

EAST AFR. PROT



6622
JUN 6 1914

16622

Moynagh to J.

1914

5 May

Last previous Paper.
m/15814

Mica lease.

Draft lease will be returned to Comms of Mines without delay. Accept terms of Rs 4. an acre rental, & 1% per lb. royalty on nett weight of mica shipped, for time being.

W. Reed

Dfts submitted for review
6/5 8/14

at once
to J.R.
8/14/14

To 10. cans
for copy made to be cans
copy done for list. 1449 cans
copy comes. Hobley cons. 7 July 14
11 May 14

Next subsequent Paper.

10
14350

6322

1486

26, Northolme Road,
HIGHGATE, N.Y.
5th. May, 1914.

MAY 14

To The Under Secretary of State,
Colonial Office,
Downing Street,



Ref. 15814/1914.

Dear Sir,

I beg to acknowledge receipt of yours of the 4th. inst. for which I thank you.

Although it is a fact that the Lease has not formally been executed, the permission to approach the Colonial Office for the purpose of obtaining fairer terms to enable me to work the property, was granted by His Excellency the Governor.

All the necessary fees have been paid, and your Draft Lease ~~will~~ will be returned to the Commissioner of Mines without delay.

I am perfectly willing to accept your terms of Rent ~~of~~ per annum rental for the property, and a Royalty ~~of~~ for lbs on nett weight of Mica shipped for the time being.

I am, etc.

Sir,

yours faithfully,

Wm J. Maguire

16622

EAP

1287



11th May 1914

Sir,

I am directed by Mr. Seymour Harcourt to request you to act as chairman of a committee of the Council that he has had under his commission the investigation of the various aspects of the trade in mica exported from the E. A. P.

DRAFT.

~~The U.S. Dept.
India Office~~

MINUTE.

- Mr. Harcourt 8/7/14
- Mr. Reed 8/7/14
- Sir G. Fiddes
- Sir H. Judd
- Sir J. Anderson.
- Lord Emmott.
- Mr. Harcourt.

2 I had been understood that the royalty should be fixed at 10% on gross output, to be determined by the selling price less cost of transport to market, as shown by books. The business however is a matter

Copy to Abley 20th July 14
 Copy to Harcourt 22 July 14
 Copy to Harcourt 22 July 14
 Copy to Harcourt 22 July 14

Copy for EAP

to objecting to the rate
of royalty, to be
ascertained to the best
of their ability, and that
the same should be
for considerable
periods before sale and
that to have been for
bulletins 18 and 19 for
complete returns would
give rise to much
trouble and complication
and delay.

3. My purpose that
the value should be
determined at the
point of shipment; that is,
obviously, that it
should be fixed according
to the London price
prevaling at the time,
subject to any allowance
for cost of transport
at current rates. This

procedure would
appear to be reasonable
and also that the
Customs officials at
Bombay should be
informed periodically of
the price of mica in
London, but also that
they should be able to
classify and value the
parcels of mica which
pass through their
hands. This would
appear to require a
considerable degree of
expert knowledge on their
part.

4. W. Harcourt Sturges,
for the Resolution of
the Govt of India dated
the 15th of Sept. 1913
that i. India the
royalty on mica is
fixed at 5% on the
net value at the time of sale,
and

(I enclose attached
to (29, 3/14.)

and it would be of great assistance to him if his Coleridge could furnish him with a copy of the original. The date is determined and the matter is about knowledge gained for the work.

H. J. FEAD,
for the U. K. Com. of State

22

16622

E.A.P.

1888

58



(No. 449)

11 May 1914

DRAFT

E.A.P. No. 449
for
Selfield

MINUTE.

- Mr. Weston
- Mr. Reed
- Sir G. Fisher
- Sir H. Jones
- Sir J. Anderson
- Lord Emmott.
- Mr. Harcourt.

