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Colony and Protectorate of Kenya

GOVERNMENT NOTICE No 310

The following Bill is in substitution for the Bill published under Government Notice No 277 in the Official Gazette of May 1st, 1936

R W BAKER-BEALL,
Acting Clerk of the Legislative Council

A Bill to make Provision for Raising a Loan of Six Hundred and Twenty-five Thousand Pounds Sterling for Certain Public Purposes

WHEREAS it is expedient to raise a loan of six hundred and twenty-five thousand pounds sterling for the purposes specified in the Schedule hereto

BE IT THEREFORE 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 Specific Loan Ordinance, 1936

2 In this Ordinance, unless the context otherwise requires—

Interp etation

the expression 'Governor' means the person for the time being administering the Government of the Colony and Protectorate of Kenya,

the expression the 'Crown Agents' means the person or persons acting for the time being as Crown Agents for the Colonies in England

3 The Governor or the Crown Agents acting on his behalf may raise by loan in London an amount sufficient to produce as nearly as may be the sum of six hundred and twenty-five thousand pounds sterling and such further sum as may be necessary to defray the expenses of issue

Authority to raise loan

4 The principal moneys and interest represented by the loan issued under the provisions of this Ordinance are hereby charged upon and shall be payable out of the general revenue and assets of the Colony

Loan to be charge upon general revenue

5 The money to be borrowed under the authority of this Ordinance shall be appropriated and applied to the purposes specified in the Schedule hereto

Application of loan

Loan may be raised under Cap 46 or independently of that Ordinance Cap 46

6 The loan hereby authorized or any part of it may be raised under the provisions of the General Loan and Inscribed Stock Ordinance or, notwithstanding anything to the contrary contained in the said Ordinance, independently of that Ordinance, as the Governor or the Crown Agents acting on his behalf may decide

Commencement of contribution to Sinking Fund, if loan issued under Cap 46

7 If the loan hereby authorized shall be issued under the provisions of the General Loan and Inscribed Stock Ordinance then the contribution to Sinking Fund, as contemplated by the provisions of sections 14 and 28 of the said Ordinance, shall commence in respect of any debentures or stock issued under this Ordinance not later than three years after the date from which the interest on such debentures or stock shall commence to run

Provision where issue of loan independently of Cap 46

8 If it should be decided to issue the loan hereby authorized independently of the General Loan and Inscribed Stock Ordinance then the following provisions shall apply —

- (a) So long as any portion of the loan remains outstanding the Governor shall in each half-year ending with the day on which the interest on the loan falls due appropriate out of the general revenues and assets of the Colony a sum equal to one half-year's interest on the whole of the loan outstanding and shall remit that sum to the Crown Agents at such time as will enable them to pay thereout the then current half-year's interest on the day on which it falls due,
- (b) The Governor shall also in each half-year ending as aforesaid appropriate out of the said revenues and assets of the Colony for the formation of a sinking fund for the repayment of the loan at par an additional sum in respect of the total nominal amount of the loan outstanding equal to one-half of the annual contribution to be decided upon by the Governor on the issue of the loan and shall remit that sum to the Crown Agents with the remittance hereinbefore mentioned provided that the said contribution shall in respect of any money raised under this Ordinance commence not later than three years after the date from which the interest on such money shall commence to run

- (c) The Crown Agents shall invest so much of the money so remitted to them as aforesaid as shall not be required for the payment of interest for the current half-year in the purchase of such securities as may be approved by the Secretary of State as a sinking fund for the final extinction of the debt and the Crown Agents shall also invest the dividends, interest or produce of such investments in the purchase of like securities and may from time to time with the approval of the Secretary of State change any such investments and shall hold such funds in trust for the repayment of the principal moneys for the time being represented by the loan
- (d) In case the sinking fund provided for by this Ordinance shall be insufficient for the payment of all the principal moneys borrowed under the authority of this Ordinance at the time the same shall have become due the Governor shall make good the deficiencies out of the general revenues and assets of the Colony

SCHEDULE

1	Land and Agricultural Bank (of which £200,000 may be placed at the disposal of Farmers Conciliation Board, constituted under the provisions of the Farmers Assistance Ordinance, 1936)	£500,000	No	of 1936
2	Loans to Local Authorities—Nairobi Water Supply	£112,000		
3	Such further items as the Governor may, with the approval of the Legislative Council signified by resolution, and of the Secretary of State, determine	£13,000		
	TOTAL	£625,000		

OBJECTS AND REASONS

This Bill makes provision for raising a loan of £625,000, and such further sum as may be necessary to defray the expenses of issue, for the purposes set out in the Schedule to the Bill

Expenditure of public moneys will be involved to the extent necessary to meet the service of the loan, but as to £500,000, Government will receive interest on money provided for the Land Bank, and as to loan to the Nanobi Municipal Council, Government will be reimbursed to an extent necessary to meet loan charges