

1931.

Kenya

No. 17258

SUBJECT

C0533/414

Proportionate Taxation (Direct and Indirect).

Incidence of Taxation.

Previous

16274/30

Subsequent

(1) Government initiated proceedings to acquire compulsorily this area of land. The Governor certifying that it was required for Town Planning purposes.

(2) I had the land valued by the two Government Valuers who had valued Kaitopi and Kōwhiri for rating purposes. The valuations were both in excess of £800,000.

(3) I warned the Governor that I believed that his valuers had not appreciated the magnitude of the transaction and that the Government could not in view of the facts give an award below £350,000 for Mr. Brown's interest. The Assistant Valuer was instructed to inquire into the matter and in consequence the action was stopped by consent.

(4) The new valuation of Kaitopi being made for rating purposes by Mr. Tennant valued this area at £800,000. The Kaitopi Corporation cancelled the valuation on the grounds that it was too low.

(5) Government offered £80,000.

(6) I believe the property should be sold for town planning and that it will in time realize a very large figure. With Mr. Brown's consent I have privately informed the Commissioner for Lands that I am prepared to offer the property for £100,000 on the assurance that it will be acquired with facilities.

(7) The property has been largely put in gold storage as a business proposition for years by town planning operations. The town's affairs drains largely

discharge on to the property and for years I have refrained on request from taking any action. In the meanwhile rates are being paid on a capital valuation which for lack of a Town Plan cannot be utilised.

MEMORANDUM re PLOT No. 136 NAIROBI.

- (1) Government instituted proceedings to acquire compulsorily this area of land, the Governor certifying that it was "required for Town Planning Purposes."
- (2) I had the land valued by the two Government Valuers who had valued Nairobi and Mombasa for rating purposes. The valuations were both in excess of £900,000.
- (3) I warned the Governor that I believed that his advisers had not appreciated the magnitude of the transaction and that the Court could not in view of the facts give an award below £250,000 for Mrs. Grogan's interest. The Attorney-General was instructed to enquire into the matter, and in consequence the action was stopped by consent.
- (4) The new valuation of Nairobi being made for rating purposes by Mr. Tannahill valued this area at £900,000. The Nairobi Corporation challenged the valuation on the grounds that it was too low.
- (5) Government offered £80,000.
- (6) I believe the property should be acquired for Town Planning and that it will in time realise a very large figure. With Mrs. Grogan's concurrence I have privately informed the Commissioner for Lands that I am prepared to offer the property for £100,000, on the assurance that it will be accepted with gratitude.
- (7) The property has been largely 'put in cold storage' as a business proposition for years by Town Planning operations. The Town's surface drains largely

31

other enterprises in the Colony and incidentally he said that he had lost on the rice factory this year either £6,000 or £8,000, I cannot remember exactly which sum it was. He argued that from the point of view of the Colony at large, it would be in their interests to help him now to carry on these enterprises by the purchase of the Nairobi property. I told him that this was a matter entirely for the Kenya Government, and that I could not help feeling that this was a most inopportune time to suggest that they should try to find £100,000 to purchase Mrs. Grogan's property.

Major Grogan's reply was that the money would be spent out of Loan funds (I did not say so, but I don't imagine in these trying times that it much matters whether it is out of Loan funds or anything else).

I told Major Grogan that I thought (subject to anything the Department might have to say) the only thing I could do to help him would be to write to Sir J. Byrne and tell him what he said. I gather from the reply Major Grogan made that he doubted if this would help ~~him~~ in sufficient time, as he led me to believe that he would have to make up his mind at once as to whether he should close down his factory at Mwanza, or considerably curtail

its

its operations. I did not, however, promise to do more than discuss the matter with the Department, and I told him that I would let him know whether we thought we would be justified in communicating with the Governor.

J.A.G.
9.7.31.

Confidential

2³⁰

East African Department.

Major Grogan asked to me me yesterday, and I agreed to do so. He said that he wanted to talk about the land in Nairobi which belongs to Mrs. Grogan, and which the Kenya Government have for some time been wanting to acquire. He told me that the Government had gone so far as taking action to acquire the land compulsorily, but that on second thoughts they changed their minds and asked him if he would agree to their withdrawing their application and to entering into negotiations with him with a view to arriving at an agreed price, and this was done by mutual assent.

