

KENYA  
19686.

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19686  
FEB 22 APR 21

NOVR 367  
NORTHBY

LOAN

1921

14TH MARCH

Legislative Council has approved of raising of loan of £9,062,474 details of which are shown in enclosed schedules. States as to necessary legislation and conditions of raising. Promises further deep, as to financial position of Colony in connection with ability to meet loan charges.

Previous Paper.

15879

*Pp. are with the S. of S.*

*I sent Gazette copies of the Ord. to Mr. Longhurst, CA, some days ago.*

*Get the draft S.C.A. herewith, & re-circulate*

*W.S. 25.4.21*

Subsequent Paper.

19704

Protectorate of Kenya  
EAST AFRICA PROTECTORATE

GOVERNMENT HOUSE,  
NAIROBI,  
BRITISH EAST AFRICA

No. 357

19686  
REC 22 APR 21

14th March, 1921.

Sir,

400/60467/10

Schedules.

With reference to my telegram No. 688 of December 7th on the subject of the postponement of the proposed loan to this Colony, I have the honour to inform you that the Legislative Council has approved of the raising of a loan of £9,082,474 details of which are shown in the attached Schedules.

2. A General Loan and Inscribed Stock Ordinance and a Trustee Investment Ordinance have already been passed and are being submitted to you under separate cover. A Specific Loan Ordinance providing for the raising of this loan is being prepared in which the finances of the Colony will be duly safeguarded in respect of the interest and sinking fund on the Railway portion of the loan which should be a first charge on the property and funds of the Railway.

3. The details of the loan to be set out in the Ordinance are shown in Schedule B

enclosed

THE RIGHT HONOURABLE  
WINSTON CHURCHILL, P.C., M.P.,  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET,  
LONDON, S.W.

2  
enclosed in this despatch and it is hoped that it will be possible for arrangements to be made by which the loan will be issued as a whole but calls to take up the issues will be made yearly of such amounts only as can be immediately utilised, vide Schedule A, in order that the item in the Schedule for interest may be reduced as far as possible.

4. In view of the possibility of money being cheaper in a few years time it is asked that the terms under which the loan is raised shall fix as short a period as possible upon the expiration of which redemption may be made by the raising of another loan.

5. With reference to Lord Milner's telegram of September 14th, I will forward by next mail copies of memoranda drawn up by the Treasurer and General Manager reviewing the financial position of the Colony and Railway as a whole from the point of view of their ability to meet the charges on the loan.

I have the honour to be,

Sir,

Your humble, obedient servant,

*Edward Northey*

GOVERNOR.

*Comptroller* 20/20/21

Mr. Bottomley,  
Colonial Office.

Kenya Loan Ordinances.

I enclose a list showing departures from the wording of the Model Trustee Investment Ordinance and the General Loan and Inscribed Stock Ordinance as passed by Kenya.

They are mostly unimportant, and perhaps do not warrant amendment of the Ordinances at the present time, but it is a pity that the wording of the Model Ordinances has not been strictly followed. The alteration of the sequence of the sections, too, is awkward in practice.

It is possible that the more important alterations may be provided for by an Interpretation Ordinance - if Kenya has one - e.g. in the Trustee Investment Ordinance, Section 3, 7th line, and Section 4 (1), 4th Line, and in the General Loan and Inscribed Ordinance, Section 2 and 34 and possibly Sections 16 and 29.

I presume that you are taking the matter up with the Treasury as to the gazetting of the Kenya Loan - when issued - as a Trustee investment.

*C. Williams*

Crown Agents Dept.

25th April 1921.

Kenya Trustee Investment Ordinance.

In preamble. 17th line, the word "their" is left out before "opinion"

" 18th line, the words "of the" left out before provision

Short title (No. 6) in Model comes first, so numbers of Sections disagree throughout.

Section (2). 3rd line, "any of them" should read "any one of them."

5th line, "and any amendments thereof" not in Model.

Section 3. 5th line "these Acts" instead of "those Acts."

7th line, "Kenya" should come in before "Govt. Securities."

Section 4. (1) 4th line, "Kenya" should come in before "Govt. Securities"

(2) 2nd line, "the" before "case" should be omitted.

Section 5. 2nd line, "the" should be inserted before Crown Agents.

