



**THE
OFFICIAL GAZETTE
OF THE
COLONY AND PROTECTORATE
OF
KENYA
(SPECIAL ISSUE)**

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Colony and Protectorate of Kenya

PROCLAMATION No 30

MEETING OF THE LEGISLATIVE COUNCIL

PROCLAMATION

I, Joseph Aloysius Byrne, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Most Excellent Order of the British Empire, Companion of the Most Honourable Order of the Bath, having the honorary rank of Brigadier-General in His Majesty's Army, Governor and Commander-in-Chief of the Colony and Protectorate of Kenya, in exercise of the powers vested in me by Instructions under the Royal Sign Manual and Signet dated the 29th day of March, 1934, do hereby direct that a session of the Legislative Council be held at the Memorial Hall, Nairobi, on Monday the 18th day of May, 1936, at 11 a m

Given under my hand at Nairobi this 29th day of April, 1936

J BYRNE,
Brigadier-General,
Governor

GOD SAVE THE KING

GOVERNMENT NOTICE No 277

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

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 —

- | | |
|--|---|
| Short title | 1 This Ordinance may be cited as the Specific Loan Ordinance, 1936 |
| Authority to Governor to borrow by sale of debentures or inscribed stock
Chapter 46 | 2. The Governor is hereby authorized to issue debentures or stock or both under the provisions of the General Loan and Inscribed Stock Ordinance to 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 |
| Application of loan | 3 The money to be borrowed under the authority of this Ordinance shall be appropriated and applied to the purposes specified in the Schedule hereto |
| Commence-ment of contribution to Sinking Fund
Chapter 46 | 4 Contribution to the sinking fund as contemplated by sections 14 and 28 of the General Loan and Inscribed Stock Ordinance shall commence in respect of any stock or debentures issued under this Ordinance not later than three years after the date from which the interest on such stock or debentures shall commence to run |
| Power to issue Treasury Bills

Chapter 49 | 5 Pending the issue of the whole or any portion of the loan hereby authorized, the Governor may, if necessary, raise instalments of the money as required by the issue of the Treasury Bills under the Colonial Treasury Bills Ordinance. |

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)	No	of 1936
	£500,000	
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 Nairobi Municipal Council, Government will be reimbursed to an extent necessary to meet loan charges

GOVERNMENT NOTICE No 278

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

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

A Bill to Provide for the Constitution of a Board to be known as the Farmers Conciliation Board, to Invest the Board with Certain Powers for the Assistance and Relief of Farmers and for Purposes Incidental thereto

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

Short title
and com-
mencement

1 This Ordinance may be cited as the Farmers Assistance Ordinance, 1936 and shall come into operation on such date as the Governor shall appoint by notice in the Gazette

Interpretation

2 In this Ordinance, unless the context otherwise requires—

“Court” means the Supreme Court

“farmer” includes —

(a) any person who is a resident of, and who is personally engaged in farming or pastoral operations in the Colony, whether he is farming on his own account or under a share-farming agreement,

(b) the personal representative of any such person, and

(c) any company which is engaged in farming or pastoral operations in the Colony,

“Registrar” means the Registrar of the Supreme Court and includes a district and deputy registrar of such Court,

“secured creditor” means any creditor who in respect of the debt owed to him holds a security which would entitle him to a preference in bankruptcy, and includes a holder of a second mortgage or of a chattels mortgage

“unsecured creditor” includes any creditor who is not a secured creditor,

"Land Bank" means the Land and Agricultural Bank of Kenya

3 (1) There shall be constituted a Board to be known as **Establishment and constitution of Farmers Conciliation Board** "the Farmers Conciliation Board" (hereinafter referred to as the Board") which shall consist of six members, to be appointed by the Governor, of whom—

- (a) one shall be a Judge of the Supreme Court, who shall be chairman of the Board,
- (b) one shall be the Treasurer, or his deputy,
- (c) one shall be a member of the Board of the Land Bank,
- (d) one shall be a representative of the commercial banks operating in the Colony, and
- (e) two shall be representatives of the public

(2) The chairman and members of the Board shall hold office during the Governor's pleasure

(3) Before entering on the exercise of the duties of their office, the members of the Board, other than the chairman, shall make oath or affirmation before the chairman that they will faithfully and impartially perform the duties of their office

(4) The Board shall be a body corporate with perpetual succession and a common seal and, subject to the provisions of this Ordinance, may acquire, hold and dispose of land and other property movable or immovable for the purposes of this Ordinance, and shall be capable in law of suing and being sued under the name of "the Farmers Conciliation Board"

4 (1) The chairman and two other members of the Board shall form a quorum **Quorum and procedure of the Board**

(2) Questions before the Board shall be decided by a majority of the votes of those present and voting, and, in the case of equality of votes, the chairman shall have a second or casting vote

(3) The chairman and members of the Board shall not be personally liable for any act or default of the Board done or omitted to be done in good faith in the course of the operations of the Board

(4) Subject to the provisions of this Ordinance and of any rules made thereunder, the meetings and procedure of the Board shall be such as the Board may from time to time determine

(5) With the consent of the Governor, the Board may appoint a secretary and other necessary officers, agents and servants, and may pay him and them such remuneration as the Governor may approve

(6) The Governor in any case in which he is satisfied that a member of the Board is incapacitated by illness, absence or other sufficient cause from performing the duties of his office, may appoint some fit person to be a deputy to act for such member during his incapacity, and any such deputy while so acting shall have all the powers and authorities of the members for whom he is acting

Delegation

5 With the consent of the Governor, the Board at any time may delegate any of its powers, duties or functions to any person or body of persons in the Colony upon such terms and conditions and subject to such restrictions as the Board thinks proper, and may in its discretion terminate any such delegation

Land Bank
may act as
agents for
the Board

6 (1) The Governor may appoint the Land Bank to act as agents for the Board in the administration of any advances to farmers under this Ordinance

(2) No expenses in connection with such agency shall fall to be paid from the funds of the said Bank, and the Bank shall be indemnified by Government against any losses, costs or expenses which may be sustained or incurred by the Bank in the performance of such agency

Funds of the
Board

7 The funds available to the Board for carrying out the purposes of this Ordinance shall consist of such moneys as the Land Bank may be authorized from time to time by Government to place at the disposal of the Board

