

BECHUANALAND PROTECTORATE.

No. 55 OF 1950.

(Promulgated 27th October, 1950.)

PROCLAMATION

BY HIS EXCELLENCY THE HIGH COMMISSIONER

Entitled the Bechuanaland Protectorate Rhodesia
Railways Loans Guarantee Proclamation, 1950.

Whereas it is expedient to provide for the Rhodesia Railways to make good certain losses incurred by the trustees of the railway pension schemes upon realisation of investments; for the guarantee by the Government of the Bechuanaland Protectorate of certain loans made to the Rhodesia Railways; for the Government of the Bechuanaland Protectorate to make good any deficiencies in the moneys available to the aforesaid trustees for the payment of pensions; and for matters connected with the foregoing;

Now therefore under and by virtue of the powers in me vested, I do hereby declare, proclaim and make known as follows:—

Short Title and Commencement.

1. This Proclamation may be cited as the Bechuanaland Protectorate Rhodesia Railways Loans Guarantee Proclamation, 1950, and shall be deemed to have had force and effect from the eighth day of September, 1950.

Interpretation of Terms.

2. In this Proclamation unless inconsistent with the context—

“ Authority ” means the Rhodesia Railways Higher Authority as appointed and constituted from time to time under sub-sections (1) and (2) of section *eight* of the Rhodesia Railways Act, 1949, of Southern Rhodesia;

“ Governments ” means the Governments of Southern Rhodesia, Northern Rhodesia and the Bechuanaland Protectorate;

“loan” means a loan of money made by the trustees to the Railways with the approval of the Authority in terms of clause 10 of the Agreement made in pursuance of section *five* of the Rhodesia Railways, Limited (Pension Schemes and Contracts) Act, 1949, of the United Kingdom or clause 9 of the Agreement made in pursuance of section *six* of the aforesaid Act;

“Railways” means the Rhodesia Railways, established and incorporated under the Rhodesia Railways Act, 1949, of Southern Rhodesia;

“trust funds” means the funds held by the trustees under the agreements made in pursuance of sections *five* and *six* of the Rhodesia Railways, Limited (Pension Schemes and Contracts) Act, 1949, of the United Kingdom and includes any investments thereof and any cash derived from the income of such investments or from contributions received by the trustees;

“trustees” means the trustees of the agreements made in pursuance of sections *five* and *six* of the Rhodesia Railways, Limited (Pension Schemes and Contracts) Act, 1949, of the United Kingdom.

Loss on Realisation of Investments.

3. For the purpose of making at any time a loan to the Railways of the whole or any portion of the trust funds, the trustees shall be entitled to realise any investment, if necessary at a figure below the book value of such investment and to lend the proceeds thereof to the Railways, and thereupon the principal amount of any such loan shall be deemed to be the amount so realised and lent together with the amount, if any, of the difference between the net amount realised and the book value of the investment realised when the realised amount is less than the book value.

Government Guarantee of Certain Loans to the Railways.

4. (1) The Governments have agreed that they shall guarantee the repayment of the principal amount of any loan and any interest due thereon in the following proportions:—

- (a) Seventy-five per centum thereof by the Government of Southern Rhodesia;
- (b) twenty per centum thereof by the Government of Northern Rhodesia; and
- (c) five per centum thereof by the Government of the Bechuanaland Protectorate.

The said Agreement is hereby ratified and confirmed and accordingly the Government of the Bechuanaland Protectorate shall pay five per centum of any amount required to fulfil such guarantee.

(2) Notwithstanding the provisions of section *twenty-seven* of the Rhodesia Railways Act, 1949, of Southern Rhodesia, any surplus referred to in that section shall, after the reimbursement of any payments made by the Governments in respect of any previous deficit in accordance with the provisions of section *twenty-six* of that Act, be applied to the reimbursement of any payments made by the Governments in terms of the guarantee under this section in the proportion of their payments.

Governments to Pay Deficiencies in Moneys Available to Trustees for Pensions.

5. (1) If owing to a loan to the Railways the funds at the disposal of the trustees are not sufficient to meet the pensions at any time payable by them, the Governments have agreed to meet such deficiency in the following proportions:—

- (a) Seventy-five per centum thereof by the Government of Southern Rhodesia;
- (b) twenty per centum thereof by the Government of Northern Rhodesia; and
- (c) five per centum thereof by the Government of the Bechuanaland Protectorate.

The said Agreement is hereby ratified and confirmed and accordingly the Government of the Bechuanaland Protectorate shall pay five per centum of any such deficiency.

(2) The trustees shall notify the Railways of any such deficiency and the Railways shall pay interest to the trustees upon any moneys paid by the Governments in terms of sub-section (1) of this section at such rate as may be determined by agreement of the Governments.

(3) The trustees shall, upon repayment by the Railways of any loan, refund to the Governments any moneys paid by them in terms of sub-section (1) of this section together with an amount equal to the interest paid by the Railways in terms of sub-section (2) of this section.

Variation of Proportions of Guarantees and Contributions.

6. The Authority shall review the position at the end of each succeeding period of five years, reckoned from the first day of October, 1949, and may thereupon, subject to the unanimous agreement of the Governments and to the approval of His Majesty's Government in the United Kingdom alter the proportions mentioned in paragraphs (a), (b) and (c) of sub-section (1) of sections *four* and *five* of this Proclamation:

Provided that no such alteration shall be such as to diminish the total sum guaranteed or to be contributed by the Governments.

Moneys Required for Fulfilment of Guarantee.

7. Any sums required by the Government of the Bechuanaland Protectorate for the fulfilment of any guarantee or payment due under this Proclamation shall be paid out of the General Revenue Balance of the Bechuanaland Protectorate which is hereby appropriated to the purpose.

Indemnification of Trustees.

8. The trustees are hereby indemnified against any claim for breach of trust or loss of trust funds arising from any realisation of investments, for the purpose of making a loan, for any amount less than the book value thereof and from any loss arising from the loan to the Railways of any portion of the trust funds and the trustees are hereby discharged from any such liability.

GOD SAVE THE KING.

Given under my Hand and Seal at Pretoria this Ninth day of October, One thousand Nine hundred and Fifty.

E. BARING,
High Commissioner.

By Command of His Excellency
the High Commissioner.

T. J. R. DASHWOOD,
Acting Chief Secretary.