

Alpha States
1912

Date.
1912

5 July

as previous Paper

W
20865

Conference at Co.

Suggest amended date 23 July.

W. Read

See also W
20865

Submit a draft. The date is far enough ahead to assume Sir P. Stand's attendance. We had better warn him at once & also secure Mr. Tannayill who has spent some time in examining the account submitted by the Company for our inspection. We might all meet some day before the date fixed and decide what line we are going to take.

Subsequent Paper

20869

with the Company. It would be impossible to
go into the conference unprepared.

HAB.

July 6.

I agree
at once

S. J. R.

6/6

W. Butler

I attach a copy of a statement prepared by Mr. Garrison as a result of his examination of his friends' books in which he sets out the various points in which it is
stated that no slaves have legal
rights here or have a right to be
admitted here or come & work here
by the Company. As far as the
question arises as to his contention
that under £20,000.00 is required
for the development of the port

71
important point appears to be whether
the general manager's salary can best
be retained as Superintendent or discontinued.
If this is given against his company,
^{showing} they have no cause whatever of ~~discrediting~~
an expenditure of £20,000. If we can
well establish his claim against
the Company it may not be necessary
to go at length at the end of his
smaller points agreed.

This is an incident which Mr.
Garrison was not specially particular
upon and went to the point
of balance his company in giving account
of claim as development the money
which they have spent in developing
what they have undertaken to develop
in his favor. Rather, rather, however,

to have from Mr. Lomax's letter
of the 12th of June (1847) that all
labor done in the development of
his property is included in the
accounts presented by the contractor.

In his names, I think that
Mr. Lomax has produced a bullet
proof sheet, and I suggest that
he sends a copy of same.

Mr. Lomax is at present in
Naples but he will come up after
called upon to do so. I suggest that
he have a meeting in the afternoon
of the 22nd to discuss the question
how we are going to handle the papers on the 23rd.

1776
67

W. H. Read

I agree. 23rd July 17.

I agree. I have not yet had
time to consider but the legal
points in detail & so should
not be able to have this paper
to you before the end of next
week before the 23rd if possible.
I thought it best to send them
at once. 23rd July 17. 72

Dr. G. Field

I think that we had
better bring Mr. Belfield into this
meeting. Dr. Belfield was present on
the 23rd of July and fixed a
date for the meeting because Dr. P.
J. Gould was going back to the middle
of August. Mr. Belfield is not going
at until Sept. 1st or over I know
a covering for a sum operation &
that the meeting ought well be
fixed at least (say) a month in advance
so that he may get a copy of the papers
available to myself and I the papers
to Mr. Belfield & arrange for a
preliminary meeting at which it can
be well that Dr. J. S. 12th be present
and another for (say) 30th or 31st of
July.

H. J. R.
at once
19/7

~~Ad huc~~
to better Read
I annex a copy of a Report by
Mr. Vanachille giving an account
of last Thursday's meeting. W.W. 28

The Vanachille report corresponds with
what I remember of the details of the
meeting. The general impression left
my mind was that the ^{obj} reason that
they had not complied with the terms
of the agreement as to expenditure
but intended to rely on the application
to D.P.M. of the agreement.

(6) on the alleged
failure of the first No. 5000
them with a definite for them
any land on which they could
work.

It also appears that the Govt. had
entered into the agreement largely
as a land speculation. No
doubt they hoped to make off sales
of land & that they failed to achieve
it. again others & they pointed to
the large extent of the concession as
evidence of this. We replied pointing

to cl. 20 of the agreement. I am
bound to say however that I do
not think that claim would
enable us to prevent alienation
altogether - it will I think only
give us power to refuse leave in
the case of an undeniably bad

For the purpose of land
speculation it would of course be
essential for the Govt. to be able
to offer good titles & this they
cannot do till the Survey is
completed.

After the meeting I had
a talk with Mr. Vanachille etc.
beginning something I
had to ~~mention~~ something
local conditions.

The day Friday ^{the 28th} ~~July~~ it
is impossible for the Govt. to guarantee
title to a single acre of the
concession. Native rights are still
existing there & it is impossible to
say without a proper enquiry
that rights will be established
the survey which has been going

Through the Post from Mr. G. Smith
we have at Montosa & he seems to
think that it would not be possible
to deduct them from them to establish
the Survey of the Concession. The
procedure adopted of the Survey is
as follows (at least, that's how I have
it rightly). The Surveyor goes through
the land with the Luvale (local
tribe ^{chiefs}) they delimit the land
a connect the evidence of native claims
as laid down by the Luvale. Then
the land court names one the same
area & awards title on the evidence
so collected. It is not of course
bound to accept that evidence
but Mr. T. seems to think that
in practice it would do so.
There is of course no award till
until the decision of the land court
is given, but the conclusions of
the Luvale & the Surveyor would
be I imagine a sufficient basis
for the commencement of agricultural
development. Mr. O. said that
the Luvale at Gazi was a very
good man & he seemed to think
that there would be no difficulty in
getting the Luvale to point out their land

within the area of the concession
which is in his opinion true.
At this stage of the setting this
land define ^{(and survey - in}
this way the Co. would be having
sure that their operations
here being carried on on safe
ground, though they would
not get an absolute title.

Mr. P. says that as one
part of Montosa has any better
title than the Co. now have,
settlers by their concession
then pick the land they prefer
towns & make their own bargain
with the natives. He says that
if the Co. had been founded
settlers they would have done
the same.

The above remarks seem
to point out a possible line
of settlement to be adopted
to guarantee them a title
offer to guarantee them ^{one} a title
to some area (^{to be agreed}) at
once & to let them off it the

breakers they have already
committed.

(ii) Some part of their obligation
as to reparation for future
years, or as might

(iii) All the reparation mentioned
+ substituted as other than
blank, + so many acres per
year

In return for this we would
insist on a substantial reduction
of the area of the concession.

This is of course merely a
suggestion & we should imagine
wait to see what they propose
first.

Ch. 878

L. J. Anderson

We are going to meet the report
of the Co^{ys} again on the 15th. In the
meantime they are preparing a statement
of the rights which they desire to
be in force to have a preliminary discussion
to determine generally what rights shall
be required.

The last fact cannot clear the others
in the whole concession at present, but they
ought certainly to be able to fix say
5 or 6,000 acres or as to give the Co^{ys}
something definite to work upon - if we
could agree for them to be done at once
we could use it as a pawn in the game.

abstained H. J. R. 9/ VIII
M 10/6

1912.

re East Africa Estates Limited.

POSTAL COMMISSION.GAYI.

Report of Meeting held at the Colonial Office
August 1st, 1912.

Present: for the Government. H.G.Belfield,
Messrs Read, Butler, Tennyson, Batterbee and
Tannahill.

for E.A.Estates Ltd. Lord Cobham, Colonel Owen
Thomas and Mr. Martineau.

Mr. Read put forward various points set out in
paragraphs 1 to 12 of Mr. Tannahill's report of
July 10th, 1912, where the Government were not
satisfied that the terms of the lease had been
fully complied with as follows:-

Government Contentions.

1. £576 had been expended
before October 9th, 1908
but was included in total
amount.

E.A.Estates reply.

1. The Company had re-
ceived a telegram
stating everything was
settled and had started
developing without
waiting for the lease
to be completed.

2.

Government Contentions

2. According to definition of development in letter Sec.of State to Goldman 15 April 1908 it is contended Colonel Thomas' and Mr.Grant's salaries are "administration" expenses and should not be included as development.

3. Safari and Travelling Expenses away from the Estate are not development.

4. Passages of General Lawyer from England are not development.

5. The items in para.8 of Mr. Townshill's report.

6. Surplus expenditure on Bacon Factory.

A. Estates Reply

Colonel Thomas was engaged to supervise some 250,000 acres, owing to the Government having failed to grant this area he was forced to confine his supervision to only some 1500 acres.

