

1938

38011

CO 533/489  
KENYA

38011

AGRICULTURAL ADVANCES SCHEME

~ CREDIT FACILITIES FOR AGRICULTURE

Previous		R. 309 AM	18
		M. Dale	20.0
1937		M. Dave	20
		303	21.
		297	22/6
Subsequent		297	22/6
1940		Library (Legal)	23/6
		R. 297	24/12
		309	24/12
	29/38	M. Parkin	29
297		M. Frislan	30
309		Tel. Section	✓
AM Dave	2.2	R. 297	
M. Walker	3/2		
M. Dave	4.2		
SIR C. BOTTOMLEY	5.2		
S. R. 309			
299	11/2		
297	2/3		
from Dept. of Agric	3/3		
to Campbell	4.3.38		
1.3.38	10/3		
M. Dave	11.3		
R. 297	30/5		
11088			

Details circumstances in which he requests approval, without prejudice to general question, to creation in final accounts for 1937 of a reserve of £45,000 for depreciation of Agricultural Advances.

M. Walker

But I comment on the policy, I should be glad to have your obsnrs. on the procedure proposed.

A. J. Dawe  
2.2

The procedure is a halfway measure towards providing on votes the sums advanced "below the line" to the Board also showing the Colony's surplus more accurately. In view of last year's deficit & the continuance of the present budgetary ones write-off, I would approve the procedure proposed, but from the point of view of the Colonial cash accounts system it is quite unusual.

a vote of £45,000 is proposed: no doubt the Colony has a balance of revenue not sufficient to cover this.

I agree wholeheartedly with the Board that a financial discounting of individual advances would be most undesirable & the surest way of discouraging repayments.

Yes.  
Revised E.F. of Rev. 3,571,900  
" " " Est. 3,496,500  
Excess of Rev. 75,000  
75,000 - the £45,000  
will still leave £30,000.  
There will be no deficit on 1937.

W.D.

A. J. Dawe  
20/1/38

Sir C. Bottomley.

Mr. Walker sees no objection to the procedure proposed, and I do not see that the Secretary of State can very well withhold his sanction to the proposals.

It is a sad story, but it was no doubt realised from the start that the Government was bound to lose a lot of the money advanced. I am afraid that elsewhere in the Colonies there will be a good many more birds of this sort coming home to roost in future years. Perhaps I may venture the general comment that in dealing with these agricultural credit schemes in the Colonies generally we are, in my opinion, apt to be seduced a little too much by the experts in agriculture and co-operation and do not pay sufficient attention to the hard financial realities which must be given proper weight if we are to keep these projects on a sound basis.

After action has been taken the Economic Department may care to see the injunction contained in the Secretary of State's minute of the 22nd December on the /37 file.

Acknowledge and say that in the circumstances the Secretary of State gives his sanction, in the terms in which the Governor seeks it, for the creation of a reserve account for the depreciation of these advances.

*W.D. Maw*

*Seen M.D. Maw 3/13*

*See 50 proceed.*

*Let Sir J. Campbell see letter*

*W.D. 5.2.38*

*2/20/38 - 11 FEB 1938*

**DESTROYED UNDER STATUTE**

*Keon kept here as per X*

*Sir J. Campbell*

*Mr. Bannister*

*3. Extract from ...*

*W.D. Maw*

*4. For 291*

*2: 5 38*

*Noted to 1.20 ... 2. 2 with 12 plain copies of Order of 1938 with legal Report thereon. (Spencer to Kelly)*

M. Dale

*Any legal ...*

*W.D. Maw*

*The proviso is so worded that advances made on the ... But it would be wrong which ... and for, to be the point and (double ... and trouble to ...*

*Allow W.D. Maw 20.6*

Kenya 357. + Ann. C/B. 22.6.38.

Notes, E.G. Smith, Kenya, 22.6.38

6. Kenya 730

19.12.38.

Interim report for period Jan to 31 Oct 1938. Awaiting approval by tel as early as possible of proposal for the continuance of the scheme in 1939.

The winding up of the Agricultural Advances Scheme approaches slowly, as is seen from these figures:-

Date	No. of cases	Amount owing to Board
1.1.1936	62	£ 106,500
1.1.1937	53	£ 96,300
1.1.1938	48	£ 88,500
31.10.1938	46	£ 84,800

For the coming year the following outgoings are proposed:-

Advances	No. of cases receiving them	Administrative Expenses	Contingencies
£2,144	4	£ 755	£ 500

which compares favourably with the figures for previous years:-

1936 £ 10,600	24	£ 1000	£ 3000
1937 £ 7,400	13	£ 1000	£ 3000
1938 £ 4,900	9	£ 800	£ 1000

Activity is now sought (a) for new advances of £ 2,144/10 to be made. In all cases the advances are to farmers falling in those classes where (p 2 of the circ) it is necessary to make further advances

in order to secure the repayment of advances already made.

