

MINUTES.

MINUTES NOT TO BE WRITTEN
ON THIS SIDE.

3) organize the syndicate out
of existence I think that
difficulties are being
emphasized here than
they would have been if
the case were not regarded
as one of concealment
removal from the dark
age.

Off H. L. Bennett.

Review for Deafold & Co.

Major Goldman

G. S. 11. 11. 11.

The Syndicate, consisting of Major Goldman, Lord Waleran, and the late Mr. Cecil Grenfell, represent two of three unfortunate concessions granted in the Coast area of Kenya (South of Mombasa) in 1906. The third was acquired by a group including the late Lord Cobham and the late Sir Owen Thomas, who ^{subsequently} formed the East African Estates, Limited.

The rights of the original concessionaires of the other two areas (Macallister and Diespecker) were acquired by the Syndicate from ^{Diespecker} the latter, the survivor of the two. He is now dead and his family have recently put in a claim for the concessions. They were bought out by Major Goldman who, with his colleagues, gave us an indemnity against further Diespecker claims.

Major Goldman left the Owen Thomas group because he considered their action in forming a Company premature. He has refused to go to the City while the position of the Syndicate was indefinite. Consequently while the East African Estates have done some development his Syndicate have done none.

In both cases there has been much difficulty through the inability of the local Government, first, to say what areas in the conceded territory must be, or need not be, excluded on account of native rights, and later (when native rights, which naturally covered the best land, had been more or less ascertained) to find anything like the acreage stipulated. In the case of the East African Estates it has been arranged this year that, while retaining some part of the Coast estate, they shall give up the rest in return for a much smaller area in the Highlands, where they are to have three widely separated groups of farms.

We have heard by telegram (and are awaiting a despatch) that there are local protests from settlers who think that the farms ~~which are not especially attractive~~, ought to be leased in small lots to individuals.

In the case of the Goldman Syndicate it was first agreed to cut down the original 100,000 acres to 80,000 acres, and then, after examination of the ground, they were advised by Mr. Hausburg (who is favourably known to us as a pioneer of sisal planting in Kenya) to drop the coast area altogether and take the area of 60,000 acres near Voi (100 miles up the line) with which we are now concerned, provided that the water was adequate.

Sir C. Bowring, when acting Governor, came to a provisional agreement with Mr. Hausburg that if they found the land unsuitable in soil or water they should have a corresponding acreage elsewhere. That was over ruled here on the ground that it laid on Kenya a contingent liability which it might not be able to fulfil; but it is clearly reasonable that, if they are to be pinned down to the Voi area, they should first have all possible security as regards water.

The points immediately at issue are the claims that

- (a) that the Colonial Government have marked out a different area (with less water) from that originally discussed orally between Mr. Hausburg and the Land Office.
- (b) that the Colonial Government by moving

natives about have increased the difficulty
of providing water for the estate

- (e) that there is other water which they should be
allowed to pipe to the estate, and
- (d) in effect, that after eighteen years we ought to
get something settled and not allow what they
regard as obstruction.

W.C.S. 4-12-21

C.S. 4/21

at 21

C. O.

56302

1 DEC 24

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366

C.S. GOLDMAN,
TELEGRAPHIC ADDRESS
GOLDMANNIA, LONDON

SALISBURY HOUSE,

LONDON WALL,

LONDON E.C. 29th Novr, 1924.

W.C. Bottomley Esq.,
The Colonial Office,
S. W.

Dear Mr. Bottomley, Re Voi-Kwatati Concession.

The letter of the Colonial Office of the 21st inst., reference No. 54306/24, giving the substance of a telegram received from the Governor of Kenya as to the use of water, and the inclusion of land on the western side of the Kwatati River, raises an extremely serious situation.

I should like to draw your attention to the negotiations which Mr. C.B. Hausburg conducted with Sir Charles Bowring, C.B. A memorandum of these negotiations was submitted to His Excellency, the Acting Governor, in a letter from Mr. Hausburg, dated the 3rd of May 1923. Clause 5, para: A, contains a reference, that if on investigation the water supply for the Concession was not found to be sufficient, all or part of the land should be abandoned and a similar area given elsewhere."