Eventually the Kenya Government offered Mrs. Grogan £80,000 for the property in question, and this she refused, as Major Grogan, at any rate at that time, contended that it was worth over £800,000. Apparently nothing has actually happened in the way of negotiations since then, but as far as I can make out, Major Grogan is now ready to accept on behalf of Mrs. Grogan the sum of £100,000 provided that the Kenya Government express their gratitude to him for letting them have *the property for this amount.*

Major Grogan said that he had come to me because he wanted to explain that owing to the slump some of his other enterprises ~~business~~, viz. a rice mill and factory at Mwanza were in a bad way and he was losing heavily on them, and unless he could raise some money soon he would probably have to curtail considerably his expenditure on other

Proceedings were, however, withdrawn by agreement, Government recognising in an agreement with Major Grogan that the property might be used for other than agricultural purposes. The Governor reported that "Major Grogan now proposes to develop the property on his own lines and in compliance with the requirements of the Municipal Council for the suppression and prevention of mosquito breeding places within the area".

(8 in 1942)

Yes - according to what Major Grogan told A. S. Williams

Major Grogan - or rather Mrs. Grogan for whom he is acting as trustee - is presumably now short of cash, and instead of developing the property himself he wants Government to acquire it for him. That is to say he is trying to reopen the question. In the earlier negotiations the highest offer made by the Kenya Government was £80,000 and it would seem unlikely that they would be willing to consider the present offer of £100,000. They do not want the land. All they want to ensure is that it is not "a menace to health".

any case, where is the trouble?

The matter has always been regarded as "a local mess", and it would seem extremely doubtful whether any useful purpose would be served by negotiations being begun from this end.

It should be added that a new town planning Ordinance is believed to have been passed during the last Session of the Legislative Council, and the area in question will, I think, be affected by the Nairobi Town Planning Scheme.

2a

Plot 136, commonly known as the Nairobi Swamp, consists of 120 acres held on a lease running for 92 years from October 1st 1909, by Mrs. Grogan who bought the property from some Indians for Rs. 47081. The plot lies astride the River well in the middle of the town. The lease contains a clause which permits the lessee to abstract 1/4 of the flow of the Nairobi River by means of irrigation channels. The plot is chiefly sub-let to Indian market gardeners. The rental from it two years ago was £1850.

For many years the swamp has been a menace to health owing to danger of malaria, and negotiations have been dragging on for it to be acquired from Major Grogan. It was found impossible however to agree as to the price. The Government considered that the lease was purely one for agricultural purposes and they therefore valued the property at a far lower figure than Major Grogan and his advisers who considered that he was not restricted by the terms of the lease from using it for other than agricultural purposes. The position was complicated by the fact that the valuation of the property for rating purposes was in the neighbourhood of £200,000, a valuation which could only have been made on the assumption that there was no restriction to agricultural purposes.

At one time the Government began proceedings for the compulsory acquisition of the property.

Proceedings

C. O.

17 JUL
18

Mr.

Mr.

Mr.

Mr. Tomlinson.

x Sir C. Bottomley. 16-7

Sir J. Shuckburgh.

Sir G. Grindle.

+ Perm. U.S. of S. *9/16 of all*

Parly. U.S. of S.

Secretary of State. *(7.7.31)*

Private and Personal.

Grogan has represented to me

orally that decision as to his offer for

Government purchase of Nairobi swamp is

urgent because as he explained in

confidence continuance of other enterprises

in East Africa depends largely on raising

money at an early date. He argues that

immediate purchase would be of advantage

to Colony from this point of view and *points*

out the bulk of money would at once go

into circulation through the banks and

help general interests of Colony.

I do not desire to *influence* you

in any way but think you should know the

circumstances.

WILSON.

DRAFT. Telegram.

Governor, Nairobi.

*Sir S. Wilson
I think you might send
this (I am sorry the letter
to Reginald Grogan has been
typed for sig. instead of
in draft).*

*W.S.
16/7*

*and
to realize
matter is
entirely one
for local
Government*

I have spoken to Sir Samuel Wilson.

Sir Samuel is sorry he cannot authorise you to tell the Governor that he said that you might write to the Governor, because that would be irregular and it is not the sort of thing he could do, but you can naturally please yourself as to who you write to. He would not like it to be said he authorised you because it is not the sort of thing he could do.

.....
He does not want you to use his authority. It would not be in order.

.....
Moore is coming home. He is almost on his way now, so Martin will be in charge.

Mr. Parkinson.

Major Grogan rang up to-day, whilst Sir S. Wilson was out, with reference to his letter of the 17th of July. What he wanted to get was the authority of Sir S. Wilson to write to Sir J. Byrne personally and say that Sir Samuel Wilson had told him to do so. His reasons for not wishing to write to anybody except the Governor personally carried no conviction with me, and it seemed pretty clear that what he wanted was to be able to write to the Governor implying that he had Sir S. Wilson's backing. I spoke to Sir S. Wilson when he came in and he told me to ring up Major Grogan and tell him that he was, of course, at liberty to write to anyone he pleased, but that he was not to tell the Governor that Sir S. Wilson had told him to write to the Governor.