(b) for the writing off of £ 13,956/5/70 in five cases in which, as is explained in the appendix to the circ, no other course is possible in the circumstances. An insignificantly small part of this may be recovered later. It is relevant to note in this connection that a sum of £ 45,000 was put aside, out of the Colony 1937 surplus, for the depreciation of these Agricultural Advances.

(1) & (2) hereon

? Approve the job proposals. A telegraphic reply is asked for so I put up a draft for review.

Nov 9.  
998.

There is one point I do not understand. In the ordinance at (4) it was provided that as from 1/1/38 all interest charges on the advances should cease. This is referred to in § 3 of the circ. Yet in § 11 there appears, as part of the receipts for the period 1/1/38 to 31/10/38, interest amounting to £ 1,326.

This must refer to amount of interest due but not paid by 1/1/38

Government does nothing to help the white farmer. But Dr. S.N. Beasley seems to have got away with £ 7,000 odd.

Clarey White

27/12

30/12/38

KENYA  
No. 720



6  
GOVERNMENT HOUSE  
NAIROBI  
KENYA

19 December 1938.

Sir,

*1937 file*  
I have the honour to refer to your predecessor's telegram No. 212 of the 23rd December, 1937, on the subject of the Agricultural Advances Scheme, and to forward a copy of the interim Report for the period 1st January to 31st October, 1938, submitted by the Land and Agricultural Bank of Kenya, acting as Agents for the Government in the administration of the Scheme.

2. In accordance with the recommendations contained in paragraphs 20 - 22 of the Report, I request your approval of the following proposals for the continuance of the Scheme in 1939:-

- (a) that authority should be given for the making of advances in 1939 to four cases in Classes A.II, A.V and A.VI, to the extent of £2,144.10.00;
- (b) that authority should be given to incur necessary expenditure on administration not exceeding £775 in 1939, and that a sum of £500 should be placed at the disposal of the Board to meet unforeseen emergencies; and
- (c) that advances in five cases totalling £13,956. 5.70 in principal and interest should be written off as irrecoverable.

*Amend (2)*  
I shall be glad to receive your approval by telegram as early as possible, in order that continuity of farming operations may not be disturbed by delay in advising participants of the arrangements authorised for 1939 and that interruption in the operation of the scheme may be avoided.

I have the honour to be,  
Sir,  
Your most obedient,  
humble servant,

THE RIGHT HONOURABLE  
MALCOLM MACDONALD, M.P.,  
SECRETARY OF STATE FOR THE  
COLONIES,

DOWNING STREET,  
LONDON, S.W. 1.

*P. Brooks-Jephson*  
AIR CHIEF MARSHAL  
GOVERNOR

CONFIDENTIAL.

INTERIM REPORT OF THE LAND AND AGRICULTURAL BANK OF KENYA ACTING AS AGENT FOR GOVERNMENT IN THE ADMINISTRATION OF THE AGRICULTURAL ADVANCES SCHEME FOR THE PERIOD 1ST. JANUARY TO 31ST. OCTOBER 1938.

TO HIS EXCELLENCY THE GOVERNOR

Your Excellency,

I have the honour to submit on behalf of the Board the following report for the period 1st. January to 31st. October 1938, together with the reviews and recommendations of the Board in regard to the future operations of the Agricultural Advances Scheme.

2. Complete statements of accounts for the year will be submitted as soon as completion of the audit permits after closing of the books at 31st. December 1938. Meanwhile, this Report is submitted in the hope that an early decision upon the Board's recommendations may be received by cable in order that continuity of farming operations may not be disturbed by delay in advising participants of the arrangements authorised for 1939.

LEGISLATION: 3. With a view to facilitating the final winding up of the Advances Scheme, the Board, during 1937, made representations to Government that interest charges on all advances should cease as from 1st. January 1938. These representations received the sympathetic support of

SECRETARY TO THE BOARD  
AGRICULTURAL ADVANCES SCHEME  
Nairobi

CLASS B. V : Definitely bad cases where the Board recommend realisation when a favourable opportunity occurs.

ADVANCES, 1938.

5. The recommendations made by the Board in their Report for 1937 for the continuance of advances in 1938 were approved by the Secretary of State as follows :-

- (a) Advances to 9 cases in Classes A.II, A.V & A.VI £4953
- (b) Administration expenses not exceeding 800
- (c) Against unforeseen emergencies 1000  
£6753

6. The amount of £4953 sanctioned to 9 cases was eventually credited to participants' advances account.

7. Of the advances authorised above £2957 had been issued to participants up to 31st. October 1938 leaving a balance of £1996 available to them for the months of November and December 1938.

