CHAPTER 62.

An Act to authorise the Treasury to guarantee certain loans to be raised respectively by the Government of Palestine and by the Governments of certain territories in East Africa.

[15th December 1926.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Guarantee of Palestine and East African loan.

1.—(1) The Treasury may, subject to the provisions of this Act, guarantee in such manner and on such conditions as they think fit the payment of the principal of and the interest on any loan raised by the Government of Palestine for the purposes set out in the First Schedule to this Act and any loan raised by the Governments of Kenya, Uganda, Northern Rhodesia, Nyasaland, or Tanganyika for the purposes set out in the Second Schedule to this Act:

Provided that the amount of the principal of the loans to be guaranteed under this Act shall not in the aggregate exceed, as respects loans raised by the Government of Palestine an amount sufficient to raise four million five hundred thousand pounds, and as respects loans raised by the other Governments aforesaid an amount sufficient to raise ten million pounds.

(2) A guarantee shall not be given under this Act until the Government by which the loan is to be raised has provided to the satisfaction of the Treasury and the Secretary of State—

(*a*) For raising, appropriating, and duly applying the loan in the case of a loan to be raised by the Government of Palestine, for the purposes and in the manner set out in the First Schedule to this Act, and, in the case of a loan to be raised by any of the other Governments aforesaid, for the purposes and in the manner set out in the Second Schedule to this Act, subject in either

case to any arrangements which may be made with the assent of the Treasury and the Secretary of State for the application of savings on one head of expenditure under the said First Schedule or the said Second Schedule, as the case may be, to another head of expenditure thereunder:

(*b*) For the establishment and regulation of one or more sinking funds for the purpose of the repayment of the principal of the loan or any instalment thereof within a period not exceeding forty years from the date on which the loan or instalment is actually raised and for the management of the sinking funds by trustees to be nominated by the Treasury:

(*c*) For charging on the general revenues and assets of the territory or colony concerned or on any other revenues or assets which may be made available for the purpose, with priority over any charges not existing at the date of the passing of this Act, the principal and interest of the loan and the payments to be made to the sinking funds to be established as aforesaid:

(*d*) For charging on the general revenues and assets of the territory or colony concerned immediately after the last mentioned charge the repayment to the Treasury of any sum issued in pursuance of this Act out of the Consolidated Fund on account of the guarantee under this Act with interest on the said sum at such rate as the Treasury may fix:

(*e*) For raising, or securing the raising of, sufficient money to meet the above charges,

nor, in the case of a loan to be raised by any Government other than the Government of Palestine, until after consultation with an advisory committee appointed by the Secretary of State subject to the approval of the Treasury.

(3) Any sums required by the Treasury for fulfilling any guarantee given under this Act shall be charged on and issued out of the Consolidated Fund or the growing produce thereof, and any sums received by way of the repayment of any sums so issued shall be paid into the Exchequer.

(4) The Secretary of State shall satisfy himself that fair conditions of labour are observed in the execution of all works carried out under any loan raised in pursuance of this Act.

Short title.

2. This Act may be cited as the Palestine and East Africa Loans Act, 1926.

SCHEDULES.

FIRST SCHEDULE.

PURPOSES OF PALESTINE LOAN.

	£
1. Railways	1,640,000
2. Purchase of railway and other capital assets from His Majesty's Government	1,000,000
3. Harbour construction and port improvements	1,115,000
4. Public buildings, telegraphs and telephones, surveys, minor works of development, and purposes incidental to or connected with any of the purposes mentioned in this Schedule, including the raising of the loan	745,000
	4,500,000

SECOND SCHEDULE.

PURPOSES OF EAST AFRICAN LOANS.

	£
1. Railways	6,500,000
2. Harbour construction and port improvements	2,500,000
3. Roads, other works of development (including scientific research) and purposes incidental to or connected with any of the purposes mentioned in this Schedule, including the raising of the loans	1,000,000
	10,000,000