I telephoned to Major Grogan and having, I fear, a nasty suspicious mind, got Miss Shiner to take down what I said on the telephone. The result is attached.

Major Grogan ended by saying that he would probably write to Mr. Martin who would be in charge at the time the letter got to Nairobi.

Craig

20.7.31.

4 14
52, DRAYCOTT PLACE,

S.W.3.

21st July, 1931.

TELEGRAMS, CABLES,
MAILING & POST REVENUE

Dear Sir Samuel

Many thanks for your personal note of 17th July.
Please accept my sincere thanks for the action you
are taking in this matter.

I am sending out by next air mail a letter
to Martin who by then will be Acting Colonial Secretary.
As you know, he is Commissioner for Lands, and it was
he who resumed negotiations with me when I last
returned to Nairobi. I know he had hoped to bring
the matter to a conclusion before I left, and in fact
to this end I delayed my departure about six weeks.

I have sent him a copy of the memorandum which
I left with you and explained as far as I could the
general position which I outlined to you. I also
told him that completion of the transaction would
immediately release £70,000 locally, which Bottomley
recognised as an important factor. I explained to
him that the balance would enable me to carry on my
various development programmes and informed him that
last year my local disbursements were in the vicinity
of £180,000, which could not have provided less than
£30,000 of local revenue. If I am compelled further
to curtail my development programme it must of course
involve the discharge of a number of European, Asiatic,
and native staff, and in many ways affect the general
revenue of the Colony.

Yours sincerely,

W. B. G. G. G.

Brig. Gen. Sir Samuel Wilson

Gen. G. G. G.

A
12

136

ORIGINAL decode of a telegram from the Gov. Kenya

Date 23 July 1981 Received in the Colonial Office at 3.24 p.m. on 23 July
Dominions

Decoded by M.A.W.
Deciphered

PRIVATE & PERSONAL. Following for Wilson. Begins.

No 3
to 4 on
15/07/81

With ref. to yr. tel. of 17 July Pte. & Pers. Govt. is not contemplating purchase of GROGAN'S swamp property - see my desp.

No. 601 of (corrupt group) - but understand that Nairobi Municipal Council may examine the matter shortly with a view to deciding whether to make an offer. Do not however wish this fact to be communicated to Grogan at present until the Council's consideration of the matter is completed. Ends.

C. O.

Drafted on Sir S. Wilson's instructions.

- Mr. Cliffe 2/17
- Mr. Parkinson 3077/41
- Mr. [unclear]
- Mr. Tomkinson
- X Sir C. Bottomley 3078
- Sir J. Shackburgh
- Sir G. Grindie

C. O.	
R	31 JUL
0	1 a

July, 1921.

From U.S. of S.
 Party U.S. of S.
 Secretary of State.

Dear Grogan

With reference to my letter

of the 17th of July, I am writing to let you know that I have now had a reply from Sir Joseph Byrne to my personal telegram to the ^{effect} ~~fact~~ that the Government of Kenya does not contemplate the purchase of the Nairobi Swamp property. He does not know whether the Nairobi Municipality proposes to buy the property or not.

DRAFT.

MAJOR E. S. GROGAN, D.S.O.

Yrs sincerely

(Signed) W. O. BOTTOMLEY.

(for Sir S. Wilson's Agent)

RECEIVED
GENERAL INVESTIGATION

X Co
Award deed
9/10/31

17257/31 118

52, DRAYCOTT PLACE,
S.W.3.

RECEIVED
8 AUG 1931
COL. OFFICE

6th August, 1931.

Dear Sir,

no. 7

Many thanks for your personal note of August 4th. Please convey my gratitude to Sir Samuel, when he returns, for his kindness.

H.E.'s reply is bewildering.

How is one to carry on in these troublous times if one's nuclear financial business is to be transacted in vacuo!

It was the Acting Governor who certified in Court that the property was required for a public purpose, and instituted proceedings for compulsory acquisition.

It was the Attorney General who asked me to agree to a withdrawal of the case from the Court for negotiation.

It was the Governor who nominated the Committee to negotiate.

It was the Colonial Secretary who offered £80,000 for the property which the valuer, whose appointment he had just approved, had valued at £200,000.

It was the present acting Colonial Secretary who resumed the negotiation on my return to Kenya.

And now the Governor disclaims all interest in the matter.

How can one explain these things to Banks?

Yours sincerely
H. S. S. S.

Sir Cecil Beitz, K.C.M.G.
Colonial Office
S.W.