Local
Committees

8 (1) For the purposes of this Ordinance the Governor may divide the Colony into districts and, in each such district may appoint a Local Committee, consisting of a chairman (who shall be an administrative officer performing the duties of a district officer) and two other members

(2) The chairman and members shall hold office during the Governor's pleasure

(3) The chairman and members of a Local Committee shall, within the district for which the Committee has been appointed, be responsible for the due performance—

(a) of the duties, functions and responsibilities assigned to them by this Ordinance, and

(b) of such other duties, functions and responsibilities as may from time to time be assigned to them by the Board with the approval of the Governor

(4) Subject to the provisions of this Ordinance and of any rules made thereunder, the meetings, procedure and quorum of a Local Committee shall be such as the Board may from time to time determine

(5) The chairman and members of a Local Committee shall not be personally liable for any act or default of their Local Committee, done or omitted to be done in good faith in the course of the operations of the Committee or in the course of giving effect to the instructions of the Board

9 (1) Any farmer in the Colony may make application, through a Local Committee, to the Board for assistance in accordance with the provisions of this Ordinance upon all or any of the following grounds—

Applications
by farmers

(a) that his liabilities exceed a reasonable valuation of his assets, or

(b) that such action has been taken or has been threatened against him by his creditor or creditors as to render it impracticable for the farmer to continue his farming operations with a reasonable prospect of success, or

(c) that by reason of the extent or nature of his obligations or because of lack of stock or absence of means of working his land in a proper manner or for any other good cause, he is unable to continue farming operations with a reasonable prospect of success, or

(d) that a receiving order or an order of adjudication has been made against him under the provisions of the Bankruptcy Ordinance, 1930, or

No 32 of 1930

(e) that he has assigned his estate to his creditors

(2) Any farmer making application under this section shall forthwith give written notice of the application to all persons to whom his land is mortgaged or charged

10 (1) Every application for assistance under section 9 of this Ordinance shall be made in the form prescribed and shall be filed by the applicant in the office of the appropriate Local Committee, together with a statutory declaration by the applicant in verification of the particulars contained in the application

Form of
application

- (2) The particulars in every application shall include—
 - (a) a complete list of all the creditors and debtors of the applicant,
 - (b) a statement of the assets and liabilities of the applicant, and
 - (c) a list of the securities held by the secured creditors of the applicant

Interim Stay
Order and
Temporary
Supervisor

11 (1) Immediately upon the filing of an application as provided for in section 10 of this Ordinance the chairman of the Local Committee concerned shall, in respect of the applicant's estate—

- (a) issue an Interim Stay Order in the prescribed form, and
- (b) by writing under his hand appoint a Temporary Supervisor of the estate who shall be subject to the instructions of the Land Bank

Provided that a chairman shall have a discretion in any case to refuse for good and sufficient reason so to issue an Interim Stay Order or to appoint a Temporary Supervisor, but in such event the chairman shall forthwith make a written report to the Board giving the reasons for his refusal, and the decision of the Board upon the matter shall be final

(2) The chairman shall forthwith cause notices relating to the making of the Interim Stay Order and to the appointment of the Temporary Supervisor to be published in the Gazette and to be sent to the Registrar of the Supreme Court

Interim Stay
Order

12 (1) An Interim Stay Order shall remain in force until a meeting of the Board confirms or removes the Interim Stay Order

- (2) While an Interim Stay Order is in force—
 - (a) it shall have the effect of vesting all the property of the applicant in the Land Bank, and
 - (b) no action, execution or proceedings whether judicial or extra judicial, on default or for or upon breach of covenant under any mortgage or other security for money or under an agreement for sale or purchase of land or other process or proceeding shall be commenced or proceeded with or put into force against the farmer or his estate or effects

Provided that the grant of an Interim Stay Order shall not prevent and shall be deemed never to have prevented any person—

- (a) from instituting any proceeding to judgment in any action, suit or other proceeding against the farmer (but so that judgment shall not be entered nor any further proceedings taken thereon) for the purpose of determining the farmer's liability—
 - (i) for any tort committed by the farmer, or
 - (ii) for any injury suffered by a workman in the employ of the farmer, or
 - (iii) under the Divorce Ordinance or for the support of the wife or children of the farmer, or *Cap 170*
 - (iv) in respect of any unliquidated demand other than a demand arising out of default or for or upon breach of covenant under any mortgage or other security for money or under an agreement for sale and purchase or lease of any movable or immovable property or under a hire-purchase agreement, or
- (b) from prosecuting any suit or other proceeding against the farmer for the administration of the trustee of any will, deed or other instrument, or for any breach of such trust, or for the removal of the farmer from the position of executor or administrator or trustee

13 A Temporary Supervisor appointed under section 11 of this Ordinance may make such arrangements with regard to the property (including crops and produce) of the applicant as the Land Bank shall direct and shall have all the powers and be responsible for exercising all the functions of the Land Bank as set out in sections 24 and 25 of this Ordinance until his appointment is terminated

Temporary Supervisor

14 Prior to the calling of a meeting provided in accordance with section 15 of this Ordinance, the chairman of a Local Committee may, in his discretion, direct an approved valuer appointed under the Land and Agricultural Bank Ordinance, 1930, to visit the farm of the applicant and to make a report to the chairman upon the assets of the applicant

Valuation of applicant's assets

No 3 of 1931

15 (1) When he has satisfied himself that the provisions of sections 11, 13 and 14 of this Ordinance have been complied with, the chairman of the Local Committee shall call a meeting of the Local Committee to consider the application and to

Meeting of the Local Committee

inquire into the financial position of the applicant with a view to arriving at an arrangement of a voluntary settlement of liabilities between the applicant and his creditors, and the making of a report to the Board

(2) The applicant shall be present at the meeting and the creditors of the applicant may attend either in person or by duly authorized agents or they may forward their views, in writing, to the chairman

(3) At the meeting it shall be the duty of the chairman to encourage a free discussion of the applicant's financial position and he shall endeavour to obtain the view of the applicant and of his creditors upon any proposed adjustment of the applicant's position which appears desirable and equitable to the Local Committee

(4) No person shall be permitted to be present at the meeting other than the chairman, and members of the Committee and the applicant and his creditors

(5) So soon as may be after the conclusion of the meeting, the chairman shall refer the matter to the Board in the prescribed form

**Meeting of
the Board**

16 (1) So soon as may be after the application has been referred to the Board by a Local Committee, the Board shall meet to consider the application and the report and recommendations thereon of the Local Committee

