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FEB 21

A. TRADING CO. LTD.

CONCESSION IN TANALAND

1921

31st Jan

Last previous Paper.

As requested forwards copies of relevant correspondence and states that he was informed that Gov had decided to waive the rent for the first 5 years from the date of the grant of the concession, such rent to be fixed at the end of that period in accordance with the Land Ordinance then in existence

W. Bottomley

There is not much here that is not included in the Gov's letter (1948) but I certainly think that in a matter of his importance the Govt should have sent us a copy of the Gov. and not left us to obtain a copy from the land office concessionaires.

You will not hear as early as 6th Feb the Govt's answer to the Govt's letter of 26 Feb. I have not yet seen the Govt's answer in the Govt's letter to the Govt's letter of 26 Feb.

Recd 5 Feb. 21
 To Gov. Secy. 26 Feb. 21
 63351/10

Next subsequent Paper

MA/9348

Satisfactory to the fact by being in
Canton that he was informed probably
(possibly) by Mr. Mackin that the fact
agreed to all his points.

? Wait for next mail to see if
we read anything further from the fact
and in the meantime such receipt

D.S.

5. 11. 21.

I have written in a letter to you
to go down

I think that we must not
allow having any further
labor before any further

step. But we must have
get another copy and let up
in response

Very respectful

W.D.S. 11

W.D.S.

W. Bottomley
Nothing in by this mail
I am kindest to you

W.D.S.
1921 19. 11. 21

C O
5503
REC'D

Branches & Agencies throughout East Africa.

Head Office:—MOMBASA

686

EAST AFRICA TRADING Co. Ltd.

GENERAL MERCHANTS.
EXPORTERS & IMPORTERS.

Directors:
de WARETANU.
LOGIO.
LYONS.

130, Fenchurch Street,
London, E.C.3,

January 31st 1921

Sir,

our wife, have the honor to enclose copies of documents and correspondence relating to the application for Tanaland...
 would that before my departure from East Africa...
 (firstly) to Hon. Commissioner...
 Lands, the... Council has agreed...
 November 1920, and...
 the first 3 years...
 is fixed after the first 3 years... accordance...
 existence

have the honour to be
 Sir,
 yours obedient humble servant

Director
 Ltd.

Assistant Under
 S. W.

Copy

Nairobi 26th July 1920

Hon. H. T. Martin,
Commissioner for Lands,
Nairobi.

Referring to the recent interviews I had the honour to have with you, I beg to apply herewith on behalf of East Africa Trading Co., Ltd for the allotment of following land :

A strip of land 10 miles deep from the right bank of the TANA River and a strip of land 5 miles deep from the left bank of the TANA River commencing from the Coast or as near the Coast as far as Government can find available land 1/4 miles length on each side of the TANA and an area of not less than 1000 Acres, situated at and near the mouth of the TANA River.

It is to be understood that any Native owned areas, acknowledged as such by your Government and situated within the territory described above, would be exempt from this allotment, and any acquisition of such areas by East Africa Trading Co Ltd would have to be amicably arranged between the owners and the said Company.

In the event of the above specified areas of Land being allotted, the East Africa Trading Co., Ltd resp. the Company, specially formed for the purpose of development of this land and as assignee of East Africa Trading Co Ltd., agree to find and devote the minimum amount of £1,000,000.- (one million pounds stg) for such development roughly as follows :

- A) On opening communication with the interior of the Tanaland Province by and along the Tana River by means of regular steamship service and by building Light Railways together with the necessary stations, wharves, godowns etc. £300,000.-
- B) On erecting Sugar Mills and any factories with all necessary buildings and of wharves, godowns, central offices etc at the coast, at and near the mouth of the Tana River. £350,000.-
- C) On irrigation and other works that will be found necessary as preliminary

- c) successful extensive cultivation of the allotted areas 4150,000.-
- D) On importation, housing and maintenance of the necessary labour, skilled and unskilled 2200,000.-

I beg to add that the above is only a rough estimate of minimal capital expenditure, it is my firm opinion however, that very much larger amount will be invested under the mentioned four headings especially under B, E. & G.

On the Company having "proved" the land, already allotted to it, your Government agrees to allot also to the Company a further strip of land 10 resp. 5 miles deep, adjoining the first allotment, provided that the Company agrees to extend the cultivation and development with all necessary irrigation and other works to this further area. Any difference of opinion between your Government and the Company as to the interpretation of this latter clause is to be submitted and finally settled by arbitration, both parties agreeing to abide by the award of the arbitrators.

It is understood however, that the above application with its terms and conditions depends on the solving of the problem of recruiting and importation of the necessary labour in sufficiently large numbers and of satisfactory quality.