8. Of the £1000 authorised for unforeseen emergencies £59.14.50 had since been issued up to 31st. October 1938 as authorised by the Board as follows:-

- Farm property (H.Moore) Caretaker 90/-
- G.Byron - Valuation 72/50
- Mrs.West for purchase of oxen 1000/-
- Mrs.Boyce. Notice re. Sale 32/-

A further £25 has been approved for issue to Mrs.West for oxen between 1st. November and 31st. December.

9. For the period 1st, January to 30th. September 1938 Administration Expenses were £562 as compared with £911 for the year 1937.

10. On January 1st. 1938 there were 48 names on the books of the Advances Board classified as under :-

A.II	A.V	A.VI	B.I	B.II	B.III	B.IV	
5	2	2	2	3	19	15	= 48

11. During the period 1st. January to 31st. October 1938 payments by all classes were as under :

RECEIPTS

<u>Advanced</u>	<u>Class</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
£1,674	A.II	1,818	80	1,898
904	A.V	941	3	944
379	A.VI	598	12	610
--	B.I	8	7	15
--	B.II	28	18	46
--	B.III	748	304	1,052
--	B.IV	1,315	902	2,217
<u>£2,957</u>	-	<u>£5,456</u>	<u>£1,326</u>	<u>£6,782</u>

12. The following table affords a comparison of the position as at 1st. January and 31st. October 1938 :-

	<u>No. of A/cs.</u>	<u>Prin. owing</u>	<u>Interest</u>	<u>Total</u>
1st. Jan. 1938	48	£77,300	£11,279	£88,579
31st. Oct. 1938	46	£74,863	£ 9,953	£84,816

The reduction in number of accounts is due to 2 accounts having been repaid in full.

13. During the period under review, interest collections from participants amounted to £1,326: £97 was earned on the Bank's account with the National Bank of India and Bad Debt recoveries amounted to £59. The total revenue therefore amounted to £1,482, and after deducting Administration Expenses, the nett revenue will be paid to the Treasury when accounts are finally made up at the end of the year.

14. The balance at the National Bank of India Ltd. on 31st. October 1938 was £8,532.12.86.

15. Since 1st. January 1938 the following participants have repaid advances and/or interest in full:-

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Englebrecht, C.F.L.	£51	3	54
Watney, C.W.	--	300	300
	<u>£51</u>	<u>£303</u>	<u>£354</u>



16. Since 1st. January 1938 five debts have become bad :-

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Reserve</u>
Duncan & Ptns.	1573.13.57	-	1573.13.57	1680
Beesley, S.N.	6111.19.73	1489.18.96	7601.18.69	6112
Owles, A.H.	2164.19.11	-	2164.19.11	2148
Webber, A.C.	2122.16.67	-	2122.16.67	2145
Hervey, G.C.	492.17.66	-	492.17.66	-
	<u>£12466. 6.74</u>	<u>1489.18.96</u>	<u>£13956.5.70</u>	

Details of the above cases are attached hereto as Appendix.

RE-CLASSIFICATION:

17. As a result of the examination of individual cases by the Board these have been re-classified as follows :-

<u>Class.</u>	<u>No. of Cases at 1/1/38.</u>		<u>No of cases after re-classification</u>
A.II	5	2 to B.III 1 to B.IV.	2
A.IV.	nil		nil
A.V.	2	1 to B.III	1
A.VI.	2	1 to B.III	1
B.I	2		2
B.II	3		3
B.III	4	2 from A.II, 1 from A.V, 1 from A.VI, 1 to Bad Debts	2
B.IV	15	1 from A.II, 4 to Bad Debts. 1 Repaid.	11
Total	<u>48</u>		<u>42</u>

18. With a view to a more speedy closing down of the Scheme the Board are making enquiries as to the possibility of closing certain accounts by offering to accept a reduced amount as a cash settlement.

Any definite proposals in this regard will be submitted to Government for approval.

STATEMENT OF ACCOUNT.

19. An unaudited copy of the Central Agricultural Advances Account for ten months to 31st. October 1938 is attached hereto.

RECOMMENDATIONS:

20. The Board now seek authority :-
- ( a ) To make advances in 1939 to four cases in Classes A.II, A.V, and A.VI, to the extent of £2,144.10.
  - ( b ) To incur necessary cost of administration not exceeding £775 in 1939.
  - ( c ) To write off Bad Debts in the following five cases :-

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Duncan & Partners	1573.13.57	--	1573.13.57
Boesley S.N.	6111.19.73	1489.13.96	7601.18.69
Owles, A.H.	2164.19.11	--	2164.19.11
Webber.A.C.	2122.16.67	--	2122.16.67
Hervey, G.C.	<u>492.17.66</u>	--	<u>492.17.66</u>
Total	<u>£12466. 6.74</u>	<u>1489.13.96</u>	<u>£13956. 5.70</u>

21. The Board further recommend that a sum of £500 be placed to their order against unforeseen emergencies.

22. If the contents of this Report are approved it is suggested that copies be forwarded immediately by Air Mail to the Secretary of State with a request that his decision on the various recommendations contained in paragraphs 20 and 21 above be telegraphically communicated to Government in order that the Scheme may continue to operate without interruption.