Mr. Harcourt 22 Apr (14856)
 29 Apr (15614)
 4 May (16614)
 5 May (16614)
 26 May
 26 May
 26 May

22193
31110

Sir,
I have the hon. to ask
the recd. of your despatch
No. 284 of the 26th of March

and to transmit to you,
in continuation of my
despatch No. 337 of the
15th of April, the necessary
copy of the
correspondence on the
subject of the mineral
lease to be granted to
Messrs. Harcourt and
Pagoda for the purpose
of mining for coal in the
E. A. P. You will observe
that, pending settlement

copy to Harcourt's of July in force 22 633

(concessions)

of the question of the
royalty to be required
I have agreed, subject to
your consent, to
pay for the use of
royalty at 15% on the
net amount. You should
be free to decide course
whether you agree to
this provisional
arrangement.

I should be glad at
the same time to receive
your views on the question
of the amount of
royalty. As you will
observe, I had referred
up to the receipt of your
draft of the 26th of
March, that the lease
had actually been executed
and that the
lease was, in fact, in
force.

* No. 14239

royalty to be applied to
this assumption proves
to have been in excess of
what
is a question. However, the
rate of royalty can be
fixed at a rate higher
than the equivalent of
the maximum tax shown
in the Order and in the
Regulation made under it,
namely, 10% on net
profits. This will do just
as well as a royalty
higher than the equivalent of
maximum in all cases, and
about for this. I consider
that a royalty or a profit
is much to be preferred to
one based on profits, as
experience has shown that
the determination of the
profits of an undertaking
gives rise to endless questions

and deduction of the expenses
and charges which may
properly be set off against
the receipts.

3. It is a question for
concern whether an awarding
of rate and regulation
should not be allowed substituting
a royalty as proposed for
one on profits. It is
done, I believe as a matter of
course, in the case of
prescribed, and it is possible
that it will not necessarily
be imposed in all cases.

4. In the case now under
concern, it is evident that
the value of the mineral
was much over-rated when
the terms of the grant of the
lease were laid down in
1913, and I shall have
no objection to the royalty
being fixed at a figure which

DRAFT

11 60
will create the machinery
to be carried on with
a fair prospect of success
so long as the Govt is a
reasonable return on
the mica actually extracted
is secured to the Government
and no long ^a ~~of~~ the mode
of assessing the royalty
can be devised which
will not cause undue
expense or inconvenience
to Govt officials.

5. On this last point

^{Send a further dispatch}
I shall communicate with

you further than replies
have been received to
the communications which
have been sent to the
Public Office and the
Govt. of Mysore.

will understand that
these cases were when
have been sent prior to
consultation with you
merely words to prevent
any unnecessary delay in
arriving at a settlement
I shall be glad
and that I desire to
be furnished with your
views on this subject
as well as on the
actual rate of the
royalty.

6. I do not appear to
have received the Treasury
Regulations of 1914 referred
to in Mr. Hoyns' letter
of the 29th of April.*

I have etc

COURT.

* No 15814

622

No 844
10622

61 1485

(No 126)

11 May 1914



Sir,
I have the honour

DRAFT.

Wyanaland no. 126

Jr Smith

MINUTE.

- Mr. Bottomley
- Mr. Read
- Sir G. Fiddes
- Sir H. Just
- Sir J. Anderson
- Lord Emmott
- Mr. Harcourt

Amad/29/93¹⁴⁴

to inform you that a question has arisen as to the manner in which royalty should be levied

on mica mined in East Africa Protectorate

2. If the preferable course, the rate of royalty has

been fixed at 10% on the gross output, to be

determined by the selling price less cost of transport

to market as shown by books. The lessees, in

addition to objecting to the rate of royalty, take exception to the

mode of determining value

copy to Holey cons. 9 July '14. Apr 22 633¹⁴⁴

copy to Holey cons. 11 May 14

Chy for 200

as they found it that
media specifications should
be considered periods
before sale and that to
have to wait for packets
18 wks for complete
returns would ^{give rise to} create
a great trouble & collection
of possible error

3. My proposal that
the value should be
determined at the port
of shipment ^{apparently} that is that
it should be fixed according
to the price in the London
price prevailing at the
time, subject to our allowance
for cost of transport at
current rates. This
procedure would appear
to be simple not only
that the Customs officials
should be informed
periodically of the
price of mica in
London but also that
they should be able to

clarify and refer
to parcels of mica
which pass through the
lands
I should be glad to
be informed fully of
the detailed arrangements
for the movement of
the royalty of the mica
exported from Montreal
in order that I may be
able to decide
what procedure should
be adopted in the future

X 9 Jan 1911