. Ross
28/6

The C.A.s. do not say whether the investments appreciated or depreciated during 1935, but they do show, quite clearly, that at the beginning of the year Kenya started off with a surplus of £20,949.16.2 from post transactions the article of which should have been transferred to general revenues on 31.12.34.

The Gov. says in (4) that he is taking £24,555.13.0 for the Railways, but this will still leave him with a surplus of £4,394.3.0 as at 31.12.35 which ought not to be in the Fund at all, & I would suggest telling him to take this balance also into general revenues. (If there was any appreciation in the value of the investments during 1935 it should have been, and since the C.A.s. do not show it, probably was, cleared through the Investments Subsidy Account)

N.C. Cole
25.6.36

Mr Walker,

Any comments please?

Howard
30/6

re X | I do not think there is much doubt Colony's revenues had the whole £29,000 before the warrant was issued for the King's £24,000.

What is needed is approval under C.R. 265 for the charge of £24,000, probably in 1935 & Co. & the same the order.

As regards appreciation or depreciation in

1935 itself, this should, as Mr Cole says, have been adjusted in 1935^{also}. He has to inform on this may assume that no special authority of S. P. was required.

The calculation in No 6 may be the first to introduce the "Capital Liability of Fund", which will prove to be less than the initial sum credited to the Fund & the difference between £29,000 - £2,588/- possibly represents expended capital & accumulated dividends.

L. Walker
30/6/36

? Give approval for the Special Warrant referred to in No 4 for £24,555.13.0.

Howard
1/7

W. Verma

2/7 at me

To Kenya, 494 (4 know) 7 JUL 1936

38225731

C. O.

Mr. *Greenwell 2/27*
Mr. *Parkin 3/12*
Mr.

C.D.
R 4-JUL
D

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

7 July, 1936

Sir,

DRAFT.

Kenya
No. 494
JN.

(4)

I have etc. to acknowledge
the receipt of your despatch
No 204 of the 22nd of April
and to convey to you my
sanction for the Special
Warrant for £24,554. 18. 0
in respect of the transfer
of that amount from the
Kenya Stamp Duty Reserve
Fund to the Kenya and
Uganda Railways and
Harbours Administration.

Yours etc.

(Signed) W. OF M. CORE.

FURTHER ACTION.



DUP.

6

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

RECEIVED 25 JUN 1936 C.O.F.

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

24th June, 1936

A/886

TELEGRAMS: "CROWN, LONDON" TELEPHONE: VICTORIA 7736.

Sir,

(5)

In reply to your letter No. 38225/35 of the 9th June regarding the Kenya Stamp Duty Reserve Fund, I have the honour to state that amount of £29,813. 17. 33. referred to by the Governor in his despatch of 22nd April as being transferable from the Fund to the Colony's revenue appears to be made up as follows:-

	£.	s.	d.
Valuation of Fund as at 31.12.34.	92173.	10.	9.
Capital Liability of Fund.....	63223.	14.	7.
Excess.....	28949.	16.	2.
Add dividends and interest accrued 1.1.35 to 31.12.35...	3752.	2.	-
	32701.	18.	2.
Less amount already taken to revenue in respect of appreciation of investments at 31. 12. 34.....	2888.	1.	-
	29813.	17.	2.

(4)

I have the honour to be,

Sir,

Your obedient Servant.

W. C. Lawrence
for Crown Agents.

The Under Secretary of State,
Colonial Office.

C. O.

- Mr. *Egmont* 307
- Mr. *Campbell* 307
- Mr.
- Sir C. Parkinson
- Sir G. Tomlinson
- Sir C. Bottomley
- Sir J. Shuckburgh
- Perm. U.S. of S.
- Partly U.S. of S.
- Secretary of State

£225735

5

and

CE
R 30 MAY
D 4 June

29 JUN 1936
May 1936

Gentlemen,

DRAFT.

Custom Agents

(3)

I am etc to refer to the letter from this Department of the 22nd of November relative to the Kenya Stamp Duty Reserve Fund, and to transmit to you a copy of a despatch from the Governor of Kenya in reporting which it is reported that the final position at the end of 1935 was that £29,813.17.11. became transferable from the Fund to the Colony's revenue.

22 June 1936
(4)

FURTHER ACTION.

I am to enquire whether you agree that the account is correct and, if so,

if so, it will be appreciated
if you will state how it
~~the amount~~ is made
up.

Sam Eli

(Signed) J. E. W. FLOOD

KENYA.

No. 204



GOVERNMENT HOUSE

NAIROBI.

KENYA.

22 April, 1936.

RECEIVED
22 MAY 1936
C. C. FRY

Sir,

With reference to your despatch No.940 of the 19th November, 1935, on the subject of the Kenya Stamp Duty Reserve Fund, I have the honour to report that the final position at the end of the year 1935 was that £29,813:17s:33cts. became transferable from the Fund to the Colony's revenue, of which a sum of £24,554:13s:00cts was payable to the Kenya and Uganda Railways & Harbours Administration.