(Signed) C. R. LOCKHART

CHAIRMAN,  
BOARD OF THE LAND BANK.

APPENDIX A.

T.N. S DUNCAN & PARTNERS.

Principal 31/10/1938 £1,573.13.57

Reserve £1,680

The Board agreed on 10th. August 1937 to maintain the farm to the end of the 1937 crop year (March 1938) and advances were made for this purpose.

Crops and the Board's security under the Chattels Mortgage have been realised.

The farm is subject to a first mortgage (Estate G.A.H. Hamilton) of £3000 and accrued interest thereon amounting to approximately £1000.

The farm has been adandoned.

The position of the account at 1st. January 1938 was:-

Principal	£1,739. 4.55
Interest	<u>73.11.31</u>
TOTAL	<u>£1,812.15.86</u>

A further small payment may be expected from the Kenya Farmers' Association pool.

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N.B.I. 13. S.N.BEESLEY.

Reserve £6112.

Principal	£6,111.19.73
Interest	<u>1,489.18.96</u>
Total	<u>£7,601.18.69</u>

Mr. Beesley left the Colony in November 1937 and the farm was taken over by the Mortgagee. Implements etc., pledged to the Board under a Bill of Sale realised £314.12.

Mr. Beesley has signed an acknowledgement of debt for the balance but as he is now in Australia it is unlikely that any further recovery will be made.

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K.S.U. 14. OWLES, A.H.

Principal £2,164.19.11

Reserve £2148.

The farm was put up for auction on 13th. May 1938 at the instance of the First Mortgagee and bought in by him.

The crops and certain loose assets have been realised. A few implements remain to be sold on account of the Board but in view of the distance of the farm from any town it is difficult to find a buyer.

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K.S.U. 3. WEBBER, A.C.

Principal £2,122.16.67

Reserve £2,145.

As a result of unfavourable reports on the farm no advances were recommended for 1938 and Mr. Webber was unable to carry on farming. The farm is subject to a First Mortgage of £6000 and accrued interest amounting to £500. Failure is attributed to a series of bad seasons, labour shortage and farming methods not suited to the district together with an over ambitious programme. Mr. Webber has left the Colony and the loose assets pledged to the Board realised £200.

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K.S.U. 19. HERVEY, C.G. (Deceased)

Principal £492.17.66

Mr. Hervey died in September 1932. The Farm was subject to a mortgage in favour of the Standard Bank of South Africa Ltd. of £5000. It was sold by public auction in 1933.

A sum of Shs.8,042/79 was paid to the Board by the Public Trustee in 1937 from crop sales and a final dividend of Shs.8,897/37 paid in June 1938.

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CENTRAL AGRICULTURAL ADVANCES BOARD  
BALANCE SHEET AS AT 31ST. OCTOBER 1938.

(UNAUDITED)

LIABILITIES

Treasury Advances as at 31st December 1937	86,516.15.13
Interest Earned	
Less Received	10,661. 4.13
<u>Treasury Revenue Account</u>	
Bal. from Rev. & Exp. A/c. as at 30th. Sept. 1938	882.14.94
Bal. from Rev. & Exp. A/c. for October 1938.	38. 8.05
<u>Deposit Account</u>	18.00.71
	<u>£98,117. 2.96</u>

ASSETS.

	Principal	Interest	Total
Sundry Debtors	74,871. 2.29	9956. 6. 70	84827. 8.99
Farm Properties	4,058. 3.68	701.17. 43	4757. 1.11
	78,922. 5.97	10661. 4. 13	89584.10.10
Cash at National Bank of India, Ltd.			8532.12.86
			<u>£98,117. 2.96</u>

REVENUE AND EXPENDITURE ACCOUNT FOR THE 10 MONTHS ENDED 31ST. OCTOBER 1938.

EXPENDITURE

To Administration Expenses  
Bal. being excess of Revenue over Expenditure.

£ 562.13.00
921. 2.99
<u>£ 1483.15.99</u>

REVENUE.

By Interest on Advances.	£ 1327.10.04
" Bank Interest	97. 8.00
" Bad Debt Recoveries.	58.17.95
	<u>£ 1483.15.99</u>

CASH ACCOUNT FOR THE 10 MONTHS ENDED 31st. OCTOBER 1938.

RECEIPTS.

Cash at Bank 31st. December 1937.  
" Repayments of Principal.  
Interest on Advances  
Bank Interest  
Deposits  
Bad Debt Recoveries  
Land Office Rent

£ 5279.10.81
5425. 5.85
1327.10.04
97. 8.00
268. 9.01
58.17.95
10.00
<u>£ 12457.11.68</u>

PAYMENTS

By  
Advances Made:-  
    Commitments  
    Contingencies  
" Land Office Rent  
" Treasury on A/c. Revenue  
" Administration Expenses  
" Withdrawals from Deposits  
" Cash at Bank 31st. October 1938.