3. It was necessary for a responsible person to examine coconuts before purchase.

4. Same as No.2 supra. In reply to a query Col.Thomas stated that he spent about 6 months in the year in A.i.m. including the time spent in travelling from and to England.

5. Mr.Martineau asked that these might be forwarded for his consideration.

6. Lord Cobham in the course of the meeting stated that if the Government should insist on a strict legal interpretation

Government's intentions.Administrator's position.

7. Cables.

Interpretation of the Development definition he should feel justified in including surplus on Hudson Factory in Coast development.

8. Maintenance of Agent on the property.

9. There always had been a white man in charge. Colonel Thomas did not remember his letter regarding Riddler.

9. His Excellency summed up the position from the Government point of view shortly as follows:-

(a) The Government are not satisfied that the Company has fulfilled its obligations.

(b) It had always been supposed that the Company themselves would develop the Concession whereas it was now apparent the Company only intended to act as intermediaries for the realization.

(c) It has been proved that the lease requires considerable alteration.

(d) In view of the foregoing he felt the Company should be prepared to accept a very considerable reduction in the area of the concession in exchange for some reduction in the nature of their obligations.

10. Lord Cobham in replying very generally to His Excellency stated the Company were not only in a position, but very anxious, to fulfill their obligations but had been greatly obstructed by reason of the Government not carrying out Clause 15 of the lease which provides for Survey by the Government.

Further that although he maintained the Government requirements in regard to the expenditure of £20,000 had been fulfilled, if it could be proved the Company were not entitled to include certain items referred to by Mr. Read then the Company would claim the exemption from the determination of the lease provided in the last sentence of Clause 10(ii) of the lease.

11. It was finally decided that representatives of both sides should meet again at the Colonial Office on August 15th to discuss an entire remodelling of the lease.

(sd) ARTHUR C. TANNAHILL.

Land Ranger

R.A.

August 3rd, 1912.

A. G. TANNAHILL

Land Ranger,

I have the honour to report on various matters connected with the East African Estates Limited (Coastlands Concession) arising out of a preliminary examination I have made of the Company's expenditure, as supported by certain vouchers deposited at the Colonial Office, and in furtherance of His Excellency the Governor's despatch No. 65 of January 26 1912 to the Right Honourable the Secretary of State for the Colonies.

1. The East African Estates (Limited) hold their Concession on a lease from the Crown executed 20th April 1910 the Covenants of which operate from 9th October 1908.

Clause 10 (i) of this lease reads as follows:

"The Lessees will during the first three years of the mid term lay out and expend the sum of £20,000 at the least in the development and improvement of the demised premises to the satisfaction of the Governor and such expenditure shall be made in addition to such moneys as the Lessees may lay out."

6TH MARCH 1908 THE GOVERNOR IN COUNCIL TO THE CHIEF COMMISSIONER OF INDIAN AFFAIRSMINAMAT NO. AREDACTED

RECEIVED NO. 61001 OF TUESDAY 11TH FEBRUARY 1908
 RECEIVED REBATE 100/- AND 10/- FOR REDEMPTION OF LEASE
 AS TO THE LEASES (NOT INCLUDING SHANDELAH) BEING
 REFERRED AND TO WHICH I HAVE BEEN VICTIMIZED
 AND AM NOW IN A POSITION OF INCREDIBLE
 DISADVANTAGE AS TO THE QUANTITY OF WORK WHICH
 COULD BE DONE AT THE RATE OF 10/- PER DAY
 TO DO THE WORK WHICH IS NOT SO MUCH
 PROVIDED FOR IN THE LEASE. WHICH IS THE
 CAUSE OF THE LOSS WHICH I HAVE SUSTAINED
 DURING THE PAST MONTH.
 I HAVE
 HAD TO PAY 10/- PER DAY FOR THE
 REBATE PROVIDED FOR THE LEASES.

RECEIVED AN AMOUNT EQUAL TO £10/- PER DAY
 TO PAY FOR TRAVELLING EXPENSES
 £1000/- TO PURCHASE HORSES AND MUSKETS AND ALSO
 TO REMOVING THE ENEMY FROM THE JUNGLE
 AND TO PROVIDE FOR THE EXPENSES OF
 THE SHANDELAH FARM WHICH WAS DONE ON THE
 1ST JANUARY 1908.

80
 in the erection of the Bacon Factory pursuant
 to the covenant in that behalf hereinafter contained
 The said expenditure shall be confined to such
 matters and things as in the opinion of the
 Governor relate directly to the soil and its
 products. The Governor or the Crown Agents may
 from time to time call for vouchers certifying
 such expenditure and the Lessees shall supply
 such vouchers to the Governor or Crown Agents."

"The Lessees will during the first three
 years" --- The accounts (so far as I can gather from
 the vouchers which are not forthcoming) show that
 a sum of £576 (Cust. Statement Nos. 1, 2 and Part 3)
 expended before October 9th 1908 are included in the
 total claimed for three years ended October 9th 1911
 of £20,000.12.6.

Query A. Is expenditure prior to the commencement of
 the lease properly or improperly included?

This sum of £576 is made up of a large
 number of items including Safari expenses. It is not
 the custom in calculating value of Development on
 ordinary farm leases to include the expenses a Lessee
 may have been put to in travelling over the Protectorate
 selecting his farm, and it is extremely undesirable
 to establish a precedent to that effect.

Query B. If it is held that certain items of this
 £576 dealing with development can properly be included,
 is expenditure on Safari to be included or excluded?

It should be noted that the sum of £20,000
 is a figure that has only been fixed after consider-
 able correspondence. On June 13th 1907 Mr Goldman the

original

original Concessionaire agreed to an expenditure of £30,000 and £30,000 is the figure quoted in the draft Concession dated 1907, Clause 10. On February 17 1908 Mr Goldman wrote to the Secretary of State petitioning that, (owing to the completion of the Concession having been delayed, and the Concessionalists in consequence not having been able to avail themselves of the easier conditions of the Money Market obtaining in 1907) the required expenditure be reduced to £20,000. This grant concession was allowed. I quote this as showing that the Government has already dealt very leniently with the Concessionalists.

Before it is possible to give any but approximate figures as to the correctness or incorrectness of the statement of accounts submitted by the Company, it is essential that some sort of a schedule should be drawn up defining which items shall be included. In this respect there is a very important letter from the Secretary of State to Mr. C.S. Goldman No. 12481/1908 dated 15th April 1908 paragraph 7 of which reads as follows:-

"7. With regard to the meaning of the words "development and improvement of the demised premises" in clause 10 (1) His Lordship is of opinion that the money dealt with in this sub-clause should be confined to expenditures directly applied to the soil and its products and that accordingly the cost of purchasing, transporting and erecting machinery intended for such direct application would be legitimately included, but not administration expenses except

(except the salaries and wages of persons habitually employed on the premises) or commercial agencies concerned rather with selling than producing.

I propose therefore as the simplest method of preparing a schedule to submit items taken from the accounts (with notes thereon) where I am not satisfied in my own mind that they fulfil the definition set out in Clause 10 (1) of the lease and the letter above quoted.

- b. Query 3. (a) General Manager's Salary. £1,000 per annum.
 (b) Assistant General Manager's Salary 400 " "
 (c) Resident Manager's Salary 300 " "

(a) General Manager's Salary. I contend that an enormous proportion of this sum amounting to £1,000 for the three years comes under the head of "Administrative expenses" specifically excluded by the Secretary of State's letter quoted above. Colonel Owen Thomas is not habitually employed on the leased premises. I very much doubt if he has been in East Africa more than 18 months of the three years. Even when in East Africa a very considerable portion of his time is occupied on the Bacon Factory. Some considerable portion of his time has been taken up in arranging for the sale of Company "The Gazi Bacon and Meat Company Limited". The salary itself is large but the Company will be able to prove that Colonel Owen Thomas was anxious to resign this position in view of the arrangements were completed to engage a German Manager at a salary of £1500 per annum when the German died, and further that a prominent official in British East Africa, but arrangements with the Colonial Office fell through.