(2) The applicant and his creditors shall be entitled to attend the meeting either in person or by sending a duly accredited representative, or they may, if they so desire, send to the Secretary of the Board a statement in writing of their views

**Granting of
application**

17 In any case where, at a meeting of the Board, the terms proposed for the adjustment of the applicant's affairs are agreed to by—

(a) the chairman and the members of the Board who are present, and

(b) all the secured creditors of the applicant, and

(c) a majority of such unsecured creditors of the applicant, as have a claim for not less than five pounds,

the Board shall grant the application

18 In any case where an agreement in the terms of the last preceding section has not been reached, the application shall be refused and the Board shall forthwith remove the Interim Stay Order and terminate the appointment (if any) of the Temporary Supervisor, and shall publish a notice in the Gazette to that effect and shall notify the Registrar of the Supreme Court and thereafter the applicant and his creditors shall be free to pursue any legal remedy available to them

Refusal of application

19. In every case where an application is granted the Board forthwith shall—

Procedure where application is granted

- (a) prepare, and file with the Registrar of the Supreme Court, a Deed of Adjustment in the prescribed form, containing the terms and conditions of the agreed arrangement,
- (b) convert the Interim Stay Order into a Stay Order which shall continue in force for a period of twelve months from the date of its issue by the Board, and which shall be annually renewable by the Board, but so that the total term of the Order (excluding the period of the Interim Stay Order) shall not exceed five years in all

Provided that, subject always to the maximum period of five years, the term for which a Stay Order is originally issued by the Board may exceed twelve months in cases where the applicant's creditors have agreed upon a longer period at the meeting of the Board,

- (c) terminate the appointment of the Temporary Supervisor (if any) and authorize the Land Bank to supervise the property of the applicant, and
- (d) issue a written instruction to the Land Bank specifying the amount required, in the opinion of the Board, for ensuring the successful continuance of the applicant's farming operations

20 The Board shall not grant any application made by a farmer for an advance nor formulate nor submit nor bring into force any scheme for the adjustment of the debts of any farmer unless it is satisfied that by so doing the farmer who is to be so assisted is deserving of assistance and will be enabled to continue his farming operations with a reasonable prospect of success

Restriction on grant of assistance

Advances

21 (1) At any time after the granting of an application and while a Stay Order is in force the Board may, after such inquiry as it may deem necessary, authorize an advance for the purpose of providing a reasonable living allowance for the farmer whose application has been granted and for his dependants and for defraying the necessary expenditure of the farmer in connection with the working and maintenance of his farm, and the marketing of his produce, and for any other expenditure for which the Board deems it proper that an advance should be made

Provided that—

(a) no advance under this section shall be made of an amount exceeding seventy per centum of the value (as determined by the Board) of the anticipated crop,

Cap 140

(b) where an advance is to be applied towards the cost of permanent improvements (as defined in the First Schedule to Crown Lands Ordinance) and/or movable assets essential to farming operations the amount of such advance shall not exceed sixty per centum of the value of the security as assessed by the Board

(2) As soon as may be after any such advance is authorized the Board shall publish in the Gazette the name and address of the farmer and the amount of the authorized advance

(3) The Board may provide for the repayment of any such advance by such instalments and upon such terms and conditions as the Board thinks fit. Such terms shall include provision for the payment of interest on the amount advanced at a rate to be notified from time to time by the Governor in Council

Publication of
Stay Order

22 (1) Notice of the issue of every Stay Order shall be published in the Gazette and a copy of the Order shall be sent by the Board to the Registrar of the Supreme Court

(2) The provisions of section 12 of this Ordinance relating to Interim Stay Orders shall equally be applicable to Stay Orders

Deed of
Adjustment

23 (1) Every Deed of Adjustment prepared in accordance with section 19 (a) of this Ordinance shall be executed by the chairman of the Board and by all the consenting creditors of the applicant to whose affairs the Deed relates

(2) Every such deed shall, after execution, be filed by the Board with the Registrar of the Supreme Court and shall when so filed be deemed to be an order of the Supreme Court and shall be binding upon all parties to the deed and upon the applicant and all his creditors

24 (1) The Land Bank shall have the sole right to receive all moneys payable to the farmer, and any movable property transferred to or otherwise becoming vested in the farmer, and to give a valid discharge on behalf of the farmer for any such moneys or property

Land Bank to receive for farmer all moneys or other property

(2) The Land Bank may also sue for and recover any debts due or other moneys payable to the farmer

(3) Nothing in this section contained shall affect any rights conferred on any person by an instrument under the Chattels Transfer Ordinance, 1930, if such instrument—

No 24 of 1930

(a) was given by the farmer before the issue of a Stay Order; and

(b) was registered within the time prescribed by the said Chattels Transfer Ordinance

No 24 of 1930

25 (1) The Land Bank shall in respect of each farmer keep proper books of account reflecting the financial transactions of or on account of the farmer

Accounts to be kept by Land Bank

(2) The farmer, and any creditor of the farmer, may with the authority of the Board, inspect the accounts and records of the Land Bank, and make copies thereof or any extract therefrom

26 If at any time the Board considers that it is advisable to cancel or refuse the renewal of any Stay Order the Board may, in its discretion, cancel the Stay Order, by issuing a notice of cancellation to the Registrar of the Supreme Court and by publishing a copy of the said notice in the Gazette, and thereupon the Stay Order shall cease to have any effect whatsoever. Prior to the cancellation of any Stay Order, the Board shall give not less than fourteen days' notice in writing to the farmer of the intended cancellation

Cancellation of Stay Order.