Section 6. Marginal Note "As to subsequent legislation" is not in the Model Ordinance.

Section 6. 5th line "these Securities" should be "those Securities."

Description title of Ordinance disagrees with that given to the Model.

Kenya General Loan and Inscribed Stock Ordinance.

As in the case of the Trustee Ordinance the "short title" clause has been put first instead of last, so that the numbers of the Sections in this and in the Model Ordinance do not correspond.

Enactment. The words "as follows" left out after "thereof."

Section (2) The expression "Governor" means the person for the time being administering the Govt. of Kenya." These words are left out altogether in the Ordinance.

~~Section (14)~~ 7th and 8th lines. Punctuation has been omitted.

Section (16) 6th line. "The Secretary of State" should read "His Majesty's Principal Secretary of State for the Colonies."

Section 23. Marginal Note. Cession should be ~~inserted~~ *inserted*.

~~Section 28.~~ Punctuation omitted as in Section 14.

Section 29. (6th line). The "Secretary of State" should read "His Majesty's Principal Secretary of State for the Colonies," as in Section 16.

Section 33.(c) It reads "Section 31." in Model, of course, as the numbering of the Sections does not correspond.

Section 34. After "Governor" the words "of Kenya" have been left out.

The Repeal Clause and Saving Clause are, of course, not included in the Kenya Ordinance.



ENCLOSURE  
143-1021

In Document No. 391 of 143

SCHEDULE A.

STATEMENT OF THE ESTIMATED EXPENDITURE PER ANNUM ON WORKS, ETC.

ITEMS.	July 1921	July 1922	July 1923	TOTAL.
	to June 1922	to June 1923	to June 1924	
<b>PATWAY.</b>				
1. Railway extensions	802,000	1,242,000	494,000	2,538,000
2. Rolling stock and locomotives for new Railways	222,000	172,000	94,000	500,000
3. Rolling stock for Uganda Railway	200,000	-	-	200,000
4. Locomotives Do.	150,000	-	-	150,000
5. General provisions Do.	222,000	250,000	-	472,000
6. New signal systems	50,000	61,750	-	111,750
7. Electrical power	250,000	430,000	-	680,000
8. Depreciation of Old Lines	1,100,000	430,000	300,000	1,830,000
				<u>8,300,750</u>
<b>GRAND TOTAL.</b>				
9. Railways	180,000	300,000	340,000	820,000
10. Roads	80,000	150,000	-	230,000
11. Loan to local authority	100,000	-	-	100,000
12. Depreciation of old lines	50,000	-	-	50,000
				<u>1,350,000</u>
	1,902,000	2,632,750	1,258,000	7,850,750

Statement of a proposed loan of £2,082,474 (approx)

RAILWAY PORTION.

1. Railway Extensions	Plateau Railway	£1,680,000	
	Mole Valley do.	320,000	
	Nyeri do.	860,000	2,660,000
2. Rolling Stock and Locomotives for new Railways	For Plateau and Mole Railways	330,000	
	For Nyeri Railway	170,000	500,000
3. Rolling Stock for Uganda Railway			300,000
4. Locomotives	do.		150,000
5. General Improvements			559,000
6. New Staff Quarters			121,750
7. Kilindini Pier			1,000,000
8. Repayment of old loans (approx)			<u>1,100,000</u>
			6,360,750

If the loan is issued at a discount of 5% it will be necessary to issue stock to the extent of 5% above the amount to be raised. } 333,940

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6,694,690

Allowance to cover interest for 3 years on the same ratio as shown in the Secretary of State's telegram of November 20/20. } 950

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Total Railway Portion £ . 7,651,074



**SCHEDULE C.**

Details of portion of loan to be spent on general services in the Colony.

