



THE OFFICIAL GAZETTE

OF THE COLONY AND PROTECTORATE OF KENYA

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GOVERNMENT NOTICE No 46

2½ PER CENT EAST AFRICAN WAR BONDS, 1949/51

NOTICE TO BONDHOLDERS

NOTICE is hereby given, in accordance with section 2 (1) of the War Loan Regulations, 1942, that Series A and B of the 1949/51 issue of 2½ per cent East African War Bonds will be redeemed at par in Nairobi on the 1st day of April, 1951, unless, in the case of bondholders resident in Kenya, applications for conversion into 3½ per cent Kenya Government Inscribed Stock, 1973/78, shall have been accepted

Individual notices are being dispatched through the post to all bondholders

Any bondholder who has recently changed his or her address, and has not advised me of the change, is requested to do so immediately

All correspondence should be addressed to the Acting Accountant General (War Bonds Section), The Treasury, P O Box 591, Nairobi

Nairobi, 10th January, 1951

R W SMITH,
Acting Accountant General,
Kenya

(S D Fnce 30/9)

GOVERNMENT NOTICE No 47

THE INCOME TAX ORDINANCE (Cap 254)

EXEMPTION

IN EXERCISE of the powers conferred by subsection (2) of section 10 of the Income Tax Ordinance, the Governor in Council has been pleased to exempt persons not resident in the British East African Territories of Kenya, Tanganyika, Uganda and Zanzibar from the provisions of section 7 of the said Ordinance in respect of the income derived by them from the interest payable on the Kenya Government 3½ per cent Inscribed Stock, 1973/78

By Command of the Governor in Council

Nairobi,
10th January, 1951

T V N FORTESCUE,
Clerk to Executive Council

GOVERNMENT NOTICE No 48

Consent of His Majesty's Treasury has been obtained to this issue in compliance with the Order made under Section 1 of the Borrowing (Control and Guarantees) Act, 1946

The Kenya Cash Application List will open at the Treasury, Nairobi, at 10 a.m. on the 12th of January, 1951, and close on or before the 16th of January, 1951, but allotment will not be made until after the closing of the Conversion List.

The Conversion List will open at 10 a.m. on the 12th of January, 1951, and close on or before the 19th of January, 1951. Applications for conversion will not be accepted unless accompanied by the relative War Bond Certificates.

[The list of Cash Applications in London will open at 10 a.m. on the 12th of January, 1951, and close at or before 3 p.m. on the same day]

KENYA GOVERNMENT

3½ PER CENT. INSCRIBED STOCK, 1973/1978

ISSUE OF £6,070,000

of which £570,000 has already been placed in the terms of the Prospectus, £2,250,000 is reserved for subscription by, and will be allotted to, applicants resident in Kenya in exchange for cash or in conversion of 2½% East African War Bonds, 1949/51, and the remaining £3,250,000 is offered for subscription in London

Authorized by the General Loan and Stock Ordinance, No 14 of 1950, and the Development Loan Ordinance, No 17 of 1950

Interest payable 1st April and 1st October

A full six months' interest will be paid on the 1st October, 1951

PRICE OF ISSUE £100 PER CENT.**Payable as follows:—**

On application	£10 per cent
On 5th February, 1951	£40 per cent
On 1st June, 1951	£50 per cent
	—
	£100 per cent
	—

The Government of Kenya having complied with the requirements of the Colonial Stock Act, 1900, trustees are authorized to invest in this stock, subject to the restrictions set forth in the Trustee Act, 1925

The proceeds of the loan will be applied to the financing of development including agricultural and educational development, road communications, public buildings and water supplies.

The loan and the interest thereon, the property of persons not resident in Kenya, Tanganyika, Uganda and Zanzibar will not be subject to any taxes, duties or levies by the Government of Kenya.

ISSUE OF STOCK FOR CASH

THE CROWN AGENTS FOR THE COLONIES, on behalf of the Government of Kenya, invite applications for £5,500,000 Stock as stated overleaf of which £2,250,000 is reserved for subscription by, and will be allotted to, applicants resident in Kenya. The cash offer to Kenya applicants is limited to an amount sufficient to make up with the amount issued in conversion, the total of £2 250,000

Applications, which must be accompanied by a deposit of £10 per cent, will be received at the Crown Agents' offices at 4, Millbank, S W 1, and at their Stock Transfer Office, Lloyds Bank Buildings, 55/61, Moorgate, E C 2. Subsequent payments are to be made at the latter office not later than the dates above mentioned.

Applications from residents in Kenya, which must be accompanied by a deposit of £10 per cent, will be received at the offices of the Accountant General P O Box 591, Nairobi. Subsequent payments are to be made at the same offices.

In the case of partial allotment, the balance of the amount paid on application will be applied towards the payment of the instalment due on the 5th of February, 1951. If there should be a surplus after making that payment, such surplus will be refunded by cheque.

Applications must be for £100 stock or multiples of £100. No allotment will be made for a less amount than £100 stock.

Payment may be made in full after allotment, but no discount will be allowed.

Default in the payment of any instalment by its due date will render the deposit and instalments previously paid liable to forfeiture and the allotment to cancellation.

