



ERST AGR. PROT
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G. O.
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Selfield, 12

1913

9 Jan.

Provisions Paper

41495
397

Grogan Timber Concession

Comprovis tel comes and submit memo by Conservator of Forest summarizing case. Consider that the program has accept then of the alternatives expressed in for tel 28 Oct 1912 & that in default the original rate of Rs 2 per tree will be revealed to

Dr. J. Fisher

Capt Grogan has found out to the R.P. to discuss matter personally with the local authorities.

Inf. the ~~case~~ for accordingly & that as Capt Grogan left before the rest of the dept. it was not possible to communicate with him.

H. J. R

5/11

Blower (P.S.)

See now 4420

Partly LMS, 10/2 above

Subsequent Paper
4420

GOVERNMENT HOUSE,
NAIROBI,
BRITISH EAST AFRICA.

EAST AFRICA PROTECTORATE.

No. 12.

January 9th, 1913.



Sir,

Memorandum

With reference to your telegram of December 10th, 1912, on the subject of the Lingham and Grogan timber concession, and my telegraphic reply thereto dated December 19th, 1912, in which I stated that I considered it inadvisable to concede the point pressed by Mr. Grogan, I have the honour to transmit herewith for your consideration a memorandum which has been prepared by the Conservator of Forests in consultation with myself.

This memorandum summarises the whole case. It clearly exposes the fallacy of Mr. Grogan's assumption that the milled timber rate of Rs.1.38 is equivalent to Rs.2 per tree, and shews that the terms which have been offered to him are exceptionally easy. It comprises the reasons which cause me to offer strong objection to the grant.

THE RIGHT HONOURABLE
LEWIS MARGOUET, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W.

* N. 25317
No. 40160

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grant of any further concession, and I confidently anticipate that you will be satisfied that those objections are such as should receive your support.

3. I am of opinion that the final communication should be made to Mr. Grogan to the effect that it is open to him to accept either of the two alternatives expressed in my telegram of October 23rd, 1912, without addition or variation, and that in default of acceptance of either the original rate of Rs. 2 per tree will be reverted to.

I have the honour to be,

Sir,

Your humble, obedient servant,

H. G. G. G.

GOVERNOR.

* No 33537

encl. N.

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In Dec. 12 Jan'y 9th 1913

January 7th., 8.

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Ainslie and Grogan Timber Concession.

On the 16th October I was accorded an interview with His Excellency when the subject of the basis of royalty payment by Mr. Grogan was discussed.

1. I informed His Excellency that there was no definite record in this Office of any promise having been given or implied that Royalty should be paid on milled timber and that to my personal knowledge Mr. Hutchins was always consistently opposed to the principle of Royalty being paid on milled timber instead of on the serviceable sawable timber in trees as they stand in the forest.

2. His Excellency requested me to state my objections to the principle of Royalty being paid on milled timber. The following objections were given:-

- (1) The waste that occurs in cases where part only of the available timber is used and parts of bolags, large limbs and the tops are left on the ground.
- (2) The probability that trees thrown in an inconvenient lie would be left where they fall.
- (3) Timber used in the construction of corduroy roads, timber slides and similar works in the forest, and also new sleepers, fencing poles etc. would not pass through the mill.

In addition to these objections I may add that there is no security for Government for the payment of any Royalties in the event of timber felled but not passed through the mill being destroyed by fungus, or by insects

insects or fire or other agencies; furthermore there is no obligation or inducement on the part of the timber sawyer to practice any economy in the handling of the timber.

4. His Excellency was fully alive to the objections and admitted that they constituted a substantial objection to the "milled timber" basis of calculation; on the other hand he was not satisfied, after conversations with Mr. Hutchins in London and after reading the file of correspondence on the subject in this country, that Mr. Crogan was not given reasonable ground for believing that the point would be conceded and therefore he proposed and I concurred in the proposal that the point should be conceded with such additional conditions as would safeguard the interests of Government in order to arrive at an early settlement of the question at issue.

Two concrete proposals were made and submitted to the Colonial Office by telegram on the 23rd October. These proposals were:-

a. That all timber declared by the Conservator of Forests to be merchantable should be taken to the depot and there measured and paid for at the rate of Rs.1.38 per 100 c. feet whether passed through the mill or not.

b. That all timber which is passed through the mill should be paid for at the rate of Rs.1.38 per 100 c. ft. and that all other timber which might be declared by the Conservator of Forests to be merchantable, but which is not to pass through the mill, shall be measured by the Forest Department on the ground and paid for at the rate of Rs.2 per 100 c. feet.

His Excellency added that in the event of neither proposal being acceptable the original agreement of Royalty to be paid at the rate of Rs.2 per 100 c. feet must be reverted to.