

1934

23267

1934

23267

KENYA

C0533/450

Loan Sinking Funds

Previous

3812/33

Subsequent

38133/35

Aug 27	4/4
Nov 10	5/9
The Vernon	5/8
S. C. Bottomley	6/4
Aug 27	7/4
Nov 10	7/9
CA	11/7
298	12/19
297	

Loan  
Loan Sinking  
Funds.

1. Govt Security Moore 112 Conf 9 Aug 51  
Records that in view of difficulty in the balancing of the  
1950 Budget amongst certain restrictions of expenditures, contribution  
to the sinking funds in respect of the Treasury Loans should be  
maintained at 1%.

The three loans affected are -

(a) 1921 £ 5,000,000 @ 6% redeemable 1946-56  
S.F. contribution was originally 1.3% but  
was reduced by decision of S.F.S. to  
from 1.1%.

18/2/52

(b) 1930 £ 5,000,000 @ 4 1/2% redeemable 1961-71.  
S.F. contribution became payable only  
in 1/7/54, etc. after the S.F.S. decision.  
Premium for 1950 made at 1.0%

5/11/55

(c) 1932 £ 305,600 @ 2 1/2% redeemable 1957-67.  
S.F. contribution became due as from 15/2/55.  
C.A. advised that a rate of 1.55% would  
be actuarially necessary assuming  
accumulation @ 3 1/2%.

? Too high.  
3 1/4% is correct  
high enough  
+ safety.  
r.c.u.

The other Treasury loans have always carried  
1% contribution.

(In the present state of the various Sinking  
Funds, please see pages of the 1953  
Financial Report - volume below).

A 1% contribution in respect of 1935 will

Therefore call for:-

- (A) £ 50,000
- (B) 34,000
- (C) 2,254 (=  $\frac{7}{8} \times 3056$ )

£ 86,254

of which reimbursement by the KUR would provide:-

- (a) £ 42,454
- (b) 11,760
- (c) NIL

£ 54,214

32,040

£ 86,254

Leaving the Colony £ fund

If it should be decided that the 1935 contribution should be brought nearer to the actual level, each 1% increase would impose an added burden of £3204 on the Kenya taxpayers, and £5421 on the KUR.

As regards the Colony, the emergency still continues, and the reasons for making potently pay are as valid now as they were in 1932 & 1933. True, the KUR.

finances have improved, but it would be impossible to discriminate

? Telegraph as a draft, sending copy correspondence to Treasury L.A.

Headline  
5/9

I agree. But since of ST having should be regarded as a first step in any financial improvement, and a proper actual calculation should then be made.

28/11/34

28/11/34

It appears the figures, it must be that we can.

28/11/34

2 Tel to Gov Kenya No <sup>214</sup>~~214~~ Conf - 6<sup>th</sup> Sept.

copy cases to Treas

CA. 3/1  
vide out of 4/1

To Treasury. (1/2/1 + 2) 18/16

4 C.A. (1/2/1 + 2) 18/16

18/16

12/9/34

C.D.  
8 9 SEP  
D 9

23267/34 R2911  
Keene

Mr. Fleeton 5/9

Mr. Vernon 5

Mr. Parkinson.

Sir G. Tomlinson

X Sir G. Bottomley 6.9 of 1935

Sir J. Shuckburgh

Permt. U.S. of S

Parly. U.S. of S

Secretary of State

Closed Seal  
5.30pm

4/9/34  
M2

Hoo

DRAFT. Tel.

Gymeria Naudie

Conf. No. <sup>214</sup> ~~112~~ Your despatch  
9<sup>th</sup> Aug. 112 Conf. 1  
approve provision of sinking  
fund contributions on all  
loans at 1% for 1935  
Position should be reconsidered  
as regards 1936. Addressed  
to you also as High Comm.  
for Transport

(3) (4)  
Copy to { January  
C.A.

SECRET

FURTHER ACTION.

KENYA  
No. 11



GOVERNMENT HOUSE  
NAIROBI  
KENYA

CONFIDENTIAL.

August, 1934.

SIR,

I have the honour to refer to your telegram No. 259 of the 11th December, 1933, in which you approved the provision of contributions to the sinking funds in respect of the Colony's loans at the minimum rate of 1 per cent. during 1934, and directed that the question should be reconsidered again this year.

2. I consider that it is desirable to maintain these minimum sinking fund contributions in respect of all the Colony's loans during 1934. The possibility of an appreciable surplus on the working of the year 1934 is small, while there are certain new items for which provision will have to be made in 1935, which will render the balancing of the budget an exceedingly difficult task on the present basis of taxation. I refer in particular to (a) the necessity of providing sinking fund contributions on the £5,400,000 1930 loan in respect of the full year, (b) payment of Government contributions to the Local Civil Service Provident Fund, the establishment of which you have approved in principle in your Confidential despatch of the 22nd June.

THE RIGHT HONOURABLE,  
MAJOR SIR PHILIP CHENLIFE-LISTER, P.C., G.B.E., M.C., M.P.  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET, LONDON, S.W.1.

KENYA  
No. 112



GOVERNMENT HOUSE  
NAIROBI  
KENYA

CONFIDENTIAL.

April 11, 1954.

Sir,

I have the honour to refer to your telegram No. 259 of the 11th December, 1953, in which you approved the provision of contributions to the sinking funds in respect of the Colony's loans at the minimum rate of 1 per cent. during 1954, and directed that the question should be reconsidered again this year.

11/1/54  
11/1/54  
11/1/54

2. I consider that it is desirable to maintain these minimum sinking fund contributions in respect of all the Colony's loans during 1955. The possibility of an appreciable surplus on the working of the year 1954 is small, while there are certain new items for which provision will have to be made in 1955, which will render the balancing of the budget an exceedingly difficult task on the present basis of taxation. I refer in particular to (a) the necessity of providing sinking fund contributions on the £5,400,000 1950 loan in respect of the full year, (b) payment of Government contributions to the Local Civil Service Provident Fund, the establishment of which you have approved in principle in your Confidential despatch of the 22nd June.

THE RIGHT HONOURABLE,  
MAJOR SIR PHILIP CHENLIFFE-LISTER, P.C., G.B.E., M.C., M.P.  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET, LONDON, S.W.1.

Further, you will have observed from my despatch No.354 of the 29th June, 1954, that provision in the 1954 Estimates on account of Pensions and Gratuities was underestimated by £15,000; provision in 1955 Estimates will therefore have to be substantially more than that made in 1954.

3. I trust that, in the circumstances, you will accord your approval to the maintenance of sinking fund contributions at 1 per cent.

I have the honour to be,

Sir,

Your most obedient, humble servant,



GOVERNOR'S DEPUTY.