Authorised	Issued
4953.10.00	2957. 4.45
	59.14.50
4953.10.00	3016.18.95
	2.00.00
	.. ..
	562.13.00
	343. 6.85
	8532.12.86
	<u>£12457.11.66</u>

CLASS B. I.

NAME.	POSITION OF A/C.1.1.38			ADVANCES TO 31.10.38			REPAYMENTS TO 31.10.38.			POSITION OF A/c.31.10.38			REMARKS
	Princ.	Int.	Total	Sanct.	Drawn.	Balance.	Princ.	Int.	Total	Princ.	Int.	Total.	
BOURDILLON F.H.	95	7	102	..	..	..	8	7	15	87	..	87	
GUY AND FINCH	1044	41	1085	..	..	..	..	..	..	1044	41	1085	
Total 2 Cases	1139	48	1187	..	..	..	8	7	15	1131	41	1172	
<u>CLASS B. 11.</u>													
HARROWAY, G.C.	799	343	1142	..	..	..	..	..	..	799	343	1142	Reserve £200
COLLIER, P.	378	18	396	..	..	..	28	18	46	350	..	350	
HOLY'S BRIDGE SISAL SYNDICATE	1661	15	1666	..	..	..	..	..	..	1651	15	1666	
Total 3 Cases	2828	376	3204	..	..	..	28	18	46	2800	358	3158	
<u>CLASS B.111</u>													
ARNOLD & COLLINS.	2752	103	2855	..	..	..	..	32	32	2752	71	2823	Land Bank Mortgage £2500.
BABINGTON, J.H.&K.D.	350	64	414	..	..	..	..	..	..	350	64	414	" " " £800.
BYRON, G.	380	92	472	..	..	..	..	..	..	380	92	472	Reserve £380. Will be paid in full.
C. H. V.H.	624	261	885	..	..	..	..	148	148	634	113	747	
PARK, J.H.	1169	..	1169	..	..	..	500	..	500	669	..	669	Secured by Pro. Notes next due 20/6/1939.
GRANTIN, MRS. A.D.	212	..	212	..	..	..	51	..	51	197	..	197	
NEWTON, B.M.	1513	..	1513	..	..	..	25	..	25	1493	..	1493	Land Bank Mortgage.
RISLEY, C.G.	1242	636	1878	..	..	..	..	..	..	1242	636	1878	Reserve £1242. Land Bank Mortgage
TOLSON, J.L.	318	68	386	..	..	..	..	..	..	318	68	386	Land Bank Mortgage
STRONG, J.	392	92	484	..	..	..	..	5	5	392	87	479	Reserve £193.
WILLIAMS & ROBINSON	128	4	132	..	..	..	7	4	11	121	..	121	
GOLDSWORTHY, C.T.	1452	419	1871	..	..	..	..	..	..	1452	419	1871	Reserve £1000.
MORTON, M.	1457	114	1571	..	..	..	..	..	..	1457	114	1571	Reserve £1000. Land Bank Mortgage
ARMSTRONG, W.D.	1327	45	1372	..	..	..	..	..	..	1327	45	1372	Land Bank Mortgage
BOEDEKER, J.F.W.	1589	101	1690	..	..	..	..	..	..	1589	101	1690	
WALKER, R.INNES	1252	312	1564	..	..	..	..	30	30	1252	282	1534	Reserve £1252.
(K.N. & P.M. L. (Susponse) KNAPMAN, T.	2973	..	2973	..	..	..	..	..	..	2973	..	2973	
	4482	26	4482	..	..	..	..	..	..	4478	14	4492	
HERVEY & HUTCHINS	837	207	1044	..	..	..	..	..	..	837	207	1044	Reserve £5000 (Adjustment between P. & I. £12) E.E. Hutchins. Land Bank Mtge
DEMPESTER, H.G.	1630	13	1643	674	446	228	394	13	407	1682	..	1682	Transfer from A.11.
NASH, A.V.	1235	33	1268	495	321	174	325	38	368	1231	..	1231	" " " "
IRVINE, C.D.A.	2839	1119	3958	200	164	36	..	..	..	3003	1119	4122	" " " "
CLAYTON, T.G.	2799	613	3412	828	..	828	..	..	..	2799	613	3412	" from A.IV.
Total 22 Cases.	35987	4382	40369	2197	931	1266	1302	265	1567	35628	4105	39733	" " " " " A.VI. Reserve £2000.