Scrip Certificates to Bearer in denominations of £100, £500 and £1,000 will be issued at the Crown Agents' Stock Transfer Office in exchange for allotment letters after the payment of the amount due on the 5th of February, 1951. These certificates must be surrendered for inscription at the time when the final instalment is paid. Transfer of the stock may thereafter only be made by instrument in writing in any usual or common form.

Scrip Certificates will not be issued in respect of local allotments. Allotment letters issued in respect of local applications will be endorsed after payment of the amounts due on the 5th of February, 1951, and the 1st of June, 1951, and must be surrendered for inscription at the time when the final instalment is paid.

Allotment letters may be split on request in writing into subdivisions of not less than £100 and multiples thereof. Requests accompanied by the relative allotment letters should be addressed to the Accountant General, P O Box 591, Nairobi, and will be accepted at any time up to the date on which the final instalment is due to be paid.

ISSUE OF STOCK IN EXCHANGE FOR 2½ PER CENT. EAST AFRICAN WAR BONDS, 1949/51

THE CROWN AGENTS FOR THE COLONIES on behalf of the Government of Kenya invite applications from holders of 2½ per cent East African War Bonds, 1949/51, resident in Kenya for conversion of their holdings, in whole or in part, into an equal nominal amount of Kenya Government 3½ per cent Inscribed Stock, 1973/1978. Applications must be made for £100 or multiples thereof.

The offer of conversion is limited to £2 250 000 of stock.

Application may be made forthwith on the special printed forms which have been sent by post to all registered holders resident in Kenya (in the case of joint holdings to the

first holder only), and the list will be closed not later than 12 noon on the 19th of January 1951

Application forms should be lodged at the offices of the Accountant General, P O Box 591, Nairobi, and **will not be accepted unless accompanied by the relative War Bond certificates.**

Holdings of $2\frac{1}{2}$ per cent East African War Bonds, 1949/51, in respect of which applications for conversion are accepted, will be exchanged on the 1st of April, 1951, into Kenya Government $3\frac{1}{2}$ per cent Inscribed Stock, 1973/1978, at the rate of £100 of such stock for each £100 of War Bonds surrendered

Holdings of $2\frac{1}{2}$ per cent East African War Bonds, 1949/51, in respect of which applications are accepted will, until the close of business on the 31st March, 1951, be known as " $2\frac{1}{2}$ per cent East African War Bonds, 1949/51, 'Assented' "

The six months' interest due on the 1st April, 1951, on " $2\frac{1}{2}$ per cent East African War Bonds, 1949/51, 'Assented' " will be paid by the Accountant General to the persons who on the 1st of March, 1951, are registered as holders of the War Bonds On the 1st of October, 1951, a full six months' interest on the Kenya Government Inscribed Stock, 1973/1978, will be paid at the rate of $3\frac{1}{2}$ per cent per annum

Instructions for the payment of interest already registered for " $2\frac{1}{2}$ per cent East African War Bonds, 1949/51, 'Assented' " will, unless cancelled, be applied to payments of interest on the new Kenya Government $3\frac{1}{2}$ per cent Inscribed Stock, 1973/1978

Holdings of $2\frac{1}{2}$ per cent East African War Bonds, 1949/51, which are not converted will be redeemed at par on the 1st April, 1951, in accordance with notice given to registered holders and published in the *Kenya Official Gazette*

GENERAL TERMS AND FINANCIAL STATEMENT

The Stock will be issued under the provisions of the General Loan and Stock Ordinance of Kenya and will be inscribed in accordance with the provisions of the Colonial Stock Act, 1877

The loan is secured on the general revenues and assets of the Government of Kenya. The principal will be repaid at par not later than the 1st of April, 1978, in London in sterling, or in Nairobi in East African currency if requested in writing by holders of the stock who are resident in Kenya The Government of Kenya, however, will have the option of redemption in whole or in part, by drawings or otherwise, at par, on or at any time after, the 1st of April, 1973, on giving three months' notice by advertisement in the *London Gazette*, the *London Times* and the *Kenya Official Gazette*, or by post to the then stockholders at their registered addresses

A sinking fund will be formed in the United Kingdom for the redemption of the loan under the management of the Crown Agents, who are appointed Trustees Half-yearly contributions to the sinking fund will be at the rate of not less than one per cent per annum and the first contribution will be taken on or before the 1st of October, 1951 These contributions may be increased, and will only be discontinued if and when the Trustees are satisfied that no further contributions will be required to ensure the repayment of the loan at the final date

Interest will be payable half-yearly on the 1st of April and the 1st of October, by warrants which will be forwarded by post at the stockholder's risk either to the stockholder or to any other person, bank or firm named by him within the United Kingdom Principal and interest will be payable at the office of the Crown Agents for the Colonies, London

Principal and interest payable to holders resident in Kenya who desire payment to be made locally will be paid by warrant which will be forwarded by post at the stockholder's risk either to the stockholder or to any other person, bank or firm named by him in East Africa. Principal and interest will be payable at the offices of the Accountant General, Nairobi