27 When a Stay Order from whatsoever cause ceases to have any effect, all the rights and liabilities of the farmer (except such as have been adjusted under the provisions of this Ordinance) at the time of the issue of the Stay Order shall forthwith revive, and in computing the time within which,

Continuance of proceedings when Stay Order is cancelled

according to law, any proceedings must be commenced or any step in proceedings must be taken, the period during which the Stay Order was operative shall be excluded

Advance to be
a charge after
cancellation of
Stay Order

28 (1) When a Stay Order is cancelled or ceases from any cause to have effect, the amount remaining unpaid in respect of any sum of money advanced by the Board to the farmer or of any sum which the Board has paid or agreed to pay in respect of any guarantee given in pursuance of this Ordinance shall be deemed to be a charge on the property and assets of the farmer. The Board shall be deemed to have a preferential lien for the amount of such charge over the crops and produce of the property of the farmer for the season then current, and such lien shall be in addition to and not in substitution for such charge

(2) Every such charge or lien shall be subject to any prior mortgage, charge or lien upon any property of the farmer at the date when the Stay Order ceases to have effect

Board may
require
execution of
instruments to
give effect to
Deed of
Adjustment

29 (1) The Board may, on the application of the farmer or of any of his creditors, direct the farmer or any such creditor to execute any instrument that may be required to give effect to the Deed of Adjustment

(2) If any person required to execute any such instrument fails or refuses to execute the same the Court may authorize the Registrar to execute such instrument in the name and on behalf of the farmer or creditor, as the case may be

Deed of
Adjustment to
be noted on
instruments
affected by
securities

30 (1) Where an adjustment of a farmer's liabilities has been effected in accordance with the provisions of this Ordinance, the Registrar of the Supreme Court after the Deed of Adjustment has been filed with him shall forward forthwith a certificate in the prescribed form to the Registrar of Titles and to any other persons charged with the duty of keeping of any register in which is registered any instrument of title or other instrument affecting any property to which the Deed of Adjustment relates

(2) It shall be the duty of the Registrar of Titles and of every other person to whom a certificate has been so forwarded to enter in the appropriate register or registers and to note on the registered instrument a memorial of such certificate, without payment of any fee

31 Notwithstanding the provisions of section 3 of the Bankruptcy Ordinance, 1930, a farmer who makes a proposal for or who agrees to an adjustment of his liabilities as provided for by this Ordinance or for whose estate a Temporary Supervisor has been appointed under the provisions of this Ordinance or whose estate has been vested in or administered by the Land Bank under the provisions of this Ordinance shall not be deemed to have committed thereby an act of bankruptcy

Proposal for
adjustment
not act of
bankruptcy
No 32 of 1930

32 (1) Any person whose name appears on any list of creditors or debtors filed by a farmer in accordance with section 10 of this Ordinance, and any other person who makes a claim against the applicant in writing addressed to the chairman of the Local Committee concerned or the Secretary of the Board, as the case may be, may at any time during office hours inspect the filed list of creditors and debtors and the filed statement of such farmer's assets and liabilities. Any person who, not being a creditor of such farmer, knowingly makes to the said chairman or to the Secretary, for the purposes of this section a false representation to the effect that he is a creditor of such farmer shall be guilty of an offence against this Ordinance

Right to
inspect filed
statements

(2) Any inspection under this section may be made personally by the creditor or debtor or by any other person acting as the authorized agent of the creditor or debtor

(3) Any person who is authorized by the provisions of this section to inspect a list of creditors or debtors or a statement of assets and liabilities may make a copy of, or take extracts from, such list or statement

33 (1) Any person duly authorized in writing by the Board or by a Local Committee may, at all reasonable times, enter upon any land owned or occupied by a farmer or into any premises situated on such land and may examine and inspect any crops growing upon or severed from such land and any produce of any such crops or any farm live stock upon such land or premises

Power to enter
and inspect
farm, etc

(2) Any person who knowingly obstructs any duly authorized person in any such inspection or examination shall be liable on conviction before a magistrate of the first or second class to a fine not exceeding twenty pounds

**False
statements**

34 Any person who wilfully makes any false statement in or in relation to any application, declaration, or other document made or executed in connection with anything done or proposed to be done under this Ordinance, or who wilfully neglects fully to disclose any matter required by this Ordinance to be disclosed, shall be guilty of an offence against this Ordinance

Forms

35 Any application, deed or other document used or required to be used for the purposes of this Ordinance shall be in the form prescribed by this Ordinance or by rules made thereunder. In cases where no form is prescribed, the Board may decide upon the form to be used together with any subsequent modifications, additions or alterations which the Board thinks fit

**Exemption
from duties
and fees
*Cap 57***

36 Notwithstanding anything contained in the Stamp Ordinance or in any other Ordinance in force in the Colony, no duty, tax or fee shall be payable to the Government on any document, instrument or deed required or used in connection with any act or transaction performed under this Ordinance

Rules

37 (1) The Governor in Council may make rules containing such provisions as may from time to time appear to be necessary and proper for bringing into operation and giving full effect to the provisions and purposes of this Ordinance and in particular and without prejudice to the generality of the foregoing power, for—

- (a) regulating the practice and procedure of the Board and of Local Committee,
- (b) prescribing the form of any applications, deeds, orders, appointments, affidavits, reports or other documents to be used in connection with this Ordinance,
- (c) prescribing the security and terms of repayment required in connection with advances made for the purposes of this Ordinance and fixing the limits of such advances, and
- (d) the keeping of accounts in connection with any matter or thing done under this Ordinance

(2) Until rules have been made under the authority of this section, the Board may issue directions upon any matter connected with the purposes or provisions of this Ordinance

38. Any person who contravenes or fails to comply with any of the provisions of this Ordinance or of any rules made thereunder, or who fails to observe any of the conditions or restrictions subject to or upon which relief has been given under this Ordinance, shall be guilty of an offence against this Ordinance, and for every such offence for which no penalty is specially provided, the offender shall be liable on conviction to a fine not exceeding ten pounds and in default of payment of the fine shall be liable to imprisonment for a term not exceeding six months

OBJECTS AND REASONS

This Bill is intended to give effect to the main recommendations contained in the Interim Report of the Kenya Agricultural Indebtedness Committee, 1935

The Bill makes provision for a system of Short Term Agricultural Relief in the Colony and follows, to a very limited extent, the procedure adopted in New Zealand

If the Bill becomes law it is anticipated that it will be necessary for the Land Bank to set aside a sum of approximately £200,000 to give effect to the scheme

Section 10 of the Principal Ordinance which it is proposed amend —

Execution of
documents and
signing of
cheques

10 All deeds, instruments, contracts and other documents shall be deemed to be duly executed by or on behalf of the Bank if signed by the Chairman of the Board and one other member of the Board, deputed thereto by the Board in each case, underneath the name of the Bank. Provided that a cheque upon any banking account kept by the Bank shall be signed by the Secretary and one member of the Board.