**I. BUILDINGS:-**

1	Official Quarters Nairobi.	£148,000	
2	" " " Mombasa	63,000	
3	" " " Kisumu	38,400	
4	Forests Department	5,000	
5	Education	100,000	
6	Police (New Police Station instalment only.)	93,000	
7	Medical	60,000	
8	Agricultural	40,000	
9	Postal	70,000	
10	Prisons	20,000	
11	Public Works	20,000	
12	High Court (Instalment only)	50,000	
13	Administration Department	72,000	
		<u>£ 800,000.</u>	<u>£800,000.</u>

**II. ROADS:-**

1	Survey	£ 10,000	
2	Road Plant	22,000	
3	Metalled roads in towns	24,000	
4	Permanent Bridging	100,000	
5	Improvement of existing roads (other than bridging)	24,000	
6	Miscellaneous charges	20,000	
		<u>£ 300,000</u>	<u>£300,000</u>
			<u>£1,000,000.</u>

**III. LOAN TO NAIROBI MUNICIPALITY:-**

1.	Purchase of Plant for maintenance of Roads.	£ 10,000	
2.	Purchase of water supply	20,000	
3.	Extension	30,000	
4.	Municipal Offices (instalment only)	30,000	
5.	General Improvement in Sanitation, Roads, etc.	15,000	
6.	Native Location	5,000	
		<u>£ 100,000</u>	

**IV. REPAYMENT OF EXISTING LOAN:-**

		<u>£ 90,000</u>	
	Adjustment for discount as in Schedule B at 5%.	<u>£1,190,000</u>	
		<u>£ 1,280,000</u>	
	Interest for 3 years as in Schedule B	<u>£ 172,925</u>	
	Total Colony's Portion	<u>£1,452,925</u>	

Statement of a proposed Loan of £9,082,474 (approx).

**RAILWAY PORTION.**

1. Railway Extensions	Platoon Railway Mole Valley do Nyeri do	21,380,000 330,000 330,000	2,650,000
2. Rolling Stock and Locomotives for new Railways	For Platoon and Mole Railways For Nyeri Railway	330,000 170,000	500,000
3. Rolling stock for Uganda Railway			300,000
4. Locomotives	do.		150,000
5. General Improvements			589,000
6. New Staff Quarters			121,750
7. Kilindini Pier			1,000,000
8. Repayment of old loans (approx)			14,100,000
			6,360,750
			322,940
			6,694,690
			956,384
			<u>2,7,651,074</u>

If the loan is issued at a discount of 5% it will be necessary to issue stock to the extent of 5% above the amount to be raised)

Allowance to cover interest for 3 years on the same rate as shown in the Secretary of State's telegram of November 20/20

**COLONY'S PORTION.**

9. Buildings		800,000
10. Roads		200,000
11. Loan to Nairobi Municipality		100,000
12. Repayment of Existing Loan		80,000
		<u>2,1,380,000</u>
Add 5% as above		62,475
		<u>2,1,252,475</u>
Interest for 3 years as above		178,925
		<u>1,431,400</u>
		<u>1,431,400</u>
		<u>9,082,474</u>

Grand Total of Loan

9,082,474

Ev Kenya  
19686

Promissory

25 April 1925

Gentlemen,

I am re. to herewith to you  
the accompanying <sup>copy</sup> copies of a  
draft ~~which has been~~  
received from the Gov. of  
Kenya regarding the steps to  
be taken for the issue of the  
Kenya Loan.

DRAFT.

MINUTE.

Mr. P. B. 29/4/25  
Mr.  
Mr.

Mr. Grindle,  
Sir H. Lambert,  
Sir H. Read,  
Sir G. Fiddes,  
Col. Amery,  
Lord Milner.

2. Copies of the two Ordinances

have already been sent to you  
~~and~~ unofficially, and Mr.  
Churchill will be glad to be  
presented at an early date  
with your views on them and  
on the general considerations  
contained in the Sir Edward  
Honey's despatch.

Ev. 357 (4 months) (D)  
Schomers

(Signed) H. J. REES

Govt Kenya  
1968b

Premier

25 April 1968

Gentlemen,

I am re. to herewith to you

the accompanying <sup>copy</sup> ~~copy~~ of a  
draft which has been  
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2. Copies of the two ~~proposals~~

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with your views on them and

on the general considerations

contained in the Sir Edward

Healey's despatch

DRAFT.

C. A

Jr

MINUTE.

Mr. P. Woodhouse 29/4/68

Mr.

Mr.

Mr. Crinille,

Sir H. Lambert,

Sir H. Read,

Sir G. Fiddes,

Col. Amery,

Lord Milner.

Govt. 357 14/4/68 (D)  
Sch. 1

Kenya

(Signed) H. REAGAN