## CLASS A.II

Name	Position of a/c.1.1.38			Advances to 31.10.38			Repayments to 31.10.38			Position of a/c.31.10.38			Remarks	Advances recommended for 1939
	Prin.	Int.	Total	Sanctd.	Drawn.	Balance	Prin.	Int.	Total	Prin.	Int.	Total		
HEGSON, D.M.	707	3	710	465	289	176	425	3	428	571	..	571	plus £50 Contingency = £675	£469.15.00
WEST, MRS.M.W	758	3	761	450	324	126	457	3	460	625	..	625		474.15.00
Total 2 cases	£1,465	6	£1471	915	613	302	882	6	888	1,196	..	1,196		£944.10.00
<b>CLASS A.V.</b>														
BARNETT, F.W.	938	3	941	900	740	160	941	3	944	737	..	737		£700.
Total 1 case	£ 938	3	941	900	740	160	941	3	944	737	..	737		£700.
<b>CLASS A.VI.</b>														
SMITH, A.R. (Leed.)	1,366	640	2,006	..	..	..	..	..	..	1,366	640	2,006	Reserve £1366	
SMITH, MRS. C.L.	489	12	501	500	379	121	598	12	610	210	..	210		£300.
Total 1 case	£1,795	652	2,447	500	379	121	598	12	610	1,576	640	2,216	Total Classes A.II. A.V; and A.VI.	£2144.10.00

CLASS B.II

NAME	POSITION OF A/C.1.1.38			ADVANCES TO 31.10.38			REPAYMENTS TO 31.10.38			POSITION OF A/C. 31.10.38			REMARKS
	Princ.	Int.	Total	Sanct.	Drawn.	Balance	Princ.	Int.	Total	Princ.	Int.	Total	
ATHI BEMP SIS.L Co.	1148	220	1368	..	..	..	..	..	..	1148	220	1368	
BOYCE, MRS. A.V.	3058	1046	4104	..	..	..	..	1	1	3058	1045	4103	Reserve £1585. Farm being sold. 32/-from Contingency.
DOOPER, H.B.(decd)	1835	215	2100	..	..	..	..	95	95	1885	120	2005	Reserve £1885.
HODGSON, E.W.	206	107	313	..	..	..	..	..	..	206	107	313	
LEWIS & CHAPMAN	830	843	1673	..	..	..	..	..	..	830	843	1673	Reserve £840
PATON, MRS. H.J.	50	25	75	..	..	..	..	..	..	50	25	75	
WILLIAMS, H.W.	249	14	263	..	..	..	..	..	..	249	14	263	
RENDALL, A.G.	1890	11	1907	..	..	..	620	11	631	1276	..	1276	Reserve £1735.
CWLES, A.H.	2194	144	2338	..	..	..	29	144	173	2165	..	2165	Reserve £2148.
BROCHER, MRS. O.	9407	945	10352	..	..	..	..	..	..	9407	945	10352	Reserve £9407.
W.D. H.L.	1692	20	1120	441	294	147	217	26	245	1109	..	1109	Transfer from A.11.
TOTAL IN CLASS	22015	3590	25613	441	294	147	136	279	1145	21443	3319	24762	



AIR MAIL

KENYA  
No. 291



18  
4  
GOVERNMENT HOUSE  
NAIROBI  
KENYA

2/ May 1938.

300  
Sir,

I have the honour to forward two authenticated and twelve printed copies of Ordinance No. IV of 1938 entitled "An Ordinance to Amend the Agricultural Advances Ordinance, 1930", together with a Legal Report thereon by the Attorney General.

This Ordinance passed its third reading in the Legislative Council on the 26th April, 1938, and His Excellency the Governor assented to it in His Majesty's name on the 14th May, 1938.

2. The Ordinance provides for the cessation, with effect from the 1st January, 1938, of interest charges on all advances made under the Agricultural Advances Scheme, and approval of this proposal was conveyed in telegram No. 212 of the 23rd December, 1937, from Mr. Cressby Fore (now Lord Hailech).

I have the honour to be,  
Sir,  
Your most obedient,  
humble servant,

*W. H. ...*  
GOVERNOR'S DEPUTY.

THE RIGHT HONOURABLE  
MALCOLM MACDONALD, M.P.,  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET,  
LONDON. S.W. 1.

No. IV

1938



Colony and Protectorate of Kenya

IN THE SECOND YEAR OF THE REIGN OF

HIS MAJESTY KING GEORGE VI

HENRY ROBERT MOORE BROOKE-POPHAM

G.C.V.O., K.C.B., C.M.G., D.S.O., A.F.C. *Governor*

Assented to in His Majesty's  
name this                      day of  
1938.

14 MAY 1938

L. BROOKE-POPHAM

*Governor*

AN ORDINANCE TO AMEND THE AGRICUL-  
TURAL ADVANCES ORDINANCE, 193<sup>8</sup>

20

**ORDINANCE No. IV of 1938**

**An Ordinance to Amend the Agricultural Advances Ordinance, 1930**

ENACTED by the Governor of the Colony of Kenya, with the advice and consent of the Legislative Council thereof, as follows:—

1. This Ordinance may be cited as the Agricultural Advances (Amendment) Ordinance, 1938, and shall be read as one with the Agricultural Advances Ordinance, 1930, hereinafter referred to as the Principal Ordinance.

