

Purchase of West End Premises (Nos. 106,108,110
and 171 Water Lane) from United Fruit Jamaica
Company

The House of Representatives is invited to approve the purchase by Government from the United Fruit Jamaica Company, at a price of £100,000, of premises Nos. 106, 108, 110 and 171 Water Lane, Kingston, having a total area of two acres one rood and 5.58 perches.

2. In April, 1957, Government had under consideration certain proposals for the improvement of Port facilities at Kingston and it had been recommended by a Consultant, Sir Eric Milbourn, that Government would be well advised to acquire certain properties including those mentioned above for that purpose. Negotiations proceeded with the Company and a firm offer for sale to Government at the price stated above was made in June 1957.

In December, 1958, when it was decided to pursue other proposals by Kingston Wharves Ltd., for improvement of the Port, the United Fruit Jamaica Company was informed that it did not appear likely that Government would wish to acquire these premises in the foreseeable future; but enquiry was made as to whether the Company would be prepared to allow Government to remain in the position of being able to acquire the premises concerned at any time within a period of five years, on the terms originally proposed if the Company had not yet disposed of them otherwise.

In reply the Company stated that it had no intention whatever of considering sale of these premises to any party other than Government for as long as Government regarded the acquisition thereof an issue of importance to Government policy and future planning.

In June 1960, Government decided to approach the Company about the matter again and it was ascertained that they would be prepared to accept the price previously indicated. It was then decided to proceed with the matter because of the developments contemplated in that area.

3. The Commissioner of Lands has since carried out a detailed valuation of the premises. He has valued them at a figure well in excess of the price of £100,000 mentioned in paragraph 1 above.

It is considered that in the light of this valuation and having regard to the great potential value of the premises to the Government the transaction is one of particular advantage insofar as the Government is concerned. In this connection, it should be noted that the premises are ideal for warehouse development and are near to the area where it is proposed that Kingston Wharves Limited should develop new port facilities for Kingston.

4. In order to facilitate the Government, the Company was asked to agree to the purchase price being paid in two equal portions, the first amount of £50,000 being paid upon presentation of Certificate of Title together with registerable Transfer, the balance of £50,000, together with costs, to be paid after the passage of the Estimates 1962/63. As regards the latter payment, the Company have suggested that for the convenience of all concerned, a definite date (30th June, 1962) should be fixed for payment to be made and that interest should be paid on the balance of the purchase money and expenses at the rate of 6% from the date of presentation of Transfer until the date of payment in 1962.

The Company have also requested that Government pay costs of Transfer being Solicitors' costs as laid down by the Law Society scale,
/Surveyor's...

Surveyor's charges of £330. 5. 6d. Stamp Duty, Registration fees and cash fees expended on re-registering the Title and getting out a new Certificate of Title.

5. In addition, as part of the transaction, the Company have requested that the Government hand over to them ownership of the building situated at 40 Harbour Street, Kingston, which was constructed by the Government in 1944 and was used as office accommodation for certain staff employed by the Food Controller (subsequently by the Imports, Exports and Prices Board) and later, by the staff of the Trade Administrator's Office. This building has recently been vacated by the Trade Administrator's staff and tenancy by the Government has been terminated. It should be noted that the Government, under the Agreement for the lease of the premises at 40 Harbour Street, was required to pull down and remove the abovementioned building and to ensure that the land on which the building had been erected would be rendered in the same condition in which it was immediately prior to the erection of the building. However, it is considered that, in view of the most reasonable price for which the Company has agreed to sell the West End premises referred to above to the Government, there is every justification for leaving the building at 40 Harbour Street for the Company's use, i.e., handing over ownership of the building to the Company. In this connection, it should be noted that the building has been valued by the Commissioner of Lands at £2,300, with a scrap value of £300.

It should also be added that the Company have also asked the Government, to bear the cost of painting and of carrying out certain minor repairs to the building at 40 Harbour Street, at an estimated cost of £250. Here again, this request seems not unreasonable and it is proposed that it should be granted.

6. The Company desire to transfer to the U.S.A. in dollars the full purchase price of £100,000 and the interest paid on the balance of the purchase money. It is proposed that this request should be granted.

7. The transaction, as set out above, is considered to be most advantageous to Government, especially in view of the potential use to which the premises can be put, and it is proposed that the first part of the purchase price, £50,000, should be met from Head 25A Ministry of Agriculture and Lands, Sub-head 1: Acquisition of Lands in the Estimates 1961/62, and that the balance of the purchase money plus interest thereon at the rate of 6% per annum and costs, should be met from the relevant Head and Sub-head in the Estimates 1962/63.

8. The House of Representatives is invited to approve the purchase of the abovementioned premises at a price of £100,000 on the terms and conditions referred to above.

An appropriate Resolution will be moved in the House seeking approval accordingly.

N.W. Manley
Premier and Minister of Development.
17th January, 1962.