Colonel Thomas appointed to serve his sentence and to act
as Governor as Captain Beaufort had no experience.
The Company had notified him before his appointment that he
would receive only an equivalent salary to one
and would retain some of his salary as payment
for services for the Company. He was to receive £1000 per annum
as Governor and £1000 per annum from the
Bacon Factory and the Coast. (1) Of course Mr. Col.
Thomas would receive £1000 per annum and thus fulfil
the requirements of the Company. (2) Of course Mr. Col.
Thomas would receive £1000 per annum and thus fulfil
the requirements of the Company. (3) Of course Mr. Col.
Thomas would receive £1000 per annum and thus fulfil
the requirements of the Company. (4) Of course Mr. Col.
Thomas would receive £1000 per annum and thus fulfil
the requirements of the Company. (5) Of course Mr. Col.
Thomas would receive £1000 per annum and thus fulfil
the requirements of the Company. (6) Of course Mr. Col.
Thomas would receive £1000 per annum and thus fulfil
the requirements of the Company. (7) Of course Mr. Col.
Thomas would receive £1000 per annum and thus fulfil
the requirements of the Company. (8) Of course Mr. Col.
Thomas would receive £1000 per annum and thus fulfil
the requirements of the Company.

though and that in consequence Colonel Thomas' services had to be retained. Against this, in my opinion, it could be argued that if at any time the Company found they were falling short of Government requirements in regard to expenditure on Development, there is nothing to prevent them raising the General Manager's salary to say £10,000 per annum and thus fulfil the requirements in one man's salary.

Further His Excellency the Governor is not "satisfied" that the Resident Manager, from all appearances a very capable man, requires the expensive supervision of a General Manager and an Assistant General Manager. Colonel Thomas informed me that only a portion of his salary was debited to the Coast Plantations, the remainder being debited to the Bacon Factory but this is not in fact supported by the Statements I have examined.

(b) Assistant General Manager. Mr. Owen Grant. Salary £400 per annum. Only £200 per annum is debited to the Coast the remainder being debited to the Bacon Factory.

I do not consider this is a fair proportion even if it is admitted that a portion of Mr. Grant's salary should be a charge against the Estates. Mr. Grant lives at the Bacon Factory over forty miles away, and visits the coast once or twice a month and certainly not more than one-quarter of his salary should be carried, if any.

(c) Resident Manager. The whole of this is a fair charge and the salary is a fair one for anybody in a responsible position such as the title indicates,

but

for the appearance of the manager
as well as his services. In addition
we may say as far as the expenses of his office
amount to £100 per month, there would be no
objection to this, as it would be in accordance
with the salary of the Resident Manager,
which we consider to be £1000 per annum.
This amount includes all the expenses of
the manager's office, such as salaries of
employees and clerks, and also
includes the cost of maintaining
the manager's family. We would like to add
that the manager's expenses of £1000 per annum
is not to be regarded as a fixed sum, but
is to be regarded as a minimum figure
and should be increased in proportion
to the size of the manager's family
and to the number of employees
in the office. For example, if the manager
had a wife and two children, his expenses
should be increased by £500 per annum.
It is not necessary that the manager
should be married or have dependents, but
it is only fair that he should be allowed
a reasonable sum for the support of his
family. We would like to add
that the manager's expenses of £1000 per annum
is not to be regarded as a fixed sum, but
is to be regarded as a minimum figure
and should be increased in proportion
to the size of the manager's family
and to the number of employees
in the office. For example, if the manager
had a wife and two children, his expenses
should be increased by £500 per annum.

but it is very much in excess of the current rates of
wages for anyone who requires two men to supervise him.
It should be noted that in addition to the Resident
Manager, there is a white Book-keeper and two white men
and one Coolie Overseer whose salaries total £600 per annum
excluding living expenses.

Shortly it amounts to this, the Company are
paying in salaries alone about £3,100 per annum. No
other planter on the coast for the same results would
feel justified in spending more than about £950 per
annum.

It should be noted here that in addition
to the Salaries quoted above, each of the Employees
receives house rent free, free food, free passage to
England and free Attendants, all of course paid for
by the Company.

6. General Manager and Staff, Safari and Travelling.

These are expenses incurred off the Coast and
the vouchers give very little information as to their
necessity or reason.

I find the following items included under
this head.

Owen Grant Travelling from Bacon Factory to Coast and
Return all debited to the Coast.

Colonel Thomas. Very expensive Safaris to German East
Africa, Uganda, Zanzibar etc. all debited to
the Coast.

Colonel Thomas' Club Bills at Mombasa and Nairobi.

Hotel Expenses.

General Manager's expenses. I have been asked to give you some information concerning his expenses and to advise him whom you will be able to meet with regard to these expenses. One thousand five hundred and one shillings and six pence were spent at Nairobi on 22nd December 1907, and on 23rd December 1907, £100 was paid to Mr. G. W. Young, M.A., F.R.S., for his services as Agent to the British Government in East Africa. On 23rd December 1907, £100 was paid to Mr. A. C. Young, M.A., for his services as Agent to the British Government in East Africa. On 24th December 1907, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 25th December 1907, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 26th December 1907, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 27th December 1907, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 28th December 1907, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 29th December 1907, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 30th December 1907, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 31st December 1907, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 1st January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 2nd January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 3rd January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 4th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 5th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 6th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 7th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 8th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 9th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 10th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 11th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 12th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 13th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 14th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 15th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 16th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 17th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 18th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 19th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 20th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 21st January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 22nd January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 23rd January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 24th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 25th January 1908, £100 was paid to Mr. J. H. Young, M.A., for his services as Agent to the British Government in East Africa. On 26th January 1908, £100 was paid to Mr. J. H. 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Query D. Can the above be considered "Administration Expenses" if not, what principle should be adopted in allocating this expenditure?

7. General Manager and Staff. Passages to and from BRITISH EAST AFRICA.

These expenses are kept separate and distinct from Safari and Travelling expenses.

Query E. Can the passes of General Manager and Assistant General Manager be considered as "Administration Expenses" and excluded?

The following are items I have noted as open to Query and should be glad of Gettinsel's opinion on each.

Query F. *(See page 60)*

- (1) Novels for Colonel Thomas
- (2) Registration Fee for Telegraphic Address
- (3) Annual subscriptions for six weekly copies
of East African Standard Newspaper for Earl
of Plymouth, Viscount Cobham, Duke of West-
minster, Mr Fitzgerald, Lord Salter and
Colonel Thomas.
- (4) Camp equipment for Safari
- (5) 15 copies of a Coast Map.
- (6) Deck chair for Colonel Thomas.
- (7) Expenses at Royal Agricultural Show.
- (8) Photographic requisites. Developing and
printing photographs.
- (9) Book on East Africa
- (10) Expenses of Lord Cobham in East Africa.
- (11) Hire of Bicycle for Mr Thomas (Junior)
- (12) Expenses of Mr Young during his visit to

British East Africa (Mr Young is I understand a financial adviser).

(13) Report on East African Estates Gazi.

(14) Game Code Book.

Query G. Is the Company entitled to include any expenditure at the Bacon Factory over and above the £3000 stipulated in clause 10 (ii) of the lease in the £20,000 required to be expended?

The Company have not so far raised this point though Colonel Thomas has mentioned it. Clause 10 (i) stipulates that the £20,000 shall be "in addition to such moneys as the Directors may lay out in the erection of the Bacon Factory pursuant to the covenant in that behalf hereinafter contained."