S. S. S. S.
(Handwritten signature)

as I feel the matter is not one in
which the Colonial Office can usefully

intervene. *Your only course would
appear to be to approach the Kenya Summit
Direct.*

Yours sincerely,

(Signed) R. W. HAMILTON.

for other than purely agricultural purposes.

We were told that you then intended to develop the property on your own lines, and in compliance with the requirements of the Municipal Council for the suppression and prevention of mosquito breeding places within

the area. According to our records, there

is nothing to hear out- you
~~seems to have been no~~ suggestion that

negotiations for the acquisition of the area were to be substituted for legal proceedings.

As you know, the great difficulty in the way of the Government, if it desired to purchase the land, would be financial. I really

do not see how they could find the money: *you* suggested the possibility of payment by local

Treasury bills, but this would be only a postponement of the problem, as these bills would fall due and have to be met some time.

Apart from these considerations, however,

I am afraid I cannot suggest anything to help you,

9 19

C. O.

Mr. Morris ^{9/}

Mr.

Mr.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Sir G. Grindle.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Mitt fs
8.1.32Qto. for Sir R. Hamilton's signature.

Downing Street.

8 January, 1932

DRAFT.

Major E.S. Grogan, D.S.O.

Dear Major Grogan,

Since our talk on the 15th of December, I have looked into the papers on record here about the Nairobi "Swamp".

As far as I can see, the proceedings under the Indian Land Acquisition Act were withdrawn as the result of an agreement between the Attorney-General of Kenya and yourself, signed on the 12th March, 1930, whereby the Government stated that it no longer proposed to question your right to use the land for

R/S

TELEGRAMS, CAPCAL.
TELEPHONE 4497 WASHINGTON.

RECEIVED
13 JAN 1932
COL OFFICE

52, DRAYCOTT PLACE,

S.W.3.

12th January, 1932.

Dear Sir Robert Hamilton,

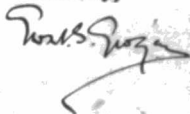
No 9 Many thanks for your letter of January 8th.

It is quite correct that proceedings under the Land Acquisition Act were withdrawn as the result of the agreement between the Attorney General and myself of March 12th, 1930. I stipulated that certain pretensions as to Government's right to limit user which had been used by way of threat in previous negotiations and which the Attorney General agreed were untenable should be finally repudiated. But I also understood (and the Attorney General dealt with me in the same sense) that withdrawal was a clearing of the ground for negotiation.

That such was the intention of Government is proved by the fact that subsequent to the agreement, namely, on the 14th March, 1930, the Colonial Secretary wrote to me in reference to the negotiations then proceeding and renewed an offer of £80,000, and as late as May 1931, the Commissioner for Lands was still in active negotiation with me.

As to the manner of payment: I quite understand the Government's present difficulty, but the solution of it would appear to lie in Treasury Bills of sufficiently long currency (subject of course to Government's right of redemption at short notice) to enable the Bills to be met by the proceeds of sale of portions of the property. I should raise no objection to 10 year Notes with right of redemption at any time. There must be something radically wrong somewhere if a property assessed at £200,000. cannot within 10 years be developed to realise £100,000.!

Yours sincerely,



Sir Robert Hamilton,
Colonial Office,
London, S.W.1.

Could be discounted at par.

This would settle the purchase to be financed without recourse to any loan.

Yours sincerely
Thos Grogan

P.S. please pay the provision
loan to court etc. in order

4/70. JG

Sir Cecil Battersby
The Colonial Office

Guide memo for Mr. W.C.B.

Plot 124, Newmarket Road area.

Oct. 5. 54

17
11

JUNIOR CARLTON CLUB,
FALL HALL, B.W.I.

1. The Kingston Govt. wishes to acquire the adjoining Government land used as reserve for town planning purposes to be used for the land acquisition act.
2. At the time of the hearing I advised the new Council but the amount payable would be much greater than his advisers advised.
3. My counsel the case was withdrawn for negotiation, whereby Mrs. Grogan gave up her advantage of position.
4. On her behalf I offered to sell for £100,000. Government offered £50,000.
5. The official valuation of Mrs. Grogan's interest was approx. £200,000.
6. The land has been fixed up by Town Planning for over 6 years.
7. For 2 years Mrs. Grogan has paid rates in excess of £200 p.a. but is still not allowed to use the land for the purposes upon which it is assessed. Nor is this inevitable position rectifiable until the Municipality can finance the Town Planning scheme.
8. The proposed grossly excessive over value financial position.
9. To return to the proposed and obtain an equitable solution I advised Mrs. Grogan offer to sell for £100,000 (less than half the amount which must have been awarded if the action had proceeded) be accepted.