In his letter dated the 2nd July 1923, No. 2086/1193, from the Acting Secretary to Mr. Hausburg of Heathside, Weybridge, Mr. Hausburg is informed that the Government of Kenya has recommended to the Secretary of State that an exchange of land be conceded to in the event of lack of water. This recommendation of the Governor of Kenya was turned down by the Colonial Office in their letter of the 22nd September 1923 (No. 38417/23), in which they state that the concessionaires were to take the risk of the area near Voi being suitable as regards both water and soil.*

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38417
23

I would point out to you that Mr. Hausburg favored and selected the Mwatati grant subject to satisfactory arrangements being arrived at for the water necessary to develop the concession for sisal. He realized that if the western boundary is drawn to include both banks of the Mwatati River, a certain amount of water would be available from that source, but as the river runs dry at certain periods when water is essential, other sources would have to

be made available, as the grant itself had no water supply within its area. It is for this reason that water from the hills beyond the concession, including the swamp, became an essential consideration in taking up this land. This, Mr. Hausburg discussed in Nairobi, and no objection was raised to this essential requirement. His negotiations in Nairobi were necessarily of a tentative and informal character, as nothing could be decided at the time in view of the Indian question being then still unsettled.

You may remember that in an interview which Mr. Hausburg and I had at the Colonial Office on the 30th July 1923, His Excellency, the Governor, being present, the question of water was brought up, and the necessity for a reasonable supply of water to make the concession workable was fully recognized. We thereupon accepted the concession on this understanding together with the proviso that the right to select another area would not be considered.

We are advised that in order to justify a big expenditure for developing the area, the water in the Mwatati River, the swamp and Teita Hills, beyond the requirements of the natives, should be made available for our reasonable requirements, and that we should have priority in that respect. It is, of course, understood from this that we don't ask for a monopoly of water, but merely sufficient to make the development of this area secure.

If, as we understand, the intention of the Govt. is to establish the Babida on the swamp, and to bring the Wakasigau on to the western bank of the Mwatati, we would be deprived of practically all our water supply, making the concession unworkable and valueless. If this is so, we can only suppose that the Government propose to offer us a selection of 60,000 acres elsewhere.

As we have previously pointed out, we were informed that it was the intention of the Govt. last year to remove the Wakasigau, and not to bring in more natives. These would incidentally be in direct competition for water, and thereby in conflict with our development.

As to the concession itself, Mr. Hausburg in his informal negotiations, of which Mr. A.G. Baker has knowledge, selected an area to include the west bank of the Mwatati River, and no local objection to it was raised. We ask that the boundaries be adjusted according to the rough sketch we submitted with our letter of the 14th inst.

54624

According to a letter just received from Major Eustace from Mombasa, the Govt. seems to be under the impression that we are asking for fixing the western boundary so as to include the right bank of the swamp. This is a mistake. What we are asking for is to fix the western boundary so as to include the right bank of the Mwatati River, which is not within any native reserve. (See ske

It was clearly understood that as there was no water on the concession itself, this would have to be obtained either from the Mwatati River bordering the western side, the swamp, out of which the river flows, and from the Teita Hills.

The position that we are now faced with owing to the Government's action is this:-

- 1) We are refused the use of the swamp water
- 2) More natives are to be brought on to the piece of land asked for on the right bank of the Mwatati River, thereby diminishing, if not entirely exhausting, that supply, and
- 3) An examination of the water catch area in the Teita Hills north of the concession with a view to constructing a reservoir as a standby source of supply and an opinion whether this would be feasible within contour and economic limits, is ^{still} contingent on the Govt. acquiescing in this very essential safeguard.

The dilemma we are therefore placed in is most unfortunate for us, having regard to the constantly recurring new difficulties, and this after so much delay in reaching a settlement owing to the Indian question.

We find ourselves in the regrettable position of having succeeded in getting friends to associate themselves financially with us with a view to starting active developments who are dissatisfied that no definite decision has been arrived at, and who may break away at any moment.

May I ask that this matter receives ~~your~~ immediate attention, and that a strongly worded cable be sent to the Govt., urging that the matter meanwhile be not further complicated by the transfer of natives, and also that our reasonable and essential requirements as set forth in this letter be granted with all possible despatch in view of its great urgency.

We would, in conclusion, again draw your attention to the fact that for many years this land was held from the Government, and no development done on it, and then abandoned; and that when we applied for it, it was still lying derelict and of no value to anyone.

Yours very truly,

A. Goldman

Callahan
J.C. 2-15
6/12/24

5th December.



Your telegram of 18th

November 333 Goldman represents that

(1) variation by Secretary of State

see my despatch of 20th September,

1923, 1369, of arrangement with

Bowring as to alternative area implies

necessity for all possible assistance

in regard to water for Voi area and

that you recognised this at discus-

sion of 30th July 1923.

(2) Hausburgs arrangement with

Baker as to position of plot inclu-

ded both banks of Mwatati River but

this has been varied by Land Office.

(3) Impression appears to exist

that they want right bank of swamp as

well as of river whereas they only

asked for access to swamp for

reasonable use of water.

(4) Native interests have been

created which did not exist at time

CODE TELEGRAM
DRAFT.

3824/25

xc

GOVERNOR

NAIROBI.