I have signed a Special Warrant authorising the Treasurer to pay the latter sum but did not consider it necessary to obtain your prior sanction in view of the correspondence under reference.

I have the honour to be,

Sir,

Your most obedient, humble servant,

BRIGADIER-GENERAL.

G O V E R N O R.

THE RT. HON.

J.H. THOMAS, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON, S.W.1.

Copy to H. ...
...

C.O.

By air mail.

Mr. Cade 16/11

Mr. Howard 16/11

Mr. Freeston 18/11

Sir C. Parkinson.

Sir G. Tomlinson

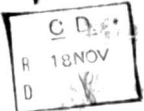
Sir C. Bottomley

Sir J. Shuckburgh

Perm. U.S. of S.

Parly. U.S. of S.

Secretary of State



Sir,

Nov, 1905

DRAFT. Cont'n

Kenya,

No. 440

Governor

I have etc. to ask the receipt of your despatch, No. 558 of the 26th inst. on the subject of the Kenya Stamp Duty Reserve Fund, and to inform you that it is intended that the circ. despatch, forthadvised by the C. Sec. for the Colonies in their letter of the 20th of March should deal with all classes of funds and not merely with stamp duty reserves. I regret that its issue ^{has} should have been unavoidably delayed by questions connected with other classes of reserve funds.

Copy to Sec. (3)

FURTHER ACTION.

Copy 1 to this
L.C.A. L.F.

2. So far as Stamp Duty

Funds

are concerned, I approve the adoption of the procedure outlined in the first para. of your despatch. You will be aware that these Funds consist of monies borrowed under the authority of Loan Ordinances and set aside to be used for the purpose of meeting the stamp duties payable on transfers of the stock. The Funds are not specifically provided for in the Loan Ordinances, but they are nevertheless part of the monies borrowed under the Ordinance for which the Govt. issuing the loan is responsible to the stockholders.

It would not be proper, therefore, to take any part of the unexpended capital of these funds into the general revenues of the Colony, or to utilize it for any purpose other than that for which the loan was raised, though it would be quite proper to transfer to general revenue

the

C. O.

Mr.

Mr.

Mr.

Sir C. Parkinson.

Sir G. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Perm. U.S. of S.

Perly. U.S. of S.

Secretary of State.

DRAFT.

FURTHER ACTION.

10
The interest earned by the investments of the Fund, and also to transfer to general revenue, through the "Investments Adjustment Account", any appreciation in value of these investments. The simplest procedure for carrying this into effect would seem to be that described by the Board Agents, who should also be notified of the difference in the calculated value of the invested fund, ^{and} with a request to transfer it to, or from, General Revenue as the case may be.

I have,

etc.

(Sgd.) MAURICE G. DONALD



RECEIVED
17 NOV 1935
C. O. REGY

26 October, 1935.

Sir,

11/7/35/11/33
encl.

With reference to Lord Plymouth's despatch No. 108 of the 12th February, 1934, on the subject of the application of Colonial Regulation No. 291 (No. 275 in the 1935 Edition) to certain Government Securities, I have the honour to state that it is learned from the Treasurer that in a letter dated the 20th March, 1935, the Crown Agents for the Colonies advised him that you were contemplating the issue of a Circular despatch embodying the following decisions regarding the Stamp Duty Reserve Fund:

Amended (2)

- (1) That the income of the Fund should be credited to General Revenue as received,
- (2) that the market value of the invested fund should be calculated at the end of each financial year and compared with the "Capital Liability" of the Fund, the resulting difference being carried to Revenue or charged to Expenditure as the case may be.

copy to 6a (3)

2. The existing practice in this Colony is for the income, that is the interest on investments, to be credited to the Fund, whereas it is understood that new procedure as above has already been adopted in Uganda.

3. The position up to the end of 1934 has been investigated in the Treasury, and it is estimated that were procedure as above to be adopted in this Colony a sum of £26,062 would have to be transferred from the Fund to the Colony's revenue, £21,203 being paid to the Railway.

These/

THE RT. HON. MALCOLM MACDONALD, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET, LONDON, S.W.1.

These figures would be increased as a result of transactions during the current year and the amount payable to the Railway would have to be covered by Special Warrant, which is the procedure followed in connection with the appreciation of the relative investments.

4. I should be glad to learn at your earliest convenience whether you propose to issue any instructions in respect of the Stamp Duty Reserve Fund of this Colony such as those referred to in para.1 of this despatch.

I have the honour to be,

Sir,

Your most obedient, humble servant,

BRIGADIER GENERAL.
GOVERNOR.