JG

he regards as a bargain.

Your sincerely
Wes.

as regards a bargain.

discounted at par".

I do not know if there is anything in all this which will serve to simplify the problem at your end, but in any case I should be glad to know what you think about it.

I think there is no doubt that this business is complicating Grogan's always complicated finance. He uses money from one scheme to finance another scheme and so on, and there is no doubt whatever that he has raised money on his expectations either of the result of the land acquisition proceedings or of what he understood to be the Government's or Municipality's subsequent intention to acquire the land.

I have omitted one point: he complains bitterly that he is rated on the £200,000 assessment (which the Government will not recognise ^{as a basis of purchase}) at some £2,000 a year whereas the rents which he now receives, formerly put at ^{£1550} ~~£18,000~~ a year, are now very much less owing to the inability of the tenants to pay. His case is that the property is costing some £900 a year (in addition to the interest on the advances which he has received on its security) simply because the Government or the Municipality will not complete what

he

money difficulty was not present the Municipality would be only too glad to acquire the land at Grogan's revised price of £100,000. But the money difficulty is present and we pressed it strongly on Grogan when he called. We pointed out that the question of the Municipality's power to borrow was a difficult matter and that in any case the scheme for capital expenditure which had been put forward did not include either the purchase of his land or the drainage scheme.

Grogan replied by repeating his suggestion which he had made to Sir Robert Hamilton that the money could be raised without a loan issue by the Municipality giving him ten year bonds for the £100,000. These he would be able to cash at the Bank. In the letter which I have received this morning he says

"My wife would take payment in Kenya Government paper bearing interest at the current rate for this class of security (free of Income Tax) and subject to any reasonable terms of payment either by instalments or as a whole, the first of such instalments being deferred for two or three years if required to meet the present stringency. In fact any form of security which would serve as Bank cover would be agreeable so long as it could be discounted

dealt with me in the same sense) that withdrawal was a clearing of the ground for negotiation.

That such was the intention of the Government is proved by the fact that subsequent to the agreement, namely, on the 14th of March 1930, the Colonial Secretary wrote to me in reference to the negotiations then proceeding and renewed an offer of £80,000, and as late as May 1931 the Commissioner for Lands was still in active negotiation with me."

I have quoted these extracts because if Grogan's version is correct it is not possible to argue, as we were inclined to do at the time of Sir Robert Hamilton's letter, that the dropping of the legal proceedings simply left Grogan free to do what he liked without any commitment on the part of the Government to proceed with negotiations for purchase.

But even if Grogan were free to do what he likes his case is that he can do nothing. Even if the Town Planning Scheme was sufficiently advanced for him to break up the estate he cannot sell land until the Municipal Drainage Scheme is carried out.

I suppose that there is no doubt that if the money

The High Court has held that the...
...of the...
...and yourself signed on the...
...Government...
...your right to use the land...
...the property on your...
...and protection of...
...according to our...
...also for the government of the...
...in the...
...it is...
...land...
...agreement...
...March 1950...
...to Government's...
...by way of...
...Agency...
...but I also...
...repeated.

11

the Indian Land Acquisition Act were withdrawn as the result of agreements between the Attorney-General of Kenya and yourself signed on the 12th March 1930, whereby the Government stated that it no longer proposed to question your right to use the land for other than purely agricultural purposes. We were told that you then intended to develop the property on your own lines and in compliance with the requirements of the Municipal Council in the suppression and prevention of mosquito breeding places within the area. According to our records there is nothing to bear out your suggestion that negotiations for the acquisition of the area "[by the Government or the Municipality]" were to be substituted for legal proceedings".

In his reply O'Keefe said

"It is quite correct that proceedings under the Land Acquisition Act were withdrawn as the result of the agreement between the Attorney-General and myself on March 12th, 1930. I stipulated that certain pretence) *pretence* as to Government's right to limit user which had been used by way of threat in previous negotiations and which the Attorney-General agreed were untenable should be finally repudiated. But I also understood (the Attorney-General dealt

Handwritten notes at the top of the page, including "No. 5" and "2000".

Printed text at the top, possibly a header or date, including "Last Oct. 1952".

Handwritten signature or name in the upper middle section.

Main body of printed text, appearing to be a letter or report, with several lines of legible words.

Continuation of printed text, showing more lines of a document.

Final section of printed text, possibly a closing or signature area.

Printed text at the bottom of the page, possibly a footer or reference code.

Answered by No. 1
38006/45

13 10

Downing Street,

16th October, 1934.

