

1925

Abide

KENYA

510

C.O.
5000
REC'D
FEB 25 1925

DATE

A.I.E.S.

30th January 1925.

LOCATION -

Botany

M'BARAKI.

Lord Inchoape has agreed to waive option to purchase existing wharf. Alleges active hostility on part of Kenya Govt has resulted in prejudice in financial circles, and he now therefore accepts offer of purchase, with request that further sums mentioned may be paid as act of grace.

Program Paper

MINUTES

also 4352

1. Lord Inchoape has agreed to waive his option on condition which the Kenya Govt cannot accept. As Major Grogan has not obtained an unconditional waiver from Lord Inchoape, the conditions on our offer of 1st December have not been fulfilled.

2. As I have been invited to effect all along, the Company is now working on the extension scheme, advertisement with some rigors cannot be completed. This is in market contract to the...
Major Grogan...

Subsequent Paper

P. 556

*copy sent to Mr. Grogan
on 5/5/25
P. 556*

14th Jan. in that the liquidation of his Company
is a vast improvement (57447/10). I do
not repeat his statement that God is
punishing him for his failures.

May he accept the offer of £250,000
and not affect any more of
his property if there were
any more. Don't think there is.

He is a man of high
character and high
reputation.

He is a man of high
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reputation.

He is a man of high
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reputation.

He is a man of high
character and high
reputation.

unreadable

anyway of the matter is
in any of any amount be dealing
with the man who holds the
locking control of the Company but
with its liquidator, he may have
want more.

God is
had Dechamps' position here is the
same as that which he took up on
(17 Dec in his letter 5944) -
his position W- 3/1/15

Reply to Col Grogan regarding
the conditions of proposed sale
in full - we fear of all innumerable
especially etc. Tell him that
we have received no information
from Mr Dechamps supporting the
statement made by Col Grogan
in para 2 of his letter of 17 Dec 15.
Tell him that in his last letter
to us (Dec 17th) he declared to
waive his option to purchase
except on conditions which
have been referred to the Governor
for his consideration. As soon
as we obtain a reply from
the Governor we will communicate
with him further.

As policy I personally
take the view that we should
not allow negotiations to break
down.

all important
get all col program's right
inbaraki, now - making
in best terms we can into
the package we cannot
and to lose inbaraki - if
the package excessive in
it is a mistake - which he
wrote all so to break
down into the program we shall
it is a mistake worse he
in terms so there is
much in the package
intention but it is undesirable
that the whole package should
be made in packages of
in baraki. In case even
in the package proposed conditions
simple & would naturally lead to
see them better modified if
possible

at nice

18th 3. 2 25

January 30th 1926.

The Under Secretary of State
Colonial Office.
S. W. 1.

Sir,

In reply to your letter No. 50670, 24 of December 1st 1924 I have now to state as follows:

2. There was no justification for attaching to your offer the proviso that my Company should obtain any sacrifice of status on the part of the African Wharfrage Company Ltd, the African Wharfrage Company being a welcome tenant of my Company and my Company having no consideration to offer for the stipulated sacrifice. I was therefore in no position to prefer any request to Lord Inchcape. Moreover any such request arising out of your letter would have prejudiced my Company's legal position in respect of the option.

I am however informed by Lord Inchcape that in pursuance of your communication to him he has, in compliance with your proviso, agreed to waive any option to purchase the existing wharf at Mbaraki or any portion of the estate, as he has no desire to impede any negotiation between the Government of Kenya and my Company. This, you will realise, represents a capital sacrifice on his part amounting to £80,000 in favour of the Government, the purchaser assuming the option to be valid.

3. The openly avowed and actively applied hostility of Government to the development of the land leased to me by Government for that express purpose, culminating in the late Secretary of State's despatch of June 1924 wherein I was informed that all developments of the estate would be deliberately penalised in favour of the Government Wharf, has effectually deprived the Company of all access to normal finance. Consequently the entire burden of maintaining the Company's development has fallen upon me personally.

I have been in further consultation with my Bank in view of the financial prejudice created by Government's attitude, the refusal of Government to pay the price quoted under pressure or to go to arbitration as to price and the apparent impossibility of ever achieving any equitable settlement; I am now advised and in fact pleased to refuse any further financial support to the Company after completion of the earthwork contract still in hand.

This involves the fall of the Company.

4. There remains therefore no alternative but to accept the offer in your letter under reply which is what I have done and which I hereby do.

5. I am to record however that the Government, the Company and all parties concerned have agreed to suspend the matter for 21 years, at the expiration of which the Government after 21 years of the matter will reconsider its attitude and having done so, should the proposed object still as a departing act of grace offer to pay to the Company the additional £80,000 quoted in my letter and the need for it, as it has amounted to £8,500 which have been expended on the estate in carrying this into effect.

6. As Government will doubtless wish to control the progress of the proposed purchase, I have suggested that the Government should deposit the purchase price in escrow with the National Bank of South Africa pending completion of the legal formalities of transfer.

Yours faithfully,
W. S. J. J. J.

W. S. J. J. J.

9/5000/25

D.
3 FEB
3

Free

8

3

3 Feb. 1925

I am etc. to advise the

DRAFT.

E. S. Jagan DSO

receipt of your letter of the 30th

MINUTE.

Edwards, 2.25
Hawley 3.25

Copy for Comd(A) 13 Feb 9.53657/25

of January, and with reference to

para. 2 thereof in which you

state that you are informed

that Lord [unclear] has agreed

to waive his option, to insert

reference to para. 2 of

Col. Office letter of the 1st of

December which was [unclear] Office in

reference conditional for the [unclear]

- Shackburgh.
- Quinn.
- Trindle.
- Walterton Smith.
- Wright.
- Amery.

did not free of encumbrances
 with a view to particulars upon
 info for obtaining and settling
 the African Wharfeage Company,
 Et. to waive unconditionally its
 in to purchase the existing wharf
 in the name of my partner of the estate."

No communication has been
 made for Lord Bute which suggests
 a dissent in para 2 of your letter
 has complied with the Colonial
 He has in fact ^{attached} ~~sent~~
 to the Admiralty the plan to purchase
 the land to pay attention to the
 at the Admiralty, and the Government
 is being consulted by the Admiralty in view of

a reply is received from the Government
 the further letters will be
 addressed to you.

(Sgd) W. C. ...

DRAFT.

MINUTE.

- Blackburn
- Jones
- Grindle
- Marshall Smith
- Frank
- ...