Short title.  
No. 12 of 1930

2. Subsection (3) of section 7 of the Principal Ordinance is hereby amended by the addition thereto of the following proviso—

Amendment of section 7 of the Principal Ordinance

"Provided further that, with effect from the first day of January, 1938, no further interest shall be charged on advances made before that date and no interest shall be charged on advances made after that date."

Passed in the Legislative Council the twenty-sixth day of April in the year of our Lord one thousand nine hundred and thirty-eight.

This printed impression has been carefully compared by me with the Bill which passed the Legislative Council and is presented for authentication and assent as a true and correct copy of the said Bill.

R. W.

*Acting Clerk to the Legislative Council.*

LEGAL REPORT.

THE AGRICULTURAL ADVANCES (AMENDMENT) BILL, 1938.  
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The Principal Ordinance was enacted in 1930 as an emergency measure to meet the more pressing needs of farmers who had exhausted all existing sources of credit and whom it was desirable in the interests of the Colony to maintain on the land.

The position of participants in the scheme became, however, still more depressed owing to the long duration of the recession in prices of primary products, aggravated by droughts and locust infestations, and many participants are now faced with unduly large arrears of interest.

It is therefore proposed to cease charging interest on advances as from the 1st January, 1938, with a view to accelerating the winding up of the scheme and to achieving as soon as possible the original aim of the Ordinance.

No Comparative Table accompanies the Bill since the amendment contained therein is not modelled on any Colonial Ordinance or Imperial Act, but a copy of the Bill showing the section of the Principal Ordinance which it is proposed to amend is enclosed for transmission to the Secretary of State.

In my opinion, His Excellency the Governor may properly assent to this Bill in the name and on behalf of His Majesty.

Nairobi,

26th April, 1938.

*W. H. G. G.*  
ATTORNEY GENERAL.

COPY OF THE AGRICULTURAL ADVANCES (AMENDMENT)  
BILL, 1938, SHOWING THE SECTION OF THE  
AGRICULTURAL ADVANCES ORDINANCE, 1930,  
WHICH IT IS PROPOSED TO AMEND.  
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Rate of interest  
on advances.

Subsection (3) of section 7 of the Principal Ordinance which it is proposed to amend:—

(3) All advances shall bear interest at the rate of eight per centum per annum. Provided that, with effect from the 1st day of January, 1935, all advances shall bear interest at the rate of six and one-half per centum per annum.

### A Bill to Amend the Agricultural Advances Ordinance, 1930

BE IT ENACTED by the Governor of the Colony of Kenya, with the advice and consent of the Legislative Council thereof, as follows:—

1. This Ordinance may be cited as the Agricultural Advances (Amendment) Ordinance, 1938, and shall be read as one with the Agricultural Advances Ordinance, 1930, hereinafter referred to as the Principal Ordinance.

Short title

No. 12 of 1938

2. Subsection (3) of section 7 of the Principal Ordinance is hereby amended by the addition thereto of the following proviso—

Amendment of  
section 7 of the  
Principal  
Ordinance.

“Provided further that, with effect from the first day of January, 1938, no further interest shall be charged on advances made before that date and no interest shall be charged on advances made after that date.”

### OBJECTS AND REASONS

The Principal Ordinance was enacted in 1930 as an emergency measure to meet the more pressing needs of farmers who had exhausted all existing sources of credit and whom it was desirable in the interests of the Colony to maintain on the land.

The position of participants in the scheme became, however, still more depressed owing to the long duration of the recession in prices of primary products, aggravated by droughts and locust infestations, and many participants are now faced with unduly large arrears of interest.

It is therefore proposed to cease charging interest on advances as from the 1st January, 1938, with a view to accelerating the winding up of the scheme and to achieving as soon as possible the original aim of the Ordinance.

## Colony and Protectorate of Kenya

GOVERNMENT NOTICE No. 124

His Excellency the Governor in Council has approved of the following Bill being introduced into the Legislative Council.

R. W. BAKER-BEALL,

*Acting Clerk to the Legislative Council.*

### **A Bill to Amend the Agricultural Advances Ordinance, 1930**

BE IT ENACTED by the Governor of the Colony of Kenya, with the advice and consent of the Legislative Council thereof, as follows:—

1. This Ordinance may be cited as the Agricultural Advances (Amendment) Ordinance, 1938, and shall be read as one with the Agricultural Advances Ordinance, 1930, hereinafter referred to as the Principal Ordinance.

Short title.

No. 12 of 1930.

2. Subsection (3) of section 7 of the Principal Ordinance is hereby amended by the addition thereto of the following proviso—

Amendment of section 7 of the Principal Ordinance.

"Provided further that, with effect from the first day of January, 1938, no further interest shall be charged on advances made before that date and no interest shall be charged on advances made after that date."