My dear Sir,

Yesterday Flood and I had a visit from Grogan who raised the question of the Nairobi Swamp land. We told him that we did not see what could be done but I promised to write to you in order that you should know that he is really anxious and pressing for some progress to be made.

The last stage here was when he saw Sir Robert Hamilton at the end of 1931. As a result he got a letter from Sir Robert Hamilton saying "Your only course would appear to be to approach the Kenya Government direct". Grogan's reply to this is that he has done so and the Kenya Government refer him to the Municipality, and when he goes to the Municipality he is referred to the Kenya Government. Of course, that is largely due to the question of finance.

When Sir Robert Hamilton wrote to Grogan after their interview he said

"As far as I can see the proceedings under

BRIGADIER GENERAL SIR JOSEPH A. BYRNE, G.C.M.G., K.B.E., C.B.

Answered by No 1
38006/35

13 10

Downing Street,

16th October, 1934.

My dear Sir

Yesterday Flood and I had a visit from Grogan who raised the question of the Nairobi Swamp land. We told him that we did not see what could be done but I promised to write to you in order that you should know that he is really anxious and pressing for some progress to be made.

The last stage here was when he saw Sir Robert Hamilton at the end of 1931. As a result he got a letter from Sir Robert Hamilton ending "Your only course would appear to be to approach the Kenya Government direct". Grogan's reply to this is that he has done so and the Kenya Government refer him to the Municipality, and when he goes to the Municipality he is referred to the Kenya Government. Of course, that is largely due to the question of finance.

When Sir Robert Hamilton wrote to Grogan after their interview he said

"As far as I can see the proceedings under

See

No doubt negotiations were
resumed, but see my memo
of 4.7.30. The steps first
contemplated were obviously
(a) drainage, & (b) road leading
(to, though not necessarily on, the
Swamp area) which would
enable Major Grogan to
develop the estate himself.

L.L.B. 75.7.32

at once

15.10.34

Major Grogan called yesterday and saw
Mr. Flood and me. He left the proceeds which I
attach and has since written a letter, which I
also attach. I said that I did not see what
could be done because of the financial position,
but that in any case I would write to Sir Joseph
Byrne in order that he might know personally
of what Major Grogan had said.

I dictated the above on the 16th &
now attach a copy of my letter to
Sir J. Byrne of the same date.

Paddy

L.L.B.

23.10.34

13 To Sir J. Byrne - as - cons - 16/10/34

15/2/35

1/16

9
Governor wrote "two purposes"
6 months after the agreement
to drop the legal proceedings, but
he certainly has nothing to show
that the intention was to substitute
negotiation for legal proceedings.

Apart from that, I think
we can only be told that, since
we will - as in the best-kept
intercourse in the matter, we
do not know how the Government
is to find the money, as that
would fall due and have to
be met.

W.S.G.
24.12.31

Sir Edward Gress came to me one today, at
Major Grogan's request, but threw no new
light on the matter beyond suggesting that
Grogan might approach the N.R.B. Municipality
direct, if the Municipality could raise the
necessary funds locally to make a good bargain,
& clear up a material area.
We can only reply as proposed.

W.S.G.

I don't if the money is there 31.12.31
W.S.G. 6.1.32.

P.H. 6
6.1.32

9 attach opposite a copy of Sir R. Hamilton's

9 letter to Major Grogan.

P.H. Morris

5/1

See Major Grogan copy on opp. containing,
but there is nothing like some letters he
refers to this letter. I'm afraid he is
very badly lit.

W.S.G.
8.1.32.

9 10 Major Grogan's 8/1/32

10. Major Grogan 8/1/32
States the circumstances in which proceedings
under the Land Acquisition Act were
withdrawn, & refers to the method by
which payment for the property could be
made.

Sir C. Ballantyne should see - but
4's states a the attached slip
that no copy is required.

? print

W.S.G.

14/1/32

See

and advice as to what
Major Grogan should be
told.

S.A. Allen

19.12.31

Major Grogan's statements recorded at "A" in Sir R. Hamilton's minute do not accord with the facts as reported in paragraph 5 of No. 8 of 15048/29 where it is stated that on the withdrawal of the proceedings for compulsory acquisition, Major Grogan proposed to develop the property on his own lines and in compliance with the requirements of the Municipal Council for the suppression and prevention of mosquito breeding places within the area.

Apart from this, the following objections may be noted, and the financial ones appear conclusive:-

- (1) The original suggestion was that the sum required should be made available as an advance against a town planning loan.
- (2) Any such loan service would require the consent of the Treasury before approval. The idea of approaching the Treasury in such a matter in present circumstances is unthinkable.
- (3) There is no authority under which Treasury Bills can be issued locally - the existing legislation merely authorises the issue of such Bills

by

8

by the Crown Agents in London, really in the anticipation of loans, although there is no such limitation in the Ordinance itself.