The covenant hereinafter contained in clause 10 (ii) reads "a suitable Bacon Factory of the cost value of £3000 at the least".

The Land Ranger (Mr Dundas) reports a total expenditure of £4,418. They have therefore expended £1,418 above the amount which is specifically excluded from the Coast Development.

10. Certain items of Stores, such as Cigarettes, Tobacco, excess Posho have been debited to the Coast Account but have been afterwards sold either at a profit or a loss, or at cost.

Query H. Which figure shall be carried to Development?

- (a) The selling price from the Company
- or (b) the purchase price up to the Company
- or (c) both prices on the Credit and Debit side respectively.

The ruling on the above would also govern the question of Oxen purchased by the Company which have died and the hides ~~not~~ been sold.

11.

Amounts of money paid away by the

(Levies Isfahanari's

and several receipts paid no though (c)

1000 shillings (A)

The amount of receipts issued for the

and exceeding £1000 received in extraneous

and amounts to £1000 issued as below in £000.00

The sum of £000.000 and

and £000.000 and £000.000 and

and £000.000 and £000.000 and £000.000 and

11. **CABLES** A very considerable sum amounting to about £100 has been spent on Cables to England and other places.

Query 1. Can cables be entirely eliminated as "Administration Expenses" or must each cable be judged on its merits?

12. **Maintenance of an agent on the property.**

Clause 22 of the lease made, "The Lessee will provide at their own expense a competent and suitable agent or representative resident upon the demised premises to whom all notices and directions under these presents shall be given".

It is contended that the Company has not maintained this condition and in consequence a breach of the lease has been committed.

For at least one period of over six months we have their own evidence in writing as follows:-

- (1) August 1st 1909. Acting Commissioner of Lands to C.H. Riddler Esq. Gazi, containing a notice to desist from trespass.

- (2) July 31st 1909 Messrs Sutton Ormanney & Company to Crown Agents "Colonel Thomas did not return to England until the middle of July," presumably must have left end of June.

- (3) February 5th 1910. Colonel Thomas to Hon. Com. of Lands, A very indignant letter complaining that the Agent of August 1909 should not have been sent to Mr Riddler who is only a "burgher servant of the Company" but should have been addressed

2. Article of agreements and engagements (Rev A) ELIJAH .II
which has been issued by the Company and dated 20th April
1863.

.seal

3. As before written, witness to witness no 1. I swear
that the above signature is "signed in my presence"

4. Signature no 20

5. Witnessed and signed as to correctness of
accuracy, this second day of June 1863, by the said
Colonel Riddler, and the undersigned as witness, witness to
the above signature and upon further evidence, the Company
of which witness the undersigned has signed this day of

June 1863.

John and William and James Edwards Esq. J.
6. is a consequence of the following and hereto
attaching now and shall apply to
such numbers to bore the same, is for
receiving an annual or effective sum from each and
should be remitted yearly. 20th day of June A.D.
7. in addition, five hundred Rupees

8. as a compensation of services
or otherwise & payment made by the said (S)
9. and the amount to be paid by the said

10. to the said persons for the time being

11. and the same to be paid by the said

12. and the same to be paid by the said

13. and the same to be paid by the said

14. and the same to be paid by the said

15. and the same to be paid by the said

16. and the same to be paid by the said

17. and the same to be paid by the said

18. and the same to be paid by the said

19. and the same to be paid by the said

20. and the same to be paid by the said

21. and the same to be paid by the said

22. and the same to be paid by the said

23. and the same to be paid by the said

addressed to himself (Colonel Thomas) "the only
representative" of the Company.

The Company will doubtless try to minimize
this as being only a technical and legal branch of
the covenants, but it is very much more than that.
This clause 22 is a very important one from the
Government point of view as it ensures that the money
expended shall be efficiently expended and that there
should be a continuity of efficient expenditure.

I was informed that this six months or
more were absolutely wasted. Mr Riddler was not a highly
competent man and quite apart from the fact
that he was allowed a very limited expenditure what
work he did had to be re-done and ought not to be
considered as development to the satisfaction of
the Governor.

Query I. Has a breach of the covenants been
committed?

Query II. If so, what penalty is attached?

13. Native Rights

Clause 16 of the lease provides that the lessees shall not without the previous consent of the Governor in writing occupy or otherwise interfere with any lands owned by Natives.

In spite of this nearly the whole of the existing development has been carried out on privately owned land which the Company has been endeavouring to purchase from its native owners without any reference to the Government.

On this point I quote from a minute of Mr Barton-Wright dated January 4th 1912, which sums up the situation very clearly. "Either Colonel Thomas must admit the land purchased from natives is Crown Land in occupation of Natives in which case the lessees may have committed a breach of covenant 16 of the Agreement or that the land is land privately owned by natives and purchased from them, in which case monies expended cannot form part of development of lands intended to be leased by Government".

Colonel Thomas in the course of a conversation with me stated that his Company would always consider these lands so purchased would form part of the land mentioned in the schedule attached to the lease.

Query L. Is the above a breach of the covenants of the lease?

14.

14. Gazi Township.

Gazi was proclaimed a Township by Official Gazette October 1st 1904, the area included under the notice to be one mile radius from the Custom House.

The Company claim and have cultivated a very large area within this radius. In August 1909 the Provincial Commissioner informed the Land Department that the Townspeople of Gazi had complained of the encroachment of Colonel Thomas' plantations within this area.

In consequence and under clauses 15 and 16 of the Lease the Acting Commissioner of Lands requested the Company to desist. Colonel Owen Thomas in consequence claims two points

(a) That the Government had no right to send such a notice.

(b) That the Company lost about £500 by reason of the notice.

Quite apart from the Clauses of the Lease I have always been under the impression that no general concession would apply to land within a Township. I have no books of reference with me in England and cannot give chapter and verse for such a belief except that in a General Notice published July 31st 1902, there is set out the price for purchasing and leasing far lands and it stated "paragraph 4. The above rates do not apply to land in the immediate vicinity of Townships, but such land can be bought or leased at special rates according to its value.

para. 5. In Townships the land will be sold or leased in suitable plots at special rates according to its value".

Farther

Further the notice of May 1908 speaking from memory starts as follows:- "All lands suitable for allotment outside townships will be granted on the following conditions"

(E.B. The C.O. Library could check these quotations.)

Question. Is it necessary to specifically exclude Townships.

It should further be noted that there is good reason for supposing a very considerable area of this land belonged to Sheik Mubarak bin Raschid el Kahlani and as such comes under Sir Arthur Hardinge's Proclamation dated 26th April 1906 and is held in trust by the British Government for his sons. Provincial Commissioner Mr. Hinde pointed this out and states it as his opinion that the vendors to the Company have no right or title to sell as he believes them to be in a large number of instances the liberated slaves of Sheik Mabaruk.

15. Special lands embraced in the area of the Concession.

Colonel Thomas maintains that all land "free of native claims" must be ceded to the Company.

In an interview at Government House, His Excellency and Mr. Read maintained this was absurd.

It would have been and still is manifestly impossible without survey to prepare a Schedule of all the lands to be excluded from the Concession and in consequence the saving clause in the first part of clause 18 of the lease was inserted.

Colonel

Colonel Thomas claimed that the lease entitled him to the very valuable land acquired by the Admiralty at Ras Muake Senge for Coast Defence.

If Colonel Thomas' argument is correct then he would also be entitled to the Palace at Gazi which became Crown property after the Mafriki Rebellion.

In reference to Ras Muake Senge I would like to point out that the local administration called attention to this land owned by the Admiralty and in consequence the wording of the 1st Schedule was altered from "All that piece of land situate between Ras Muake Senge and Ramisi" to "Lands situate south of Ras Muake Senge".

Query N. If His Excellency the Governor has reasons why certain lands should not be included in the Concession, can the Lessees insist on their being included?