Section 18 of the Principal Ordinance which it is proposed to amend —

Business of the
Bank

18 Subject to the provisions of this Ordinance, the business of the Bank shall be—

- (a) to advance money to farmers on mortgage of land within the Colony which is used for agricultural or pastoral purposes,
- (b) to advance money to farmers holding land from the Crown under an agreement to purchase,
- (c) to advance money to farmers for the purposes of dipping tanks or fencing as provided in Part IV of this Ordinance,

GOVERNMENT NOTICE No 279

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

R W BAKER-BEALL
Acting Clerk of the Legislative Council

**A Bill to Amend the Land and Agricultural
Bank 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 Land and Agricultural Bank (Amendment) Ordinance, 1936, and shall be read as one with the Land and Agricultural Bank Ordinance, 1930, hereinafter referred to as the Principal Ordinance

Short title

No 3 of 1931

2 Section 10 of the Principal Ordinance is hereby amended by the deletion of the words “deputed thereto by the Board in each case,” which occur in the fourth and fifth lines thereof

Amendment of
section 10
of the
Principal
Ordinance

3 Paragraphs (a) and (b) of section 18 of the Principal Ordinance are hereby repealed and the following paragraphs are substituted therefor —

Amendment of
section 18
of the
Principal
Ordinance

“(a) to advance money to farmers on mortgage of land within the Colony which is used for agricultural or pastoral purposes and on which no part of the purchase price if any, payable to the Crown remains outstanding,

(b) to advance money to farmers holding land from the Crown on titles providing for the payment of the purchase price or stand premium by instalments”

(d) to advance money to natives in accordance with the provisions of section 26 of this Ordinance,

and generally to make all such advances and do all such acts as the Bank may, by this Ordinance or any other law, be authorized to make or do

Sub-section (3) of section 25 of the Principal Ordinance which it is proposed to replace —

(3) Advances may be made for the purpose of discharging a mortgage of prior date if such mortgage is in the opinion of the Board onerous, and the amount thereof together with all interest and charges due thereon does not exceed three thousand Pounds. Provided that no advance of a sum exceeding two thousand pounds may be made for any such purpose without the consent of the Governor in Council

4 (1) Sub-section (3) of section 25 of the Principal Ordinance is hereby repealed and the following sub-section is substituted therefor —

Repeal and replacement of section 25 (3) of the Principal Ordinance

“(3) An advance not exceeding three thousand five hundred pounds may be made for the purpose of reducing or discharging an existing first mortgage if in the opinion of the Board such mortgage is onerous

Provided that no advance shall be made for the purpose of reducing any such existing mortgage unless the mortgagee executes a waiver of priority in accordance with the provisions of section 13 of the Land and Agricultural Bank (Amendment) Ordinance, 1934 ”

No 4 of 1934

(2) This section shall be deemed to have come into operation on the 3rd day of March, 1931

5 The Principal Ordinance is hereby amended by inserting therein, next after section 26, the following as section 26A —

Amendment of the Principal Ordinance

“26A (1) Notwithstanding anything in this Ordinance contained a special advance not exceeding two hundred pounds in amount may be made at any time by the Bank to a person who makes application therefor for the purpose of obtaining assistance in preventing soil erosion

Advances for preventing soil erosion

Provided that the total amount of such advance and of all other advances made by the Bank upon the same security shall not exceed seventy-five per centum of the value of such security as determined by the Board

(2) The Bank may in its discretion make such an advance upon the security of property already encumbered by a mortgage or by a charge in favour of a person other than the Bank and may permit the advance to rank in respect of such security subsequent to such mortgage or charge, but in any such case the Bank, before making the advance, shall call for further and adequate security in addition to the security so mortgaged or charged ”

Sub-section (3) of section 27 of the Principal Ordinance which it is proposed to replace —

(3) No advance under the provisions of paragraphs (a) and (b) of section 18 of this Ordinance shall be made of a sum less than fifty pounds except in special cases and no advance shall be made to any one farmer of a sum greater than three thousand pounds or of sums which in the aggregate exceed three thousand pounds, except for the purpose of executing large agricultural works or improvements specially authorised by the Governor in Council. Provided that no sum advanced for any such works or improvements shall exceed in the aggregate the sum of five thousand pounds

Section 28 of the Principal Ordinance which it is proposed to amend —

Securities
which may
be taken

28 (1) No advance under the provisions of paragraphs (a) and (b) of section 18 of this Ordinance shall be made upon the security of any piece of land less than ten acres in extent. Provided that any land less than ten acres in extent may be accepted as collateral security if it does not constitute the main part of the security

(2) No advance under the provisions of paragraph (a) of section 18 of this Ordinance shall be made for an amount exceeding sixty per centum of the fair agricultural or pastoral value of the land, as determined by the Board. An advance made on the security of land shall be made only on the security of land which to the satisfaction of the Board is permanently occupied and either beneficially cultivated or used for grazing stock provided that land used exclusively for grazing stock may be regarded as permanently occupied when it is worked as one holding with other land beneficially occupied

(3) Except in the case of Government settlement schemes in accordance with which advances and interest thereon are specifically guaranteed by the Government, no advance under the provisions of paragraph (b) of section 18 of this Ordinance upon the security of Crown land, the purchase price thereof not being fully paid, shall exceed fifty per centum of the amount already paid as part of the purchase price, but the Board may advance an additional amount up to fifty per centum of the value of improvements approved by the Board made since the date of the title under which the land is

6. Sub-section (3) of section 27 of the Principal Ordinance is hereby repealed and the following sub-section is substituted therefor —

Repeal and replacement of section 27 (3) of the Principal Ordinance

“(3) No advance under the provisions of paragraphs (a) and (b) of section 18 of this Ordinance shall be made of a sum less than fifty pounds except in special cases and no advance shall be made to any one farmer of a sum greater than five thousand pounds or of sums which in the aggregate exceed five thousand pounds ”

7 (1) Sub-section (2) of section 28 of the Principal Ordinance is hereby amended by deleting the first line of the sub-section and by substituting therefor the following —

Amendment of section 28 of the Principal Ordinance

“(2) Save where provision to the contrary is expressly made, no advance under the provisions of paragraph (a)”

(2) Sub-section (3) of section 28 of the Principal Ordinance is subject to the proviso contained in this sub-section, hereby repealed and the following sub-section is substituted therefor —