Even if such Bills were issued locally, it would, in the absence of means for redemption on maturity, be necessary to arrange indefinite overdrafts with the bank, or banks, and the Colonial Government already has a bank overdraft. In fact, the whole idea of Kenya proceeding with a proposal of this kind in present circumstances strikes me as ludicrous.

(3) Major Grogan made some similar representations in July last, and in passing them on to the Governor in a Private and Personal telegram, the Secretary of State added "I do not desire to influence you in any way and realise matter is entirely one for local Government but think you should know the circumstances." It has therefore hitherto been the line that the Secretary of State is not able to press the Governor in this matter, which indeed is not one in which the Secretary of State can intervene. This was the line taken in the letter ^{to Major Grogan} from Sir S. Wilson (flagged A) which was not, however, actually sent. There is a still stronger reason to-day for adhering to that attitude when it is quite impracticable for the Secretary of State to suggest any possible means of raising the money.

S.A. Allen

26/12/31

Sir S. Wilson

Mr Allen minutes after discussion, I have little to add. Major Grogan should be told of A, but it cannot be pressed, as the Governor

7
be anxious to acquire the property at a reasonable figure there was today no money available.

To this Major Jagan replied that he would be content with local Treasury bills which he could discount with the Bank.

I asked him if £10,000 was his lowest figure, and he said that it was, and that having regard to the real value it should be accepted with gratitude, but his position was such that he could be squeezed.

I gathered generally that he is in pretty desperate straits for ready cash and unless he can find some will have to close down in other directions.

There is a considerable mortgage on the Swamp at the present time.

He is proposing to go out to Kenya next month & I promised to let him know the C.O. view before he left.

W.H.H.

Mr. Allen

16.12.31

Gen. C. B. B. B.

Please see preceding minutes.

Note of conversation with Major Program
in my room on 15th Dec/31.

Major Program went through the whole story
from his point of view, particularly stressing
the fact that the proceedings for compulsorily
acquiring the property, valued at £200,000,
were by agreement withdrawn with a view
to settling a figure by negotiation, and that
there was consequently a moral obligation on
the front to acquire at a price to be fixed
Relying on this & trusting to the front that
terms would be arranged, he entered into
various commitments, which have now gone
badly owing to the general economic crisis
& left him in a very awkward position
financially, so much so that he is now
prepared to accept £100,000 in place of
the £200,000 formerly offered, & refused by him.
I said that while recognising his point of
view, there was no obligation in fact on
the front to purchase, & though they might

negotiations. The point on which they have split has been the question whether if the land were compulsory acquired its value ^{should} will be assessed on agricultural or urban value. Kenya has been differently advised by two different Attorney-Generals, with the result that, when they had money to spend, they stood out for a price which was too low.

W.C.S.
8/14/31

Dear R. Hamilton

I think if you could see Mr. Jagan, it might be a good thing even though it may lead to nothing.

J.H.G.

9.19.31

Mr. Morris

Please arrange interview.

W.C.S.

10.2.31

7. To Maj. Grogan _____

-4 AUG 1931

W

8. Maj. Grogan 1/0 _____

6 August

Acknowledges his 1/0 and amount on attached
of local bank.

10-8-31

at

W

Sir S. Wilson.

Sir R. Hamilton. ✓

The Nairobi Swamp

Major Grogan rang up this morning and enquired whether Sir R. Hamilton would be prepared to see him on this subject. I said that I would get out the papers and send them to Sir R. Hamilton for his decision on the point, but that of course I could not say whether he would be able to fit in an interview.

I think that the history of the case is sufficiently explained by Nos. 2, 2(a) and 1 on this file, read, for choice, in that order. The present impasse is, I think, hopeless:-

Major Grogan has on his hands an estate which he cannot afford to develop, even if there were a present demand for town sites, and cannot (probably) sell at a sacrifice, first because ^{of his trust} and secondly-in all probability-because of mortgages on it.

The Nairobi Municipality would like to have the land for development and town planning purposes but cannot afford the price.

The Kenya Government would wish to be rid of the nuisance of the swamp, but cannot find the money to finance the Municipality.

In the correspondence it is very difficult to draw any distinction between the Municipality and the Government which has managed or mismanaged the negotiations.

3. To Genl P. P. ...

17 July 31.

L. C. Atkinson

Re: Collier's note.

recd

20/7/31

Seem. I expect he might be
wonder about amount to
Martin and thought that
if he did so instead
arranging a room to
be used as himself too good.