16. Definition of the limits of Area embraced by the Concession.

Under Schedules 1 and 2 of the Lease Colonel Thomas claims the Company are entitled to 350,000 acres, and that if there is not that area situate "south of Ras Muake Senge" then it must be given elsewhere.

The Government contend that the Lessees are only entitled to a total of 250,000 acres "if found possible" see also Clause 15. The situation of the land is to a certain extent governed by correspondence which describes it as between Ras Muake Senge and the border of German East Africa comprised within the eleven mile coast strip.

Query 6. Supposing, for the sake of example, only 200,000 acres are found available in this specified area and the Government have 50,000 acres of Crown Lands available on Mombasa Island worth perhaps £100 per acre, is the Government bound to grant this land to the Company?

The question of Survey is very pressing, but, until the exact area to which Survey is to be limited is decided, very little can be done in this respect.

17. Development in each of the 8 years up to the eleventh year.

By Clause 10 (iii) the Lessees covenant to expend £10,000 in each of the next 8 years and by Clause 21 each of the Assignees is bound to observe and perform the obligations of the lead lease.

Query 7. If, for the sake of example, one of these Assignees expends in any one year of the next 8 a sum of £10,000, does that exempt the East Africa Estates Ltd from all expenditure for that year or is the East Africa Estates also compelled to expend £10,000?

18. Summary

181 Summary of Deductions from alleged Expenditure

53

Total expenditure as per Analysis }
 of Accounts submitted by East }
 Africa Estates Ltd., } ... 20,068.12. 6.

Less various items which I consider are
 improperly included in the above }
 such as, Novels, Cables, Photographs }
 Periodicals, Safari Expenses outside the }
 Estate, Agricultural shows, Enter- }
 tainment of Guests, &c. &c. } 2,002. 4. 8.

Revised expenditure including }
 salary of General Manager &c. } £18,066. 7. 10.

Less Salary of General Manager £5,449. 6. 11.

Passages of General Manager to & from B.E.A. say 450.0.0.

£5,899. 4. 11.

Limit of Expenditure that in my }
 opinion the Company are } entitled to claim } £13,167. 2. 11.

Note. I have made no deduction for Mr Grant's
 salary and I am convinced that the figure of
 £2002.4. 8. is a very moderate deduction, as, if
 vouchers were not forthcoming, I always gave the
 Company the benefit of the doubt.

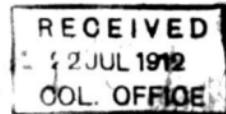
I feel convinced that a detailed examination
 by a Chartered Accountant would probably bear out
 my valuation of the Improvements as I actually found
 them on the ground, viz., £10,718

(Sd) ARTHUR C. TANNAHILL

Land Ranger

10.VII.12.

EAST AFRICAN ESTATES, LIMITED.



TELEPHONE NO.
788 GERRARD
TELEGRAPHIC ADDRESS
UPPLANDERS, LONDON

Carlton House,

Ragont Street

London S.W. July 20 1912

Sir,

I have to acknowledge receipt of your letter of yesterday (No. 2016 of 1912), suggesting the postponement of the Conference as to our lease. I have communicated its contents to my Chairman, and on receipt of his instructions will again address you on the subject.

I have the honour to be

Your obedient servant

A. J. Davis
Secretary

The Under Secretary of State for the Colonies
Colonial Office

S. W.

EAST AFRICAN ESTATES LIMITED.

C. O.

TELEPHONE NO.
794 GERARD
TELEGRAPHIC ADDRESS:
UPPLANDERS, LONDON

EXPRESS

Cavilline House
Regent Street

London S.W. July 5th 1912.

The Under-Secretary of State for the Colonies,

Downing Street,

S.W.

Sir,

Reverting to your letter of the 28th ult. No. 19188/1912, and mine of the 3rd inst., I have just received a wire from my Chairman, Viscount Cobham, stating that he could not attend on the 22nd inst., and suggesting Tuesday the 23rd - or failing that some later date - for the proposed Conference.

I trust you will be good enough to accept my apologies for any inconvenience that may be caused through this misunderstanding on our part, and to hear whether the date now suggested (the 23rd July) will meet with your convenience.

I am, Sir,

Your obedient servant,

J. J. Johnson
Secretary.

Rubber

825 Acres been planted

153000 (about) Trees in plantation

including 45 acres now being tapped

120000 Plants in nursery

Coconut

120 Acres containing about 9000 trees

53000 Trees in nursery ready to plant out

17000 Seed trees in nursery just planted.

Coco

500 Acres planted

500,000 Plants in nursery

500 Acres cleared for planting

1000 Acres to be laid down next year

1000 Acres every subsequent year

2 Ranchadars to be erected this year

1 Cocona next year.

All task work.

Arrange for Rothe machinery, tools, recruiting
and repatriation

East African Estates. Coastlands Concession

Report on Development Expenditure etc.

A.C.Tannahill.

Lana Ranger.

I have the honour to report on various matters connected with the E.A. Estates Ltd. (Coastlands Concession) arising out of a preliminary examination I have made of the Company's expenditure as supported by certain vouchers deposited at the Colonial Office, and in furtherance of H.C. The Governor's despatch No. 65 of Jan 26 1912 to the D for the Sec of State for the Colonies.

Development / The East African Estates Ltd. hold their Concession
Definition on a lease from the Crown executed 20th April 1910
of Development. Clause 10. (v) of this lease reads as follows:-

"The lessors will during the first three years of the said term lay out & expend the sum of £20,000 at the least in the development & improvement of the demised premises to the satisfaction of the Governor. & such expenditure shall be made in addition to such moneys as the lessors may lay out in the erection of the Decor Factory pursuant to the covenant in that behalf hereinafter contained. The said expenditure shall be confined to such matters & things as in the opinion of the Governor relate directly to the soil and its products. The Governor or the Crown Agents may from time to time call for vouchers certifying such expenditure and the lessors shall supply such vouchers to the Governor or Crown Agents."

2/ Date
of
commencement

"The lessors will during the first 3 years". The accu-

(so far as I can gather from the vouchers which are not all forthcoming),
 show that a sum of £576 ^(and statements pp. 2-4 p. 8) expended before Oct 9, 1908, are included
 in the total claimed of for "3 years ended Oct 9th 1911" of £20,068-12-6.

Query A ³⁰ ~~Should~~ expenditure & prior to the commencement of the
 lease properly or improperly included?

~~It is to be~~ This sum of £576 is made up of a large number of items
 including Safari expenses. It is not the custom in
 calculating ~~restitution~~ value of Development on ordinary farm
 leases to include the expenses a lessee may have been put
 to in troubling over the Protectorate selecting his farm, & it
 is extremely undesirable to establish a precedent to that effect.

Query B If it is held that certain items of this £576 dealing
 with development can be properly included, is expenditure
 on Safari to be included or excluded?

3/ £20,000 // It should be noted that this sum of £20,000 is a
 figure that has only been held after considerable correspondence.
 On June 3rd 1907 Mr Goldman the original Concessionaire
 agreed to an expenditure of £30,000 and £30,000 as the
 figure quoted in the draft Concession dated 1907, Clause 10,
 on Feb 17 1908. Mr Goldman ^{wrote} ~~said~~ to S. Johnson that,
~~the amount~~ owing to the completion of the Concession
 having been delayed ^{and} ~~in consequence not being less~~, the Concessionaires were not able to
 avail themselves of the easier conditions of the Money Market
 obtaining in 1907, the required expenditure he reduced
 to £20,000. This great concession was allowed.
 I quote this as showing that the Government has dealt
 very leniently with the Concessionaires.