### **OBJECTS AND REASONS**

The Principal Ordinance was enacted in 1930 as an emergency measure to meet the more pressing needs of farmers who had exhausted all existing sources of credit and whom it was desirable in the interests of the Colony to maintain on the land.

The position of participants in the scheme became, however, still more depressed owing to the long duration of the recession in prices of primary products, aggravated by droughts and locust infestations, and many participants are now faced with unduly large arrears of interest.

It is therefore proposed to cease charging interest on advances as from the 1st January, 1938, with a view to accelerating the winding up of the scheme and to achieving as soon as possible the original aim of the Ordinance.

The immediate financial effect, if this measure becomes law, will be a loss of net revenue of approximately £3,000 in 1938, to which must be added the cost of administration, estimated at £650.

These sums will both diminish annually with the winding up of the scheme.

The real effect will be that moneys received in the future will be applied to repayment of capital including arrears of interest and it is not anticipated that the ultimate financial effect of this measure will be unfavourable.

Instrument not  
duly stamped  
inadmissible in  
evidence, etc.

Paragraph (a) of the proviso to section 37 of the Principal Ordinance which it is proposed to substitute:—

37. No instrument chargeable with duty shall be admitted in evidence for any purpose by any person having by law or consent of parties authority to receive evidence or shall be acted upon, registered or authenticated by any such person or by any public officer, unless such instrument is duly stamped:

Provided that—

(a) Any such instrument not being an instrument chargeable with duty of ten cents or twenty cents only, or a bill of exchange or promissory note, shall, subject to all just exceptions, be admitted in evidence on payment of the duty with which the same is chargeable, or, in the case of an instrument insufficiently stamped, of the amount required to make up such duty, together with a penalty of one pound, or, when ten times the amount of the proper duty or deficient portion thereof exceeds one pound, of a sum equal to ten times such duty or portion.

Section 2 of the Stamp (Amendment) Ordinance, 1937, which it is proposed to repeal:—

2. Section 37 of the Principal Ordinance is hereby amended by the addition of the following paragraph to the proviso thereto:—

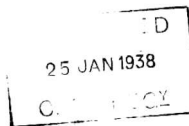
(f) Notwithstanding anything to the contrary herein contained a bill of exchange (including a cheque) which

Amendment of  
section 37 of  
the Principal  
Ordinance.

KENYA  
No. 30



25  
GOVERNMENT HOUSE  
NAIROBI  
KENYA



20 January 1938.

Sir,

with reference to your telegram No. 212 of the 23rd December, 1937, I have the honour to inform you that the Board of the Land Bank has intimated that there can no longer be any hope of recovering in full the outstanding advances made under the Agricultural Advances Scheme. The Board sees certain practical objections to writing down individual advance accounts, particularly in those cases where a second mortgage is held, and recommends as an alternative the creation of a reserve for the depreciation of these advances. After a careful scrutiny the Board considers that the reserve should amount to 240,000.

2. This proposal has been considered by the Standing Finance Committee, which has recommended that early steps should be taken to adopt this procedure on the understanding that thereby

- (i) the position of Government in regard to debtors would not be weakened,
- (ii) the cash position of the Colony would not be affected,
- (iii) the writing off of bad debts against the reserve would be subject to the sanction of the Legislature.

3. With regard to (i), I am assured by the Acting Treasurer, Chairman of the Board, that the position of Government in regard to debtors will not in any way

THE RIGHT HONOURABLE  
W. ORMSBY GORE, P.C., M.P.,  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET,  
LONDON. S.W. 1.



be weakened. with regard to (1) the reserve would, of course, be created by a charge to expenditure and would appear in the balance sheet as a contra-liability to the asset, the latter remaining at its face value. The cash position will not be affected, and the result of the transaction will be tantamount to writing down the value of the asset to a proper figure. So far as (11) is concerned, it is proposed that when it is clear that a debt must be written off as irrecoverable, it should, subject to your sanction and that of the Legislative Council, be written off against the reserve, provided that if the amount allocated in the reserve to that particular debt is insufficient to cover the write off, the balance should be charged to expenditure.

166 3/1/37

It is appreciated that the procedure outlined in your Circular Despatch of the 25th November, 1937, would involve the writing-off of the whole of the Agricultural Advances. The general question of the reorganization of the form of the accounts is at present under consideration and I am advised that local conditions may render it desirable for me to exercise the discretion allowed to me in the sixth paragraph of the despatch to which I have referred. In these circumstances, and without prejudice to the general question, I trust that you will accord your approval to the creation in the final accounts for 1937 of a reserve of £45,000 for the depreciation of Agricultural Advances.

I have the honour to be,  
 Sir,  
 your most obedient,  
 humble servant,

*ABrooke-Popham*

AIR CHIEF MARSHAL  
 GOVERNOR.