“(3) Except in the case of Government settlement schemes in accordance with which advances and interest thereon are specifically guaranteed by the Government, no advance under the provisions of paragraph (b) of section 18 of this Ordinance upon the security of Crown land, the purchase price thereof not being fully paid, shall be made except with the prior consent of the Governor and no such advance shall exceed fifty per centum of the amount already paid as part of the purchase price, but the Board may, with the prior consent of the Governor, advance an additional amount up to fifty per centum of the value of improvements approved by the Board made since the date of the title under which the land is held and such value shall be determined by the Board. Provided that, in the event of the land being resumed by the Crown, there shall be paid out of general revenue so much of the advance and the interest due thereon as the Bank is unable to recover from the mortgagor. Provided further that the Governor may approve of the making of advances for the fencing of Crown land to an amount in excess of fifty per centum of the value of such fencing ”

held and such value shall be determined by the Board, Provided that in the event of any such agreement being cancelled and the land resumed by the Crown, there shall be paid out of general revenue so much of the advance and the interest due thereon as the Bank is unable to recover from the mortgagor. Provided further, that the Governor may approve of the making of advances for the fencing of Crown land to an amount in excess of fifty per centum of the value of such fencing.

(4) For the purpose of sub-section (3) of this section it shall be in the discretion of the Board to take into account the value of such permanent improvements as will last beyond the period for which the advance was made.

(5) An advance made under sub-section (3) of this section shall be secured in such manner and in such form as the Board may determine and, anything to the contrary notwithstanding contained in the next succeeding section, any such advance shall, together with the interest thereon, be repaid within a period not exceeding twenty years upon such terms and conditions as may be determined by the Board.

(6) In the case of a Crown land scheme of settlement in accordance with which advances and interest thereon are guaranteed by the Government, the terms and period of an advance shall be such as are provided for in the scheme.

Section 29 of the Principal Ordinance which it is proposed to amend —

Period for
which advances
may be made,
method of
repayment,
rate of interest,
form of
mortgage deed

29 (1) The Board may make an advance under section 18 of this Ordinance on such terms as it may deem fit and may direct that such advances shall be repaid in equal half-yearly instalments of capital and interest within such period, not exceeding thirty years, as it may prescribe.

(2) The rate of interest on advances shall be from time to time fixed by the Board with the consent of the Governor in Council.

(3) The form of mortgage deed for securing any advance under paragraph (a) of section 18 of this Ordinance shall be as prescribed by the Board.

Provided that the provisions of this sub-section shall not apply to any advance made before the commencement of this Ordinance but the provisions of sub-section (3) of section 28 of the Principal Ordinance, as the same appeared in that Ordinance before the coming into operation of this Ordinance, shall continue to apply to any such advance

(3) Sub-section (5) of section 28 of the Principal Ordinance is hereby repealed, and sub-section (6) of section 28 is hereby amended by renumbering the same as sub-section (5)

8. Sub-section (3) of section 29 of the Principal Ordinance is hereby amended by the deletion of the words "paragraph (a) of" which occur in the second line thereof

**Amendment of
section 29 (3)
of the
Principal
Ordinance**

Section 32 of the Principal Ordinance which it is proposed to amend —

Increase or
reduction of
rates of
interest

32 The Board may from time to time with the approval of the Governor in Council increase or reduce the rate of interest payable on advances made out of the funds of the Bank. Provided that no alteration shall be made to the rate of interest on advances already made. Provided, further, that the rate of interest charged in respect of any advance shall not be less than is sufficient to cover the average rate payable by the Bank on the following funds, namely—

(a) those provided under sub-section 1 (a) or (b) of section 20 of this Ordinance,

(b) those borrowed under the provisions of section 21 of this Ordinance, not including redemption thereof,

together with the costs of the administration of the Bank, including provision for losses

Section 45A of the Principal Ordinance which it is proposed to amend —

Procedure for
recovery on
default by
entry and sale
of the
property

45A (1) Three months after demand for the repayment of an advance made under Part II or Part III of this Ordinance has been made by registered letter addressed to the address given by the debtor in his application for the advance and after three months' notice of such demand has been given to all subsequent mortgagees of the property upon which the advance was made the Board may, without recourse to a court of law, enter upon and take possession of and sell by public auction the whole or any part of the security for the advance upon such terms and conditions as to the Board shall appear in all the circumstances to be just. Provided that in the circumstances mentioned in paragraph (c) of section 45 of this Ordinance, the Board may so enter upon and take possession of and sell the whole or any part of such security as soon as the Board may deem expedient after the happening of any of the events in the said paragraph (c) mentioned

(2) The Board may transfer such land or other security to a purchaser and give a good and valid title thereto, and may execute all such documents and do all other acts as may be necessary to perfect the same

9 Section 32 of the Principal Ordinance is hereby amended by the deletion of the words "Provided that no alteration shall be made to the rate of interest on advances already made " which occur in the fourth and fifth lines thereof and by the substitution therefor of the following —

Amendment of
section 32 of
the Principal
Ordinance

- "Provided that no increase in the rate of interest shall be made on advances already made and, in the case of reduction of the rate of interest, such reduction shall only apply to the unpaid balance of the advance outstanding at the time of such reduction but the rate of interest on any portion of an advance which was due and payable before such reduction of interest shall be based on the rate of interest payable on advances before such reduction "

10 Section 45A of the Principal Ordinance is hereby amended by the deletion of the word "and" which occurs after the word "of" in the ninth line of sub-section (1) thereof and by substitution therefor of the words "and/or", and by the addition at the end of sub-section (1) thereof of the following proviso —

Amendment of
section 45A
of the
Principal
Ordinance

"Provided further that the Board may, at any time before the expiration of such period of three months mentioned in this section, so enter upon and take possession of and/or sell the whole or part of the security—

- (a) if the debtor and the subsequent mortgagee consent to such action or actions being taken, or
- (b) if such land has been abandoned by the debtor and in the opinion of the Board, such action or actions is or are necessary for the purposes of safeguarding the well-being of the mortgaged property Notice of such intended action or actions under this paragraph shall be given to the debtor by registered letter addressed to the address given by the debtor in his application for the advance "

(3) Provided that no such sale shall take place until the expiry of at least thirty days from the date of a notice in the Gazette and in some newspaper circulating in the district stating the date, hour and place, and the terms and conditions of the sale and provided that every reasonable endeavour shall be made by the Board to communicate to persons interested that such sale is intended