4/ ~~What~~ ^{is} ~~what~~ ^{the} ~~amount~~
 Before it is possible to give any but approximate figures
 as to the correctness or incorrectness of the statement of
 accounts submitted by the Company, it is essential
 that some sort of a Schedule should be drawn up defining

which items shall be included. In this respect there is a very important letter from the ~~General Agent~~^{3 of 5} to W.C.S. Goldman N° 2481. 1908 date 15 April 1908 para 7 of which reads as follows:-

"7. With regard to the meaning of the words "development & improvement of the demised premises" in clause 10.(v), his Lordship is of opinion that the money dealt with in this Sub-clause should be confined to expenditure directly applied to the soil & its products, and that accordingly the cost of purchasing, transporting, and erecting, machinery intended for such direct application would be legitimately included, but not administration expenses (except the salaries and wages of persons habitually employed on the demised premises) or commercial agencies concerned rather with selling than producing."

I propose therefore as the simplest method of preparing a Schedule to ~~the~~ submit items ~~and~~ ^{taken up to account} with note thereto where I am not satisfied ~~that~~ in any case mind that they fulfill the definition set out in Clause 10.(v) of the lease and the letter above quoted.

5/

Salary C. (a) General Manager's Salary £2000 per annum
 (b) Assistant General Manager's Salary £400 -
 (c) Resident ~~General~~ Manager's Salary £300 "

(a) General Manager's Salary. I contend that the enormous proportion of this sum amounting to £6000 for the 3 years comes under the head of "administration expenses" specifically excluded by the S of 5 letter quote above. Mr. Burn Thomas is not habitually employed on the demised premises. I know much doubt if he has been in East Africa more than 18 months of the 3 years. Even when in East Africa a very considerable portion of his time is engaged on the Burn Factory. Some considerable portion of his time must have been taken up in arranging for the sub-company "The East African Rubber Estate Ltd."

para 6

The Salary itself is very large but the Company will be able to prove that Col. Eric Jones was anxious to retain the post, so much so that arrangements were completed to engage a General Manager at a salary of £1500 per annum when the Governor had been advised that a prominent official in B.S.A. had arrangements with the C.C. full through & that in consequence Col. Thomas services had to be retained.

Against this, in my opinion, it could be argued that if at any time the Company found they were falling short of Government requirements in regard to Production or Development, there is nothing to prevent them raising the Gen. Mgr's salary to say £10,000 per annum and thus fulfill the requirements in one man's salary.

Further AS the Governor is not satisfied that ~~the Resident~~
Manager, from all appearances a very capable man, requires the
expensive supervision of a Gen. Manager and in view Gen. Mgr.
Col. Thomas informed me that only a portion of his salary
was devoted to the West Plantations the remainder being devoted to
the Bacon Factory but this is not in fact supported by the
statements I have examined.

(b) Assis. Gen. Manager Dr. Gurn Grant Salary £400 per annum.
Only £200 per annum so devoted to the Coast the remainder
being devoted to the Bacon Factory.

I do not consider this is a fair charge proportion to run if
it is admitted that ~~that~~ a portion of Dr. Grant's salary should
be a charge against the Estate. Dr. Grant lives at
the Bacon Factory over 30 hours journey away, & visits the
Coast about once a month & certainly not more than one quarter
of his salary should be charged if any.

Resident Manager The whole of this amount is a fair charge
and the Salary is a fair one for anybody in a responsible position
such as the title indicates. Only ~~if~~ he does not in excess of the
current rate of wages for such a position supervise him.
It should be noted that ~~he~~ ~~is~~ ~~not~~ ~~to~~ the Resident Manager, there
is a white Book-keeper and ~~two~~ white and ~~one~~ black Servants who

~~page 5~~
Salaries total £600 per annum excluding living expenses.

Shortly it amounts to this. The Company are not paying in Salaries for Supervision alone, about £2.136 per annum in other plants on the Coast for the same results would not justify in spending more than about £9.36 per annum.

It should be noted here that, in addition to the Salaries quoted above, each of the employees receive house rent free, free food, free passage to England and free Attendants, all of course paid for by the Company.

General Manager & Staff. Safari & Travelling

There are expenses incurred off the estate and the ranches giving very little information as to their necessity or reason.

I find the following items included under this head
Own boat Travelling from Bacon Factory to Coast & Return
all delisted to the Coast.

Col Romeo. Very expensive Safaris to Somon & Akwa,
Uganda, Tanganyika all delisted to the Coast.
Col Romeo's Club Bills at Mombasa & Nairobi.
Hotel Expenses.

Query D. Can the above be considered "Administration Expenses" if not what principle
Should be adopted to in allocating this expenditure?

Gen Manager & Staff. Passage to and from S.A.

These expenses are kept separate & distinct from Safari & Travelling expenses.

Query E. Can the Passages of Gen. Mng. and Admin. be

be considered as "Administration Expenses" and excluded.

- 8/ The following are items I have noted as open to Query
I should be glad of Counsel's opinion on each.

Query F

- (1) ~~Books~~ for Lt. Thomas.
- (2) Registration fee for Telegraphic Address
- (3) ^{annual} Subscriptions to Six weekly copies of S.A. Standard Newspaper
for Earl of Plymouth, Viscount Cobham, Duke of Westminster,
Dr. Fitzgerald, Lord Belper and Lt. Thomas.
- (4) Camp Equipment for Safari
- (5) 1/3 Copies of a West Map
- (6) Deck Chair for Lt. Thomas
- (7) Expenses at Royal Agricultural Show.
- (8) Photographic requisites. Developing & printing 2000
- (9) Books on East Africa.
- (10) Expenses of Lord Cobham in East Africa
- (11) Hire of Bicycle to Lt. Thomas (June)
- (12) Expenses of Mr. Young during his visit to S.E.A. (returning & I
understand a financial advisor?)
- (3) Report on E. African Game
- Cable Code Book

Query G

Is the Company entitled to include any
expenditure ~~at~~ at the Bacon Factory ~~over~~ above
the £3000 stipulated in clause 10(iii) of the lease in the £20,000
required to be suspended?

The Company have not so far raised this point though Lt. Thomas
has mentioned it. Clause 10(iii) stipulates that the
£20,000 shall be in addition to such moneys as the lessors
may lay out in the erection of the Bacon Factory pursuant to
the covenant in that & belief hereinafter contained.

The covenant "hereinafter contained" Clause 10(iii) reads

a suitable Bacon factory of the cost value of £3000 at the least".
The Land Range (M' Dundas) reports a total expenditure of £4,418. They have therfore expended £1,418 above the amount which is specifically excluded from the Cost Development.

10 Certain items of Stores, such as Cigarettes, Tobacco, Sacks & Pouches have been debited to the Cost Account but have been afterwards sold either at a Profit, or a Loss, or at least

Query H. Which figure shall be charged to ~~the Company~~ ^{Development}?
(a) the selling price from the Co.?
or (b) the purchase price by the Co.?
or (c) both prices on the Co.'s books respectively?

The ruling on the above would also govern the question of Stores purchased by the Company which have died & the bodies been sold.

11 Cables a very considerable sum amounting to about £100 has been spent on Cables in England ~~&~~ in other places

Query I. Can Cables be eliminated as "Administration Expenses" or must each Cable be judged on its merits?

12/ Maintenance of an Agent on the property.

Clause 22 of the Lease reads "The Lessee will provide at their own expense a competent and suitable Agent or representative resident upon the demised premises to whom all notices & directions under these presents may be given."

It is contended that the Company has not ~~satisfied~~ ^{fulfilled} this condition

and in consequence a breach of the ^{lease} covenants has been committed.

^{at least}
For one period of over 6 months we have thus own evidence
in writing as follows:-

(1) Aug 6 1909 Ag. Com & Trade to St. Eustatius
concerning a notice to desist from trespass.

(2) July 31 1909 Messrs Gutton Brunner & Co. to Censor Agents
"St. Eustatius did not return to England until
the middle of Jan."
necessarily must have left ^{end} beginning of June.