In connection with this all-important question I beg to express my gratitude for your and your Government's willingness to render all possible help to secure such labour.

I have the honour to be,
Sir,

Yours obedient servant

Managing Director
East Africa Trading Co., Ltd

P.O. Box 130

Land Department

Nairobi.

September 6th 1920

Sir

Re: Land on the Tana River

With reference to your letter of the 26th July.

I have to inform you that His Excellency-in-Council approves in principle of the scheme submitted by you for the development of land on the Tana River, but desires further to consider the matter when fuller details as to how the scheme can be worked have been prepared.

I shall be glad to receive this further information in due course for submission to His Excellency.

I am Sir

Your obedient servant,

(Signed) H. T. Martin

Commissioner of Lands.

The Managing Director

East African Trading Co., Ltd

Nairobi

erection of mills, selection of machinery, construction of roads and light railways, will be sent out at once to decide on the most suitable sites and the system of working to be adapted. The erection of central offices with necessary godowns and other buildings on the most convenient spot near the mouth of the Tana River will then be proceeded with without any delay, as it is of course of vital importance to the Company that no time should be lost and actual productive work be started as soon as possible. The trading centres will be determined at the same time, with I hope, the advice of P.C. & D.Cs. of the Tana Province and a regular steamship service will then be inaugurated. The steamers in view are of the same pattern as used on the Zambezi, sternwheel vessels of shallow draft, but powerful, and to tow 4 big barges, and with limited passenger accommodation.

I trust His Excellency will find these details of the proposed working of the Tana River Land Co. sufficient and satisfactory; it is obvious that at this stage I cannot give the exact amounts for each particular item, the figures given in my letter of 26th July are the approximate estimate of the expenditure under the different headings.

I beg to point out however that until the concession is granted resp. the allotment made, the ad hoc Company cannot be registered nor the public issue made, and as it is in the interest of all parties concerned that the matter be made with as little delay as possible, I hope that the necessary documents will be prepared in the near future.

If His Excellency should consider it advisable in case ~~the~~ that the approval of H.M. Government be required, our Chairman the Earl of Kintore would attend personally at the Colonial Office in order to secure same without undue loss of time.

I shall be pleased to come to Nairobi at 24 hours notice, if my presence is required for settling any details etc.

I have the honour to be, Sir,

Yours obedient servant,

Managing Director

L.S.
No 12537

Sir.

TANALAND CONCESSION

In continuation of further correspondence on the subject of your application for a concession on the Tana River, I have the honour to inform you that His Excellency has agreed to the following basis of negotiations with you and the Syndicate you represent.

(1) Guaranteed expenditure on development.

£500,000 in first 2 years,

\$300,000 in second 2 years,

and a further \$1,000,000.- within 10 years from the date of the lease.

Expenditure and Development* to be deemed such capital expenditure as is certified by the Auditors of the Lessees and approved of by this Government.

(2) Terms of Lease.

In the first instance 10 years with an option of renewal to the usual term under the Crown Lands Ordinance if the development conditions (a) has been fulfilled to the satisfaction of Government.

Government is asked to reserve a further 1500 sq. miles adjoining and upstream which the Lessees should be able to apply for on the same terms if they have fulfilled all their obligations after 10 years.

(3) Labour.

The Company to prove to the satisfaction of the Government that they can obtain (and will bind themselves to maintain) a sufficient labour force (number to depend on race of labourer etc.), derived from sources outside the Colony or Protectorate, which sources shall be subject to the approval of Government. In the event of satisfactory negotiations eventuating with the Dutch Government for the importation of Dutch East Indian Labour, it is suggested as a basis for discussion that the rules and regulations apply to the

ortation, protection and control of Javanese labour in the Federated Malay
tes be referred to and that the Company be responsible for the emoluments of
our officers borrowed, if possible, from the Federated Malay States who have
r experience of Javanese labour and can speak the various languages involved

(4) No premium.

(5) Rent to be 10 cents per acre.

r suggestion that the government take 5% of all genuine profits (including
dividends and profits on fictitious) as an alternative instead, of a fixed rent
noted.

(6) The main form of cultivation to be Rice and Sugar.

I have the honour to be,
Sir.

Your obedient servant.

(Signed) H. T. Martin

Commissioner of Lands

The Managing Director
E.A. Trading Co Ltd
P.O. Box 204
Mombasa

Coff

No. 16537

P.O. Box 139
Land Department
Nairobi.
November 5th 1920

Sir.

Re Area of Concession - Tana Land.