(4) The provisions of section 9 of this Ordinance shall not apply to a transfer of land or other security by the Board to a purchaser under this section

Sub-section (1) of section 50 of the Principal Ordinance which it is proposed to amend —

Power to
make rules

50 (1) The Governor in Council, upon the recommendations of the Board may make rules as to all or any of the following matters namely—

- (a) the meetings and proceedings of the Board
- (b) the rights and privileges and the duties of the staff and the duties of other persons employed by the Board and the manner of their performance,
- (c) the establishment of agencies,
- (d) the management of the Bank and its agencies,
- (e) the specific cases in which property given as security shall be insured,
- (f) the rules of good husbandry,
- (g) the conditions which may be imposed in regard to advances for improvements or new works, and the payment of such advances as work proceeds,
- (h) the forms to be used and the books accounts and records to be kept,
- (i) the registration by the Registrar of mortgages executed to secure the repayment of advances made in terms of section 18 (b) of this Ordinance and interest on such advances and the form in which such registration shall be made the inspection of such register and other matters incidental thereto and
- (j) generally for fully and effectually carrying out and giving effect to the objects and purposes and for guarding against violations of this Ordinance,

- 11** Sub-section (1) of section 50 of the Principal Ordinance is hereby amended—
- (a) by deleting paragraph (i) thereof
 - (b) by renumbering paragraph (i) thereof as paragraph (i)

Amendment of
section 50 (1)
of the
Principal
Ordinance

The First Schedule to the Principal Ordinance which it is proposed to amend —

FIRST SCHEDULE

(Section 44)

Covenants to be implied in every mortgage on the part of the person executing the same, or his legal representative, as mortgagor in favour of the Land and Agricultural Bank of Kenya, its successors and assigns, as mortgagee

(1) That the mortgagor will from time to time, so long as money shall remain owing on this security, well and substantially repair and keep in good and substantial repair and condition all buildings and other improvements erected and made upon the said land, and the Bank shall at all times be at liberty by itself, its agents or servants to enter upon the said land to view and inspect the said buildings and improvements

(2) That if the mortgagor fail or neglect to repair the said buildings and improvements, or to keep them in good and substantial repair and condition as aforesaid, then and in any such case and as often as the same shall happen it shall be lawful for, but not obligatory upon, the Bank, at the cost and expense in all things of the mortgagor, to repair the said buildings and improvements and keep them in good and substantial repair and condition

(3) That all moneys expended by the Bank in repairing or keeping in repair any of the said buildings and improvements as aforesaid, or in the insurance thereof, or in attempting to exercise any power, right or remedy herein contained or implied in favour of the Bank, shall be payable to the Bank by the mortgagor on demand, and until paid shall be charged on the said land, together with interest at the rate of not more than the rate per centum charged in the said mortgage computed from the date or dates of such moneys being expended

(4) Insurance shall be effected as may be prescribed by regulations or instruction of the Board in the joint names of the applicant and the Bank Every policy of insurance so effected and every renewal receipt shall be deposited with the Bank

12. The First Schedule to the Principal Ordinance is hereby amended as follows —

Amendment of
Schedule I of
the Principal
Ordinance

- (a) by the insertion of the words “pay the rent after the same became due under any agreement, lease or licence under which he holds the land, and” between the word “security,” and the word “well” which occur in the second line of paragraph (1) thereof,
- (b) by the insertion of the words “to pay the rent as aforesaid” between the word “neglect” and the word “to” which occur in the first line of paragraph (2) thereof,
- (c) by the insertion of the words “to pay the said rent” between the word “mortgagor,” and the word “to” which occur in the seventh line of paragraph (2) thereof, and
- (d) by the insertion of the words “in paying rent as aforesaid, and” between the word “Bank” and the word “in” which occur in the first line of paragraph (3) thereof

(5) That if and whenever the mortgagor makes default in the full and punctual payment of any instalment of interest or principal or if and whenever the mortgagor makes default in the faithful observance and performance of any covenant or condition contained in or imposed by the mortgage, it shall be lawful for the Bank to call up and compel payment of all principal, interest and other moneys for the time being owing under this security, notwithstanding that the time or times hereinafter appointed for the payment thereof respectively may not have arrived

(6) That the mortgagor will at all times cultivate and/or manage the lands mortgaged in a skilful and proper manner, either personally or by proxy, and according to the rules of good husbandry and particularly will fulfil all conditions of development and occupation to which in any title from the Crown such lands are subject. Failure in the performance of this condition shall entail the immediate recovery of the advance should the Bank so desire and the conditions of title issued from the Crown in respect of land used exclusively for stock farming shall in all respects be punctually fulfilled

Section 3 of the Land and Agricultural Bank (Amendment) Ordinance 1934 which it is proposed to replace —

Temporary
advances

3 (1) Notwithstanding anything contained in the Principal Ordinance it shall be lawful for the Board out of the funds of the bank to make temporary advances to farmers for such purposes as may be prescribed by the Governor in Council and on such conditions as the Board may see fit in any case to impose provided however that no advance of a sum exceeding five hundred pounds shall be made and every such advance shall bear interest at such rate per annum as may from time to time be fixed by the Board with the consent of the Governor in Council. Notification of the decision of the Board to make any such advance shall be published in the Gazette

(2) No advance shall be made under this section of a sum which together with advances (if any) made to the same farmer under paragraphs (a) and (b) of section 18 of the Principal Ordinance exceeds the maximum advance which can be made under sections 27 (3) 28 (2) and 28 (3) of the Principal Ordinance

13 Section 3 of the Land and Agricultural Bank (Amendment) Ordinance, 1934 is hereby repealed and the following is substituted therefor —

Repeal and replacement of section 3 of the Land and Agricultural Bank (Amendment) Ordinance, 1934

“3 (1) Notwithstanding anything contained in the Principal Ordinance it shall be lawful for the Board out of the funds of the Bank to make temporary advances, up to a maximum of five hundred pounds, to farmers, on such conditions and upon such security as to the Board may seem fit, for the following purposes in addition to those set forth in section 19 of the Principal Ordinance —

Temporary advances

No. 3 of 1934

(a) to meet expenses of farming operations to be incurred, or

(b) to meet existing liabilities incurred in farming

(2) Every such advance shall bear interest at such rate per annum as may from time to time, with the consent of the Governor in Council, be fixed by the Board