(3) Feb 9 1910 St. Thomas to our Govt. Agent

"very indignant &c. complaining that the Act
of Aug 6th ^{not} having been sent to Mr. Puddle who
is only a foreman servant of the Company ^{but} should
have been addressed ^{himself} (St. Thomas) the only representative of the
Company."

The Company will doubtless try to minimize this as being only a
technical & legal breach of the covenants, but it is very much more than
that. This clause 22 is a very important one from the Government
point of view as it ensures that the money expended shall be efficiently
expended & that there shall be a continuity of efficient expenditure.

I was informed that this six months or more was absolutely void.
Mr. Puddle was not a highly competent person and was given quite apart from
the fact that he was allowed a very limited expenditure what work he
did had to be redone & ought not to be considered as development
"to the satisfaction of the Governor."

Query J. Has a breach of the covenants been committed?

Query K If so, what penalty is attached?

13/ Native Rights

Clause 16 of the lease provides that the lessors shall not, without the previous consent of the Government in writing occupy or otherwise interfere with any lands owned by Natives.

In spite of this nearly the whole of the existing development has been carried out on privately owned land which the Company has been endeavouring to purchase from its native owners without any reference to the Government.

On this point I quote from a minute of Mr. Boston-Wright dated Jan 6, 1912, which sums up the situation very clearly.
"Bitter Col. Thomas must admit the land purchased from Natives is Crown Land in occupation of Natives in which case the lessors may have committed a breach of covenant No. 16 of the Agreement . . . or that the land is land privately owned by Natives and purchased from them in which case monies expended cannot form part of development of lands intended to be issued by Government."

Col. Thomas in the course of a conversation with me stated that his Company would always consider these lands so purchased would form part of the land mentioned in the schedule attached to the lease.

Query L. Is the above a breach of the covenants of the lease?

14/ Lage Township

Lage was proclaimed a Township by Official Gazette October 1st 1906 the area included under the notice to be one mile radius from the Post Office.

The Company has, however, a very large area

within this radius. In August 1909, the Provincial Commissioner informed the Land Dept that the Tawapople of Bope had complained of the encroachment of St Thomas' plantations within their area.

In consequence and under clauses 75 & 76 of the Lease,
the lessee has been requested to inform the Company to submit

St Thomas' claims or concessions claims two points

- (a) That the Govt had no right to send such a notice.
- (b) That the Company lost about £500 by reason of the notice.

Until apart from the Clauses of the Lease I have always been under the impression that no general concession would apply to land within a Township. I have no books of reference with me in England and cannot give chapter & verse for such a belief except that in a General Notice published July 3, 1902, there is set out the price for purchasing & leasing farm lands & it states para 4. The above rates do not apply to land in the immediate vicinity of Townships but such land can be bought or leased at special rates according to its value.

para 5. In Townships the land will be sold or leased in suitable plots at special rates according to its value.

Further the notice of May 1908 speaking from memory starts as follows:- "All land suitable for allotment outside townships will be granted on the following conditions" (N.B. The C.O. Library could check these quotations.)

Answer No. 1 Is it necessary to specifically exclude Townships

It should further be noted that there is good evidence to prove that a very considerable area of the land which has been held in trust at Kailashanagar since 1896 under Sir Arthur Hardinge's Proclamation dated 26th April 1896, & is held in trust by the British Government to his sons. Provincial Commissioner W. Hinde pointed this out & states it as his opinion that the vendors to the Company have no right or title to sell as he believes them to be.

in a large number of instances the liberated slaves of
Sheik Mabaruk.

15/

Special Lands embraced in the area of the Concession

Col. Thomas maintains that all land "free of Native Claims" must be ceded to the Company.

In an interview at Government House His Excellency +
Mr. Read maintained this was absurd.

It is ~~now~~ would have been and still is impossible
impossible without survey to prepare a Schedule of the lands
to be excluded from the Concession & in consequence the saving
clause in the first part of clause 16 of the lease was inserted.

Col. Thomas claimed that the lease entitled him to
the very valuable land acquired by the Admiralty at Rao Jhukha
Singh for Coast Defense.

If Col. Thomas' argument is correct then he would also
be entitled to the Palace at Gagi which became Crown
property after the Mysore Rebellion.

In reference to Rao Jhukha Singh I would like to
point out that the local administration called attention
to this land owned by the Admiralty & in consequence the
wording of the Schedule was altered from "All that piece
of land situated between Rao Jhukha Singh and ^{Ramnagar}" to
"Lands situated south of Rao Jhukha Singh."

Query N.

If H.E. the Govt. has ~~good~~ reasons why certain
lands should not be included in the Concession, can
the Lessees insist on their ^{being} included?

16/

Definition of the limits of Area embraced by the Concession

Under Schedules 1 + 2 of the lease Col. Thomas claims
the ~~Company~~ Company are entitled to 350 000 acres, and that

if there is not that area estimate "south of Ras Maka Senge" then it must be given elsewhere.

The Government contend that the leases are only intended to a total of 250,000 acres if found possible; See also Clause 6.

The situation of the land is to a certain extent governed by correspondence which describes it as between Ras Maka Senge & the border of German East Africa comprised within the eleven mile coast strip.

Query O. Supposing for the sake of example, only 200,000 acres are found available in the specified area and the Government have 50,000 acres of Crown Lands available on Mombasa Island worth perhaps £100 per acre, is the Government bound to grant this land to the Company?

The question of Survey is very pressing, but until the correct area ~~and~~ within which Survey is to be limited is decided very little can be done in this respect.

✓ Development in each of the 8 years up to the eleventh year.

By Clause 10. (iii) the Assignees are bound to expend £10,000 in each of the next 8 years, ^{and by Clause 21} each of the Assignees ~~are~~ bound to observe & perform the obligations of the head lease.

Query P. If, for the sake of example, one of these Assignees expends in any one year of the next 8 a sum of £10,000, does that exempt the E.A. Estates etc from ~~any other~~ expenditure for that year, or is the E.A. Estates also compelled to expend £10,000?

18

Summary of Deductions from alleged Expenditure

L. s. d.

Total Expenditure as per Analysis of Account
submitted by P. & C. Estates Ltd.

Less

various items which I consider are improperly included in the above such as, Novels, Cables,
Photographs, Periodicals, Salaries outside the
State Agricultural Shows, Entertainment of
Guests, &c. &c.

2,002 4 8

Personal expenditure including Salary
of General Manager = { £ 18,366 7 10

Less

Salary of General Manager £ 5,442

Passages of Gen. Manager
to & from S.E.I. { £ 6,899 4 11

Limit of Expenditure that, in my opinion, { £ 12,167 2 11
the Company can subscribe to claim

Note: I have made no deduction for Dr. Grant's Salary & I am convinced that the figure of £ 2,002 has a very creditable deduction, as, if vouchers were not forthcoming, I always gave the benefit of the doubt.

I feel convinced that a detailed examination by ~~a Auditor~~ a
Chartered Accountant would ~~surely~~ bear out the valuation of
the improvements as actually on the ground viz £ 12,167 2 11.

Arthur C. Jamaball

13.

Land Ranger

10. VII. 12

1912

110

2. East Africa Estates Ltd.

Coastal Concession. Gayi.

Report
Explanatory of Meeting held at the Colonial Office
 Aug 1st 1912.

Present: for the Government: H.E. H.C. Belfield, ~~Mass~~ Read,
 Butler, Semipaoi, Ballake & Jamnabill.

for E.A. Estates Ltd.: Lord Colham, ~~Mass~~ Col. Gove Thomas
 & Mr. Brewsterian.

