

EAST AFR. PROT
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A.G.V. 237
Date. 1912
April
Previous Paper. 5390

LAKE STEAMERS
INSURANCE AND DEPRECIATION FUND

Recommends procedure for the establishment of.

Wm Stephenson

Richard Sir G. Foster

These proposals appear to be satisfactory and
may, I think go to the Treasury, ^{but} with ^{an} addition to
sub-para (f) to the effect that the fund shall be under
his control & the Govt. ^{at payments therefrom shall be} subject to the approval of the Com.
of the Com.

[Signature]
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H. J. R.
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at once

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GOVERNMENT HOUSE,
NAIROBI
BRITISH EAST AFRICA

EAST AFRICA PROTECTORATE.

April 4th 1912.

No. 237

Sir,

Geneo
In reply to your despatch No. 29 of 19th January, I have the honour to recommend the following procedure for the establishment of Insurance and Depreciation Fund for the Kenya Railway Steamers:-

That in the Railway Estimates under Abstract sub-head be opened viz: "Insurance on" "Flotilla"

(c) That the Fund be used for making good loss of, or damage to, vessels arising from fire or other risks and to replacing worn out or obsolete vessels. The Fund shall not be used for ordinary upkeep or maintenance of vessels.

(d)

THE RIGHT HONOURABLE

LEWIS HARCOURT, P.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET, LONDON, S.W.

(d) That any additions to the flotilla, i.e. new vessels forming an addition and not a replacement, shall not be charged to the fund but shall be provided under a special vote.

(e) That the amount to the credit of the fund shall never exceed the book value of the flotilla. Should it ever attain this figure the annual charges shall cease and the interest on the investments shall be credited to the General Account of the Protectorate.

(f) That the control of the fund shall be in the hands of the Governor for the above purposes.

(g) That in calculating the total book value of the Flotilla the original value of a vessel which has been replaced be written off and the value of the new vessel substituted therefor.

2. I have suggested that 5% of the book value of the Flotilla be deducted for the fund because I estimate that the average life of our steamers may be taken as 20 to 25 years of which on the average 7.76 years has already expired as regards our steamers and 16 years as regards our tug and lighters. The tug and lighters were originally in use at Kilindini.

3. We have therefore to fix a rate of insurance that will accumulate until it equals the total capital value within the remaining life time of the vessels. The present book value of the Flotilla is approximately £150,000 and after the new cargo boat, "The..." and the "..." have been added it will amount to £... deduction

... of £7 on this latter amount represents
an annual sum of £9,500 which invested in se-
curities yielding 3.5% will amount in 16 years
to approximately £190,000 i.e., assuming that
in the interim only small deductions for fighters
have to be made, the fund will attain the full
book value of the fleet at about the time when
the existing vessels are becoming worn out and
heavy replacements will have to be made.

I have the honour to be,

Sir,

Your humble, obedient servant,



ACTING GOVERNOR.

for [unclear]
1882

D. 13

DRAFT.

(5380)

With reference to your
letter no 1478/12 of the 12th

the Secretary of the
Panama

of the [unclear] and [unclear]

of the [unclear] to the [unclear]
of the [unclear] [unclear]

of the [unclear] [unclear]
of the [unclear] [unclear]

of the [unclear] [unclear]

I am [unclear] to [unclear] to

you, to [unclear] before the

of the Panama, the

Accompanying [unclear] of

desp. from [unclear] [unclear]

of the [unclear] [unclear]

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