MINUTE.

Mr. *Handwriting*

Mr.

Mr. *Handwriting*

Sir C. Dobie.

Sir G. Grindle.

Sir H. Read.

Sir J. Masterton Smith.

Lord Arnold.

Mr. Thomas.

Replies. for despatch.

of 1923 arrangement.

(5) Robertson Rustace advises that water of river and swamp may not be adequate at all times and that additional water may have to be piped from Teita Hills necessitating careful survey provided Government agree to this additional supply.

(6) he is being much embarrassed by unexpected difficulties arising after he has made arrangements for financing extensive sisal development.

Despatch follows, but I should

be glad if you would at once consider what is possible to assist in final settlement of this question. Rustace should be consulted.

Your telegram of 5th November

proposed new eastern boundary can only be roughly described as line drawn north west and south east from point where branch railway crosses road apparently close to Voi-River station.

AMERY.

Downing Street,

19 December, 1924.

Sir,

With reference to your letter of the 14th of November (which was received on the 21st of November), and your further semi-official letter of the 29th of November written on the receipt of the Colonial Office letter of the 21st of that month, I am &c. to inform you that a telegram was sent to the Governor of Kenya on the 5th of November conveying the substance of your representations in regard to the area at Voi proposed to be assigned to the Syndicate which you represent, and that a despatch has now been sent to the Governor enclosing a copy of the recent correspondence.

DRAFT.

MOR C. S. GOLDMAN.

MINUTE.

Mr. Bottomley. 15. 12. 24

Mr.

Mr.

Sir C. Davis.

Sir G. Curdie.

Sir H. Ross.

Sir J. Masterton Smith.

Lord Arnold.

Mr. Thomas.

Handwritten: H 10095/8 on 19 DEC 24

Handwritten: 2 drafts.

In the telegram the Governor has
been asked to give immediate consideration
(in absence of the receipt of the despatch)
to the question of what can be done in order
to lead to a final settlement of this
outstanding question. It has been suggested
to him that Major Robertson Eustace may
usefully be consulted.

I am &c.,
(Signed) W. C. BOTTOMLEY.

372
9/56322 per [unclear]
O.T.
16 DEC
1924

Downing Street,
19 December, 1924.

for
Ansd
14/12/24
S3

Sir,

I have &c. to transmit

DRAFT.

NYA
C. 1283
ROY.

MINUTE.

- Mr. Bottomley 15.12.24.
- Mr.
- Mr.
- Sir C. Davis.
- Sir G. Grindal.
- Sir H. Ross.
- Sir J. Robertson Smith.
- Lord Amford.
- Mr. Thomas.

Handwritten notes and dates:
To Mr. Goldman 30.11.24 (2200)
To Mr. [unclear] 21.11.24 (2200)
To Mr. [unclear] 19.11.24 (2200)
To Mr. [unclear] 29.11.24 (2200)
To Mr. [unclear] 18.11.24 (2200)


to you, in confirmation of my
telegram of the 5th of December,
the accompanying copy of
correspondence with Major G.S.
Goldman on the subject of the
concession for which his Syndicate
have applied in substitution for
the original concessions granted
to Mr. Macallister and Captain
Diespecker in 1906.

2. You will observe from
this correspondence that Major
Goldman represents that he has been
put to considerable inconvenience
by the delay in giving effect to
the

the arrangement provisionally agreed to
in his discussion with Sir Charles
Bowring in 1923, and in particular ⁶
the decision of the Secretary of State
against the arrangement then proposed
that the Syndicate should be allowed an
equivalent area elsewhere if they ^{found} viewed
that the area near Voi was unsuitable for
their purposes, ~~could not be allowed.~~

3. Major Goldman points out
that in these circumstances it was
essential that the Syndicate should have
every opportunity of obtaining the necessary
water for their purposes in the area laid
down, and that it now appears that
movements of natives have been permitted
which effectually prejudice their opportunities
for obtaining water.

4. The Report which Major Goldman has
received from Major Robertson Eustace
to the effect that water from the Teita Hills
would be required in supplement to the water from



introduces a new element into the question. It appears that Major Eustace has discussed this point with the Colonial Secretary, and you will be in a position to inform me whether the necessary facilities may be given to the Syndicate.

5. With regard to the actual area of the concession, there appears no doubt that the area originally discussed between Mr. Hausburg and Mr. A.G. Baker of the Land Office extended on both sides of the Mwatati River. It will now have been possible to obtain Mr. Baker's confirmation of this fact. No doubt, the alteration by ^{which} the Estate extended on the west only to the bank of the Mwatati River was made as a matter of convenience in order to conform to existing surveys, but it would seem clear that the Syndicate's position has been complicated by this change.