Mr. Read put forward various points set out in paragraphs 1 & 12
 of Mr. Jamnabill's report of July 10th 1912, where the Government
 were not satisfied that the terms of the lease had been
 fully complied with as follows:-

Government ContentionsE.A. Estates replies

- | | |
|--|--|
| 1. £576 had been expended before
Oct 9 th 1908 but was included in
the amount. | 1. The Company had received a
telegram stating everything
was settled & had started
developing without awaiting for
the lease to be completed. |
| 2. According to definition of development in
Letter Govt. of State to Goldman 16 April 1908
& as intended Col. Thomas' & Mr. Grant's
Salaries are "administration" expenses &
should not be included as development. | 2. Col. Thomas was engaged
to supervise some 250,000 acres.
Owing to the Government having
failed to grant this area, he was
forced to confine his supervision to
only some 1600 acres. |

3. Safari & Travelling Expenses away from the Estate are not development.

4. Passages of ~~bad~~ Drums from England are not development.

5. The items in para 8 of Mr. Townshill's report

6. Surplus Expenditure on Bacon Factory

7. Callings

8. Maintenance of Agent at ~~the station~~

9. His Excellency summed up the position from the Government point of view shortly as follows:-

(a) The Government are not satisfied that the C. Co. has

3. It was necessary for a responsible person to examine accounts before purchase.

4. Same as No. 2. exps.

In reply to a query Col. Thomas stated that he spent about 6 months in the year in S.A. including the time spent in travel from & to England.

5. Mr. Martinson asked that these might be forwarded for his consideration.

6. Lord Cobham in the course of the meeting stated that if the Government should insist on a strict legal interpretation of the Development definition, he should feel justified in including supplies on Bacon Factory in Cost development.

7. Calls were necessary.

8. There always had been a white man in charge. Col. Thomas did not remember his letter repudiating Riddle.

fulfilled its obligations.

- (a) It had always been supposed that the Company themselves would develop the concession whereas it was now apparent the Company only intended to ~~itself~~ act as intermediaries for the realisation.
- (b) It has been proved that the lease requires considerable alteration.
- (c) In view of the foregoing he felt the Company should be prepared to accept a very considerable reduction in the area of the concession in exchange for some reduction in the nature of their obligations.

10/ Lord Cobham in reply on my generally to His Excellency wrote the Company was not only ~~aptitude~~ but very anxious to fulfill their obligations but had been greatly obstructed by reason of the Government not carrying out Clause 15 of the Lease which provides for Survey by the Government.

Further that although he maintained the Government requirements in regard to the expenditure of £20,000 had been fulfilled, if logically it could be proved the Company were not entitled to include certain items referred to by Mr. Read then the Company would claim ^{the} exemption from the determination of the lease provided in the last sentence of Clause 10. (ii) of the lease.

11/ It was finally decided that representatives of both sides should meet again at the Colonial Office on August 10th to discuss an entire remodelling of the lease.

Cuthbert C. Lambehill
Lieutenant Governor
Aug. 3, 1912.

1912.

re East Africa Estates Limited.

COASTAL CONCESSION.GAYL.

Report of Meeting held at the Colonial Office
August 1st, 1912.

Present: for the Government, H.E.H.C. Belfield
Messrs Read, Butler, Tennyson, Batterbee and
Tannahill.

for E.A. Estates Ltd., Lord Cobham, Colonel Owen
Thomas and Mr. Martineau.

Mr. Read put forward various points set out in
paragraphs 1 to 12 of Mr. Tannahill's report of
July 10th, 1912, where the Government were not
satisfied that the terms of the lease had been
fully complied with as follows:-

Government conditions.

1. £570 had been expended
before October 9th, 1906,
but was in arrears as
at date.

E.A. Estates replies.
The Company had re-
ceived a telegram
stating everything was
settled and had started
developing without
waiting for the lease
to be completed.

Government ContentionsE.A. Davies Replies

2. According to definition, Colonel Thomas was engaged to supervise development in letter's of credit issued by the State to Goldman. Owing to the Government having failed to grant this area some 250,000 acres, he was forced to confine his supervision to only some 1500 acres.

15 April 1908 it is contended Colonel Thomas' and Mr. Grant's salaries are "administration" expenses and should not be included as development.

3. Safari and Travelling Expenses away from the Kafue are not development.

4. Passages of Gen. M'Finger from England are not development.

5. The items in para 6 of Mr. Tamashill's report.

3. It was necessary for a responsible person to examine ~~cocoanuts~~ before purchase.

4. Same as No. 2 supra.
In reply to a query, Col. Thomas stated that he spent about 6 months in the year in Britain, including the time spent in travelling from and to England.

5. Mr. Martineau asked that these might be forwarded for his consideration.

6. Lord Cobham in the course of the meeting stated that if the Government should insist on a strict legal interpretation

Government ContingentsL.A. Estates Replies

7. Cables.

8. Maintenance of Agent on
the property.

interpretation of the
development definition
and the new esti-
mated time including sur-
plus on Bacon Factory
and other departments.
Cables were unne-
cessary.

9. There always had
been a white man in
charge. Colonel Thomas
did not remember his
letter repudiating
Biddle.

9. His Excellency summed up the position from the
Government point of view shortly as follows:-

- (a) The Government are not satisfied that the Company has fulfilled its obligations.
- (b) It had always been supposed that the Company themselves would develop the Concession whereas it was now apparent the Company only intended to act as lessees without realisation.
- (c) It was agreed recently the lease techniques considerably.
- (d) In view of the foregoing he felt the Company should be prepared to accept a very considerable reduction in the area of the concession in exchange for some reduction in the nature of their obligations.

10. Lord Cobham in replying very generally to His Excellency stated the Company were ~~not~~ only in a position, but very anxious, to fulfill their obligations but had been greatly obstructed by reason of the Government not carrying out Clause 15 of the lease which provides for Survey by the Government.

Further that although he maintained the Government requirements in regard to the expenditure of \$20,000 had been fulfilled, if it could be proved the Company were not entitled to include certain items referred to by Mr. Head then the Company would claim the exemption from the determination of the Lease provided in the last sentence of Clause 16(i) of the lease.

11. It was finally decided that representatives of both sides should meet again at the Colonial Office on August 15th to discuss an entire remodelling of the lease.

SIR ARTHUR C. TANAHILL,

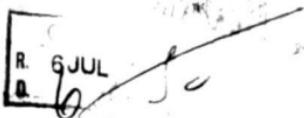
Land Ranger

C.A.

August 6th, 1912.

Earl

30863



6 July 1912

DRAFT.

To Sir J. Anderson,
East African Estates
Ltd.

MINUTE.

Mr. Butler, July 6.

Mr. Read

Mr. Fiddes.

Sir H. Just.

Sir J. Anderson.

Lord Emmott.

Mr. Harcourt.

For conson

and Mr. Butler
after despatching the despatch of the
subject question
connected with the
concession

concession

D

concession held by
the East African Estates
Ltd., and S.A.L.

2. It is suggested that
the discussion should
take place at this office
at 3.30 p.m., and the
representatives of the
Company will be expected
at that hour if no advice
is received to the contrary.

I am etc.

H. J. REAL,
Secretary of the
East African Estates
Ltd.



2000 dat

118

and 22079

2

19 Feb 1902

Sir

With regards

DRAFT

to Secretary
South African State,
London

MINUTE

Mr. P. B. G. M.

Mr. Head 19

Mr. Fiddes.

Sir H. Just.

Sir J. Anderson.

Lord Emmott.

Mr. Harcourt.

the letter from his office
of the 6th of July. I am
etc to say that he was
glad of the decision
of the anti-slavery
committee with the
concern also by the

South African State & his

last call to postpone

until (say) the 1st of

August. in order to

give the Anti-slavery

Committee time
to consider how
we act & again
turn up a heading

to settle in reading
form of the paper to
be resold

Promised to help

in preparing

to write up the

preliminary letter

plan