20/7/31

with

4

Maj H.S. Grogan s.o. 22.7.31

(States is communicating with Mr Martin by air mail)

To Major H.S. Grogan s.o. (4 and 22.7.31

DESTROYED UNDER STATUTE

6

Gov Tel (private & Personal) 25.7.31

Govt is not considering purchase of Grogan's stamp
but municipal Council may examine matter shortly

No action now called for
unless it is thought desirable
to write to Mr Martin* to
correct any false impressions
Major Grogan may have
created in his letter.

G. Eastwood
24/7/31

* next week's
air mail.

It is however for concern whether
Sir S. Wilson would not
wish to send a note to
Maj. Grogan saying that he
has had a reply to his
personal telegram to the
effect that the Govt. was
not contemplating purchase.*

I doubt whether there is
occasion to write
further to the Gov. or Mr Martin.

Recd Atkinson
25.7.31

* I think you might say and that
the Government does not know whether
the Municipality will buy or not
(Major Grogan is certain to
view that point of view).

W.C.S. 25.7.31

L. C. Atkinson

I believe you have since seen
Maj. Grogan - does that
alter the terms of the letter?

No - I was not mentioned
Recd Atkinson
30.7.31

W.C.S. 30.7.31.

3. to Genl P. P. ...

17 July 31.

L. C. ...

to see ... note.

acc'd
20/7/31

Seems I expect he will try
wishes to start ...
... and thought that
if he did so without
company ...
would do himself too good.

Genl. 20.7.31

4. MAJ H.S. Grogan s.o.

22.7.31

(States is communicating with Mr Martin by air mail)

DESTROYED UNDER STATUTE

5. To Major H.S. Grogan s.o. (4 and 22.7.31)

6. Gov Tel (Private & Personal)

23.7.31

Govt is not considering purchase of Grogan's swamp
but municipal council may examine matter shortly

X
network's
air mail.

No action seems called for
unless it is thought desirable
to write to Mr Martin to
correct any false impressions
Major Grogan may have
created in his letter.

G. Eastman
24.7.31

1. Maj. Grogan _____ 8 July 2
includes memorandum re action taken in
connection with Feb 136 handi

2. Minute by Sir S. Wilson - 9 July

Mr. Parkinson.

20

I attach a note of the facts. You will see that Sir Samuel Wilson promised to let Major Grogan know whether we thought that we should be justified in communicating with the Governor.

acc!

Clearly, we do not want to become involved in fresh negotiations with Major Grogan, but perhaps Sir S. Wilson might write as in drafts herewith for conson.

John S
10.7.31

I quite agree that we should not
interfere in allow Major
Grogan to make us.

Acc Parkinson
11.7.31

Major Grogan has
spoken to me so - I simply listened:
we do not want to get bogged in
this swamp - the local Govt are
already pretty deeply in.

W.C.S. 13.7.31

R.H.G.
abance
15.7.31.

1. Maj. Grogan _____ 8 July 2
 Includes memorandum re action taken in
 connection with Feb 186 raid
2. Minute by Sir S. Wilson - 9 July

Mr. Parkinson.

2a

I attach a note of the facts. You will see that Sir Samuel Wilson promised to let Major Grogan know whether we thought that we should be justified in communicating with the Governor.

see 1

Clearly, we do not want to become involved in fresh negotiations with Major Grogan, but perhaps Sir S. Wilson might write as in drafts herewith for reason:

Gustav S
 11.7.31

I quite agree that we should not
 intervene - or allow Major
 Grogan to reach us.

all Parkinson
 11.7.31

Major Grogan has
 spoken to me so - I simply listened:
 we do not want to get bogged in
 this swamp - the local Govt are
 already pretty deeply in.

W.S. 13.7.31

R.A.B.
 absence
 15.7.31.

1. Maj. Grogan _____ 8 July 2
Indicates memorandum re action taken in
connection with H/6186 handi

2. Minute by Sir S. Wilson 9 July

Mr. Parkinson.

2a

I attach a note of the facts. You will see that Sir Samuel Wilson promised to let Major Grogan know whether we thought that we should be justified in communicating with the Governor.

ack!

Clearly, we do not want to become involved in fresh negotiations with Major Grogan, but perhaps Sir S. Wilson might write as in drafts herewith for consent.

Garrison
11.7.31

I quite agree with you and will
in the same - or allow Major
Grogan to write us.

All Parkinson
11.7.31

Major Grogan has
spoken to me too - I mainly listened:
we do not want to get bogged in
this dispute - the local Govt are
clearly pretty deeply in.

W.S. 13.7.31

G.A.B.
abance

15.7.31.