Further to my No. 16537 of the 4th Inst, to advise have the honour/the area of the concession to be approximately 1500 sq. miles (100 miles length each side of the Tana, 5 miles deep to the north side and 10 on the south side) commencing from as near the Coast as Government will allow and can find available land allowing for all native rights; the cost of the exclusion of which to survey must be born by the Lessees.

I am Sir,
Your obedient servant

Signature: *Hart*
Contract Officer: *Lewis*

The Managing Director
East Africa Trading Co. Ltd
P.O. Box 204
Mombasa

at a later date. I would suggest that condition 1 be amended to the effect that guaranteed expenditure on development to be £1,000,000.- during the first 5 years from date of lease and that the condition relating to further capital expenditure of £1,000,000.- within the next 5 years be either deleted or at least made conditional with regard to future grants.

2) Terms of Lease. What is the usual term under the Crown Lands Ordinance? Is it 99 years? I am afraid that larger capital would not be obtainable for an undertaking with only 10 years Lease with an option of Renewal upon fulfilment of certain development conditions. As far as the Government is concerned the same object can be achieved by stating that the lease is for the usual term under the Crown Lands Ordinance, Government possessing the right to cancel the said lease after 5 years if the development conditions as per clause 1 have not been fulfilled by the Lessees to the satisfaction of the Government. I would suggest also that the next paragraph be altered as follows:- "The Government is willing to reserve a further 1800 sq. miles adjoining and up-stream, concession for which on the same terms will be granted to the Lessees on application by the latter, provided that they have fulfilled all their obligations within 10 years. The Lessees to make their application within or at the end of first 10 years, if the application is made before the expiry of the first 10 years all the development obligations provided in clause 1 would have to be previously fulfilled."

I am asking for this alteration in the interest of all concerned. The large capital needed can only be secured if the prospects for future appear very bright and the proposal is as attractive as possible. If it does not ask for guarantees, it must have at least reasonable

expectations of fair return on its investment. It will have to be induced to come and as long as Government's resp. country's interests are safeguarded the conditions can be so framed that they are acceptable to both. With such stringent development conditions the country will always be great gainer, even if the Lessees should lean heavily on their undertaking.

The next observation I have to make is with regard to Rent, (clause 5). It must be obvious to you that an undertaking of a nature as the one contemplated cannot be earning any dividends for years to come, a rent of 10 cents per acre for the whole concession would mean a tax during the unproductive stage of ₦1,96,000.- per annum! This could hardly be acceptable to any one. An annual rent of 10 cents per acre for land occupied or under cultivation would of course be quite fair but no undertaking of similar character could be burdened with impunity at the very start to such an extent. If you remember I had in my mind and pointed out to you this difficulty during our first interview, and to cope with it in a manner quite fair to the Government I suggested 5% of all genuine profits made by the Lessees through and by the help of the concession. I am still of the opinion that it would be the most advantageous form of revenue to the Government without crippling of the undertaking at the beginning.

With regard to clause dealing with the area of concession I beg to suggest following alterations: "commencing from the coast or as near the coast as far as Government can find available land and allowing for all native rights, the cost of exclusion of which by survey must be borne by the Lessees.

No reference is made in your communication to Arbitration by which any possible differences of opinion as to the interpretation of clauses

and conditions of the concession should be finally settled. You will
be with me that it is by far the cheapest and most satisfactory way
of settling any disputes. The arbitrator or arbitrators could be appointed
in case of necessity by Lord Chief Justice of England or Master of the
Chancery for the time being.

I have the honour to remain,

Sir,

Your obedient servant

Hon.

H. T. Martin

Managing Director

East Africa Trading Co., Ltd.

Ind

Sir,

5 Feb 1874

I am in great debt
and of your letter of the 31st
of Jan, and to wife you sent
some papers which will be given to
the printer & that you have
promised to read of the
proposed course in London

DRAFT.

Managing Director
A. Trading Co Ltd

MINUTE.

- Mr. *Asst. Secy 57/2/74*
- Mr.
- Mr.
- Mr. Grindle.
- Sir H. Lambert.
- Sir H. Row.
- Sir G. Fiddes.
- Col. Amery
- Lord Milner.

(Signed) P. J. READ

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to a hole of his capitation

Flourishing at all lakes
economy

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O. J. J. J.

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that by can them

DRAFT.

summary Calmer before granting

1 galts from your desk

MINUTE.

(94/323) 2/27 \$21 Dec 14/27

- Mr. (1st of 65) this is in response to
- Mr.
- Mr.
- Mr. Grindle Calmer starts to report
- Sir H. Lambert
- Sir H. Road
- Sir G. Fiddler
- Ch. J. J. J.
- Lord Milner

under Compulsory

Epitaphic conditions

though nothing is said

and this in your telegram

or in correspondence printed