

1925

KENYA

C. O.
35687
5 JUL 25

A.G. DEP NORTHCOE. 842

DATE
6th July 1925.

CIRCULATION :-

Mr. *Boothley*

Mr.

Mr.

Asst. U.S.

Per U.S. of S.

Per U.S. of S.

Secretary of State.

NAIROBI CORPORATION AFRICAN HOUSING SCHEME. LOAN

States that Corporation could not float a loan on satisfactory terms. Seeks approval to re-inclusion in proposed Colonial Loan, such amount as Corporation desires Govt to raise on its behalf. Details will follow later.

Previous Paper

Jan 1300/75

MINUTES

The question of principle has in effect been decided a 30% is approval has been given to include in the loan £20,000 in account of the settlement with the Corporation. The minutes in that paper contemplate additional amounts of the £60,000 here mentioned. Also the £60,000 agreed a 30% as an advance

in consequence of interest at 6 1/2% for the time being is reasonable in the advantage of the Corporation!

I hope that the Govt agrees to the conclusion of provision in the Corporation's behalf in the proposed £200,000 loan but will await the detailed

15 AUG 1925

Handwritten notes

Subsequent Paper

Jan 50442 (L 3,000,000)

proposals before considering the Eustain of the
amount to be included in that proposal in
addition to the £70000 referred in
para 2 & the £20000 approved in 34965:
note the interest arrangement mentioned
in para 3 - and say that the amount

to be included (we have been
examined in the light of the
Colony's other borrowing, as well
as in the light of the Municipality's
requirements

W.S. 10.8.15

J. J. J. J.

KENYA.

No 842



GOVERNMENT HOUSE,
NAIROBI,
KENYA.

6th July, 1925.

Sir,

With reference to the late Governor's telegram of 14th January and your telegram of 14th January last approving an advance of £16,000 by Government to the Nairobi Corporation for the early initiation of the Municipal African housing Scheme pending raising of a proposed Municipal Loan for £250,000. I have the honour to inform you that this project has been exhaustively discussed by the Treasurer with the Corporation and the Managers of the local Banks and that they are unanimous in deciding that the Corporation could not itself float a loan at present on satisfactory terms and that it will be necessary for Government to raise for the Corporation any loan monies it requires.

The Acting Governor has accepted this view and in the circumstances proposes to reintroduce in the schedule of the proposed Colonial Loan such amount as the Corporation desires Government to raise on its behalf. At present the figure is £76,000, viz., the £60,000 which appeared originally as item G in the schedule of the above mentioned loan and then as item G of the services specified in paragraph 10 of Confidential despatch No. 140 of 7th June 1924; and the £16,000 approved in your telegram under reference.

1193
 [Handwritten initials]

MS 7

SECRETARY OF STATE FOR THE COLONIES,
 DOWNING STREET, LONDON, E.C. 1.

has, however, been pointed out to the Corporation that after the Colonial Loan has been raised Government will probably be unable for some years to raise any further sums on its behalf. The Corporation has therefore been asked to consider whether it wishes a further sum raised on its behalf and if so to submit a detailed schedule of works proposed.

The present arrangement whereby the Corporation pays Government interest charges at the rate of $6\frac{3}{5}\%$ on the amounts advanced will be continued until the Colonial Loan is floated and its terms are known. . Ultimately the Corporation will repay its debt by annuity payments, each such payment to equal the sum which Government will have to pay as interest and Sinking Fund Contributions in respect of the amount raised on the Corporation's behalf. . The number of annuity payments will correspond with the number of years over which the whole Colonial Loan is funded.

4. The detailed proposals of the Corporation will be forwarded to you in due course and meanwhile your approval is sought to the reinclusion of provision on the Corporation's behalf in the proposed Colonial Loan.

I have the honour to be,

Sir,

Your most obedient, humble Servant,

J. C. H. Smith
GOVERNOR'S DEPUTY.

Jewell

Allen

Handwritten initials and numbers: "2", "13", "8", "75" and a large signature.

Strachey.

J. Shuckburgh

C. Davis.

G. Grindle.

J. Masterton Smith.

Handwritten signature.

C. D.
13 AUG
13

Downing Street,

15 August, 1925.

DRAFT.

F.A.

G.S.

Handwritten signature and number "482".

Sir,

I have the honour to acknowledge

the receipt of your despatch No.842 of the

6th of July, *in which you report that it* regarding the proposed

~~raising of a loan by~~ *with necessary for* the Colonial

Government Government/on behalf of the Nairobi

Corporation *any loan money that the* for the purpose of a Municipal

Corporation may require African Housing Scheme, and to inform you

that I agree to the reinclusion of

provision on the Corporation's behalf in

the proposed Government loan; but ~~that~~ I

shall ~~will~~ await the detailed proposals before

considering the question of the amount to

be included for that purpose in addition

to

to the £7,000 referred to in paragraph 2.

of your despatch, and the £20,000 approved

in my telegram of the 3rd of August. ⁷ (34965/25)

note the arrangement ^{referred to} described in paragraph 3.

of your despatch with regard to the payment

of interest.

The amount to be included by way
of loan to the Corporation will have to be
examined in the light of the Colony's other
^{of the Colony} borrowings, as well as in the light of the
~~Municipality's~~ requirements ^{of the Corporation}

I have, etc.