(3) Every such advance made under this section with interest thereon shall become due and payable on the thirtieth day of June next following the date of the advance provided, however, that the Board may, at its discretion, from time to time postpone the date of repayment for a total period not exceeding three years

No 24 of 1930 (4) All moneys advanced under the provisions of this section, and all interest thereon and charges incidental thereto, shall be a charge on the lands in respect of which the advance is made and upon the crops and produce grown or to be grown thereon, when reaped or gathered therefrom, and on the product or article to be cured, made or manufactured from such crops and produce, and such crops and produce upon severance from the land and the product or article to be cured, made or manufactured therefrom shall not be deemed to be chattels within the meaning of the Chattels Transfer Ordinance, 1930, and the charge hereby created shall have priority both in law and in equity to all encumbrances whatsoever, save and except debts due to His Majesty, as from the date on which notice of the decision to make such advance is published in the Gazette

(5) No payment in respect of an advance shall be made under this section until the aforesaid notification of the Board's decision to make an advance has been published in the Gazette and the provisions of section 4 have been complied with

Provided, however, that before any advance is made under the provisions of this section the farmer shall first obtain the consent in writing of the several encumbrancers (if any) of the lands in respect of which the advance is applied for to such advance being made, and no charge created under the provisions of this section shall have priority to an encumbrance where the farmer has omitted to obtain the consent in writing of the encumbrancer

Cap 142 Provided further that notwithstanding anything in the Registration of Titles Ordinance or in any other Ordinance contained, or any provision of law or equity to the contrary, immediately upon the publication in the Gazette of the notification of the Board's decision to make an advance under this section, all persons dealing with the lands or any interest therein shall be deemed to have notice of such advance, and all such dealings shall be and be construed to be subject to the charge and priority created by this section

Provided that no advance shall be made under this section on the security of any property which is encumbered by any mortgage charge or other encumbrance, other than a mortgage or charge in favour of the Bank, unless the encumbrancer has executed a waiver of priority in accordance with the provisions of section 13 of this Ordinance in favour of the Bank

Provided further that no advances shall be made under this section of a sum which, together with advances (if any) made to the same farmer under paragraphs (a) and (b) of section 18 of the Principal Ordinance, exceeds the maximum advance which can be made under sections 27 (3), 28 (2) and 28 (3) thereof

(3) All moneys advanced under the provisions of this Ordinance and all interest thereon and charges incidental thereto shall be a charge on the lands in respect of which the advance is made and shall, subject to the proviso contained in this sub-section, become due and payable within twelve months after the date of the advance

Provided, however, that the Board may, at its discretion, from time to time postpone the date of repayment for a total period not exceeding three years from the date of the advance

(4) Written notification of an advance under this section shall be given by the Secretary of the Bank to the Principal Registrar of Titles, who shall without charging any fee register such notification

Provided that where the advance is in respect of land held under the provisions of the Registration of Titles Ordinance the Principal Registrar of Titles shall also endorse a memorandum of the advance upon the Crown grant or the certificate of title

Cap 142

(5) Notwithstanding anything in any other Ordinance contained the registration of such notification shall constitute a charge upon the land in respect of which the advance has been made, and, subject to the provisions of any waiver of priority which may be given under section 13 of this Ordinance, shall rank for priority with effect from the time and date of such registration "

Section 4 of the Land and Agricultural Bank (Amendment) Ordinance, 1934, which it is proposed to repeal.—

Notification to
Principal
Registrar of
Titles

Cap 142

4 As soon as possible after the publication in the Gazette of the notification required under section 3 the Board shall fill up a notification in a form to be approved by the Board and shall sign and forward the same to the Principal Registrar of Titles, who shall file the same in a register to be kept for the purpose, and such register shall be open to the public for inspection free of cost. Provided that where the advance to be allowed is in respect of lands held under the provisions of the Registration of Titles Ordinance the Principal Registrar of Titles shall also endorse a memorandum of the advance upon the Crown grant or certificate of title.

Section 5 of the Land and Agricultural Bank (Amendment) Ordinance, 1934, which it is proposed to replace.—

Repayment of
advances

5 Upon the repayment by the farmer of any advance made under section 3 of this Ordinance together with interest at the rate prescribed to the date of such repayment, the Board shall give a receipt for the same, and the Principal Registrar of Titles shall, upon production to him of such receipt, write the word "Cancelled" across the notification filed in the register and across the memorandum (if any) endorsed on the Crown grant or certificate of title, and thereupon the charge created by this Ordinance in respect of the said advance shall be extinguished. Notice of the extinguishment of any advance shall be published in the Gazette as soon as possible after the date of such extinguishment.

14 Section 4 of the Land and Agricultural Bank (Amendment) Ordinance, 1934, is hereby repealed

Repeal of section 4 of the Land and Agricultural Bank (Amendment) Ordinance, 1934

15 Section 5 of the Land and Agricultural Bank (Amendment) Ordinance, 1934, is hereby repealed and the following is substituted therefor —

Repeal and replacement of section 5 of the Land and Agricultural Bank (Amendment) Ordinance, 1934

“5 Upon the repayment of an advance made under section 3 of this Ordinance, together with interest due thereon, the Secretary of the Bank shall forthwith give written notice of such repayment to the Principal Registrar of Titles who shall without charging any fee register such notification and endorse on the Crown grant or certificate of title (if any) notice of such repayment, and thereupon the charge entered in respect of such advance shall be extinguished ”

Repayment of advances

OBJECTS AND REASONS

The objects of this Bill may be summarized as follows —

(1) To meet the demand for long term finance from agriculturalists who in the present state of the law are debarred from applying to the Land Bank, as their requirements exceed the present maxima laid down for advances. Provision is accordingly made for the raising of these maxima

(2) To provide facilities on special terms for advances for the purpose of combating soil erosion

(3) To provide for any reduction in interest charge which may be possible at any future date being applicable to the balance of existing mortgage debts and not only to fresh advances

(4) To provide for prompt action by the Land Bank being authorized in cases where (a) with the consent of the mortgagor or (b) the mortgaged property has been abandoned, it is necessary for the Bank to expend further moneys and exercise personal supervision of a property subject to an otherwise rapid deterioration of any of the permanent improvements, e.g. coffee trees

(5) To provide for minor alterations in the administrative work which experience has shown to be desirable

No expenditure of public moneys will be involved if the provisions of this Bill become law