

1925

KENYA

C.O.
56278
16 DEC 25

FROM
BROWN AGENTS.

DATE
15th December 1925.

FOR CIRCULATION
Mr. *Bush*
Mr. *Stanley*
Mr.
Asst. U.S. of S.
Perm. U.S. of S.
Part U.S. of S.
Secretary of State.

MBARAKI.

633

Report having deposited, at call with the Natl. Bank of South Africa, £300,000 in joint names stated. Understand that arrangements with regard to release of deposit will be made in Kenya.

Previous Paper

MINUTES

Minutes written:
This off to CA carson.

J. W. Allen

17/12/25

State Major Phillips that the deposit
was not cash, until he can hand
it over to the C^o, ... otherwise he should
have allowed Major Gosper to clear
more delay.

18.11.25

Major Phillips tells me that they have
had instructions, to release as the
documents have been signed. He will
arrange with the Bank on the line
from letter of 17 Dec. ...
report on. We should then call

54619
copy comes to Ser 53 15 JAN 1926
ca 27/4/26
SPK

Subsequent Paper

56276

Major Grogan, being careful to
say that the deposit is at call.
Civil
C.A.S. 4.12 1910

(a) The Crown Agents don't say that they reported the payments to the Governor as requested in the letter on 5/6/19, but Major Phillips tells me that a telegram was, in fact, sent. 604

(b) The points in para. 2 don't seem to affect the release of the deposit. The Government are concerned, and if they have any difficulties, they appear to be matters for the Crown Agents or Major Grogan to settle. When the Crown Agents get the telegram from the Governor instructing them to release the deposit, so far as the Government is concerned, Major Phillips will undoubtedly bring up to know if they should proceed. He seems to be doing this sort of business by telegram, and the sums are large - up to £300,000 as a limit - and it is like. He asked me if it was genuine, and I replied that I was sure I didn't know, but in any case, if a telegram had come here, I should have assumed it to have been genuine, and told the Crown Agents to get on with it. I take it that it is the only reply I can make to him, and I will bring me up, and send the Crown Agents the telegram.

(c) There is a further point. It will be seen that a deposit has been made at call, and I understand from Major Phillips that the rate of interest first offered by the Bank was regarded as too low, and the Bank then gave a higher figure. The question arises as to the disposal of this interest. If the deposit had not been made until the Government had taken possession and before the transfer of title, the interest would clearly belong to the vendor. But in this case, the Government has deposited prior to transfer of title or possession, and in these circumstances

I think the interest clearly goes to the purchaser
as the Government argued in 39321. Having regard to
their previous views, there is little doubt that the
Government's claim to the interest on the payment made
is not tenable. The question of interest
is not a question of the Crown
but of the purchaser. It is on the record of an
inquiry that the interest was paid, which
is the basis of the Government's claim.



50278

16 DEC 25

ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
CROWN AGENTS FOR THE COLONIES.
THE DATE OF THIS LETTER BEING QUOTED.

THE FOLLOWING REFERENCE: A/207/Kenya.

TELEGRAMS, "CROWN, LONDON,"
TELEPHONE, 7730 VICTORIA.

4, MILLBANK,

635

WESTMINSTER,

LONDON, S.W.1.

15th December, 1925.

Sir,

With reference to your letter No. 51619/25 of 12th December, 1925, I have the honour to inform you that as requested, we have deposited with the National Bank of South Africa the sum of £500,000 in the joint names of the Crown Agents and the Kilindini Harbour Wharfs and Estate Co. Ltd. The deposit has been made at call so as to be available on demand.

We understand that the Kilindini Harbour Wharfs and Estate Co. Ltd., is domiciled in Kenya and we have therefore been unable to obtain for the information of the National Bank of South Africa the customary specimen signatures of those who will be authorised by the Company to release, when required, the above deposit, but we also understand from the Manager of the National Bank of South Africa here in London with whom we have been in telephonic communication, that the necessary arrangements with regard to this will presumably be made locally by the Colonial Government in conjunction with the Kilindini Harbour Wharfs and

and/

Under Secretary of State,

COLONIAL OFFICE.

and Estate Co. Ltd., and the Bank's local representatives.
He also assumes that the necessary instructions with regard
to the release of the deposit will be sent to him direct
from the local agent of the Bank.

I have the honor

Yours sincerely

Mr. Allen 17/12/25
Mr. Beashe 18
Mr. Bottriley 18 f
Mr. Strachey
Mr. J. Shuckburgh
Mr. G. Davis
Mr. G. Grindle
Mr. Wilton
Mr. Macdonald
Mr. G. G. G.
Mr. G. G.

Downing Street,
19 December, 1925.

Ind
Gentlemen,



DRAFT. Cash. Immediate
The Crown Agents
for the Colonies.

2
copy to
15 JAN 1926
53
copy to

I am directed by Mr. Secretary Amery to acknowledge the receipt of your letter of the 16th of December 1925 reporting the deposit with the National Bank of South Africa of the sum of £300,000 in respect of the purchase of the M'barak Estate by the Government of Kenya.

2. It is observed that the deposit has been made at call so far as ^{note} demand be available on ~~payment~~, and it is understood that it is earning interest in the meantime. You should, therefore, when you communicate with the Bank in regard to the release of the deposit so far as the Government of Kenya is concerned, claim on behalf of the Colonial Government ^{the} interest which accrues on the deposit up to the date

of completion of the purchase,

in which the Government enters into

possession of the Estate. If this date

is not clearly indicated in the instructions

which you receive from the Colonial Govern-

ment, it will be necessary for you to ascer-

*tain by telegram: but the release of the
amount of the deposit itself should not be delayed
(as consequence) I am, etc.*

(Signed) W. G. BOTTOMLEY.