The stock will be transferable in multiples of 1d at the Crown Agents' Stock Transfer Office, Lloyds Bank Buildings, 55/61, Moorgate, E C 2 (subject to the provisions of the Government and Other Stocks (Emergency Provisions) Act, 1939), without charge **Stamp duty will be paid by the Government of Kenya.**

It is intended that at a later date advantage shall be taken of the provisions of the Colonial Stock Act, 1948, and of section 37 of the Kenya Government General Loan and Stock Ordinance, 1950, to make arrangements which will have the effect of converting the stock into registered stock

A commission of five shillings per £100 will be allowed to bankers and stockbrokers in respect of accepted conversion applications or on allotments made in respect of applications bearing their stamp

The revenues of Kenya alone are liable in respect of the above stock and the interest thereon, and the Consolidated Fund of the United Kingdom and the Commissioners of

His Majesty's Treasury are not directly or indirectly liable or responsible for the payment of the stock or of the interest thereon, or for any matter relating thereto (Act 40 and 41 Vict, Ch 59, Sec 19)

The funded public debt of Kenya on the 30th June, 1950, amounted to £10,210,600. Of this sum £6,696,091 represents loans raised by the Kenya Government on behalf of the Kenya and Uganda Railways and Harbours Administration, now the East African Railways and Harbours Administration.

The accumulated sinking funds amounted to approximately £1,010,000 at the same date £631,100 being in respect of Kenya Government loans and £378,900 being in respect of Railway Administration loans.

The revenues of the East African Railways and Harbours Administration, which have been separated from those of the Administrations of Kenya, Tanganyika and Uganda, are liable to the Government of Kenya for debt charges amounting to £262,235 annually in respect of the Railway loans totalling £6,696,091 referred to above.

The Governments of Kenya, Tanganyika and Uganda have severally guaranteed the payment of principal and interest on loans raised by the East Africa High Commission, provided that payments in respect of the amount of the principal of the loans guaranteed shall not in the aggregate exceed £28,750,000. Issues of East Africa High Commission Stock to the extent of £12,600,000 have already been made under the above guarantees.

The following figures show the revenue and expenditure and trade of Kenya for the years indicated —

YEAR	Revenue	Expenditure	Retained Imports Excluding Specie	Exports
	£	£	£	£
1944	7,734,333	7,629,088	8,610,336	4,908,057
1945	8,034,196	7,815,928	7,122,211	5,792,528
1946	9,057,350	8,795,237	12,801,977	7,094,794
1947	9,877,196	9,023,624	19,097,018	9,617,941
1948	11,411,664	10,966,892	27,136,338	11,369,923
1949	13,030,651	10,761,676	35,774,497	13,009,013

The figures of revenue and expenditure refer only to the Colony account, the Ten-year Plan of Development being covered by a separate capital account. The Development Plan is being financed from various funds formed mainly from surplus balances, a grant from the Colonial Development and Welfare Vote, borrowing and from revenue contributions. The figures of expenditure shown in the table subsequent to 1945, when the Development Plan was inaugurated, include the contributions from revenue made to the development account.

A substantial proportion of the adverse balance disclosed by the trade figures is accounted for by capital equipment imported to liquidate the back-log accumulated during the war years and the years immediately thereafter, and to meet the demands of an industrial expansion and the mechanization of agriculture. Moreover, offsetting the adverse visible balance are considerable invisible exports resulting from Kenya's important tourist trade and from her position as an entrepôt and as the main centre of banking and commerce in East Africa.

Prospectuses and Application Forms may be obtained from the Crown Agents for the Colonies at 4, Millbank, S W 1, or at Lloyds Bank Buildings, 55/61, Moorgate, E C 2, Barclays Bank (D C & O) 29, Gracechurch Street, E C 3, 25, Castle Street, Liverpool, and 26, Princess Street, Manchester, the National Bank of India, Ltd, 26, Bishopsgate, E C 2, the Standard Bank of South Africa, Ltd, 10, Clements Lane, E C 4, Messrs Mullens and Co., 13, George Street, Mansion House, E C 4, Messrs J & A Scrimgeour, 3, Lothbury, E C 2, or at any Stock Exchange in the United Kingdom.

Prospectuses and Application Forms may be obtained in Kenya at the offices of the Accountant General, P O Box 591, Nairobi, and at the head offices and principal branches of the National Bank of India Ltd, the Standard Bank of South Africa Ltd, and Barclays Bank (D C & O).

Copies of Ordinances Nos 14 and 17 of 1950 may be inspected at the Crown Agents' Stock Transfer Office, Lloyds Bank Buildings, 55/61, Moorgate, E C 2, between the hours of 10 a m and 3 p m Mondays to Fridays until the 2nd of February, 1951, or in Kenya at the offices of the Accountant General, Nairobi, between the hours of 10 a m and 12 noon and 2 p m and 4 p m Mondays to Fridays until the 2nd of February, 1951.

OFFICE OF THE ACCOUNTANT GENERAL,
P O Box 591, NAIROBI

OFFICE OF THE CROWN AGENTS FOR
THE COLONIES,
4, MILLBANK, LONDON, S W 1

10th of January, 1951