



220  
DOMESTIC

EAST AFR. PROT.  
No. 5900

C. O.  
5900  
Recd  
Feb 17 FEB 08

Name of Individual

(Subject)

Edmund S

1908

17 Feb

of previous Paper.

2005

Uplands of E. Africa Syndt

Asks that Govt will be contented if £20,000 instead of £30,000 is spent on coast line, during first 3 yrs. & £5000 on the bacon industry. German Govt about to impose heavy duty on fish. The export of fish plants

(Minutes.)

Mr. Read  
I shd. have nothing whatever to do with this proposal. The first proposal was that a million pounds would be spent by the Syndicate & now they are coming down to £25,000. I have always opposed the looking up of this large area of wastelands & agricultural land without any adequate return in the way of construction of railways & roads, and I shd. like to see only a satisfactory

X of City Council Gov of 10th. 18 Feb  
to Amend 25 Feb.  
Copy C.A. 10 Feb. 1908

Subsequent Paper.

1908

of bringing the negotiation to an end. I do not think there will be any difficulty in gradually developing the coast lands by grants of moderate areas - the usual maximum is 10,000 acres.

18/2

I understand that Mr. Fellman wants a reply by tomorrow evening, but it is impossible to deal with an important question of this kind at such short notice. I would tell him that his proposals require careful work & that some days must elapse before the S. of S. can give him an answer - is then bring the whole matter before the Commission etc.

H. J. R.  
18/2

Mr. Goldman called here yesterday. He said that the Syndicate had proposed not to start business until they had got £60,000, but that owing to the financial crisis (£45,000) had been

subscribed. They were going, he said, to have a meeting tomorrow to consider what they should do in these circumstances. Under the proposed arrangement, <sup>with the Govt</sup> they have to spend £30,000 in the first three years on the coast lands and £10,000 on the bacon factory. He thought that if the Col. Office w<sup>d</sup> agree to let them spend only £20,000 per year in the first three years, they w<sup>d</sup> be justified in making a beginning with the capital which they had got. (The total amount which they have to spend is £100,000 on the coast land and £10,000 on the bacon factory; but, if they so decide, they may keep 3/10<sup>th</sup> of the area say ~~£30,000~~ when they have spent £30,000, and resign the rest.)

Mr. Goldman asked whether

it is possible for him to  
know before tomorrow's meeting  
whether the Ed. Office would  
be willing to entertain his  
proposal. I said that I was  
opined that it is possible.

I agree in thinking that  
the matter should be considered  
by the Conceptions Committee.  
But I doubt whether the  
land is as valuable as Mr.  
Stiles thinks, and I am  
inclined to think that it  
is not well to entertain Mr.  
Goldman's proposal.

Wht. Feb 18

Mr. Churchill  
London

I will await the  
views of Lawrence  
Committee before I  
express any  
£ 192.

The Conception Committee  
must certainly consider if they  
may find a solution S.G.  
spending the smaller sum on  
a smaller area. Prima facie  
I shrink from the Conception of  
such large tracts of unknown  
country. In general  
I express no opinion except  
to observe that the financial backing  
is entirely not my object. T.H.

William  
This appears  
to be a most  
wise proposal  
to consider  
already  
formulated  
Mr. Goldman  
192

B-2

Mr. Read.

This matter was considered by the  
Concessions Committee at their  
meeting of the 28<sup>th</sup> of February and  
it was decided to recommend that  
the modifications of the draft agreement  
proposed by Mr. Goldman, as set  
out in Mr. Stiles' Memorandum of  
the 21<sup>st</sup> of February (on p. 5900) should  
be accepted.

Ag. 26 Feb.

see memo  
G  
7331

done  
H. J. R.  
2/3



Salisbury House,

London, W.1

17th February 1908

REC. 5900  
REC. 17 FEB 08

Sir,

East Africa Protectorate.

Ras Muaka Senge Concession.

You will remember that in the month of May 1906 an application was made by the Uplands of East Africa Syndicate, Limited, for a concession of certain lands on the Coast to the South of Mombasa for the purpose of planting and developing fibre and other suitable products. This application was confirmed by Lord Elgin's letter of the 11th June 1907, subject to certain conditions, amongst them that the syndicate should spend the sum of £30,000 in the development of the area within the first 3 years of the grant of the concession and, in addition, that they should establish a bacon industry at a cost of £10,000.

Owing to the unavoidable delays which have arisen in the grant of the Concession the Syndicate were not able to avail themselves of the opportunity of raising the necessary funds in

40. 321-14  
No 19289

the then easier conditions of the money market. Since May 1907 a very serious financial crisis has arisen, and the difficulty of finding money for an enterprise of this kind has been all but insuperable.

It is essential that the Syndicate should have a margin of capital in their business, over and above the amount required to be expended by the Government, and I would ask, for the present at all events, in order to enable the Syndicate to carry out these obligations, that the Government should be contented if they spend the sum of £20,000, instead of £30,000, on the coast line during the first three years, and £5,000 on the bacon industry.

I should also add that the Syndicate have been strongly advised by Colonel Thomas, who is at the present moment in the Protectorate, that it would be very imprudent to immediately start the bacon industry on too large a scale, that although the

2

prospects of pig-rearing are undoubtedly favourable, the industry has yet to be scientifically and commercially developed, and that a factory should rather grow with the needs of the Colony than be unduly encumbered with a heavy organisation in the first instance.

I have, therefore, been asked by the members of the syndicate that you will, considering the stringency still existing in the money market, agree to the above request, and kindly give them an answer at as early a date as possible, seeing that two valuable seasons have unavoidably been lost for planting and that the Syndicate are anxious to commence work as soon as possible.

I should also like to call your attention to the fact that the German Government are realising the danger of competition and are about, if they have not already done so, to impose a very heavy duty on the export of the fibre plant (said to amount to

100 rupees per 1000 plants) and as the syndicate intend to start their industry with considerably over a million plants delay may be of serious consequence,

I have the honour to remain, Sir,

Your obedient servant,

*W. S. Goldman*

To  
The Under Secretary of State,  
Colonial Office,  
London, S. W.

✓

MR. BEAD

I should have nothing whatever to do with this proposal. The first proposal was that a million pounds would be spent by the Syndicate and now they are coming down to £25,000.

I have always opposed the locking up of this large area of valuable and accessible land without any adequate return in the way of construction of railways or roads, and I should take an early opportunity of bringing the negotiation to an end. I do not think there will be any difficulty in gradually developing the coast lands by grants of moderate areas - the usual maximum is 10,000 acres.

A. B. P.  
17/2

I understand that Mr. Goldman wants a reply by to-morrow morning, but it is impossible to deal with an important question of this kind at such short notice. I would tell him that his proposals require careful consideration and that some days must elapse before the Secretary of State can give him an answer - and then bring the whole matter before the Concessions Committee.

H. J. R.  
17/2

Mr. Goldman called here yesterday. He said that the Syndicate had proposed not to start business until they had got £60,000, but that owing to the financial crisis only £41,000 (or £45,000) had been subscribed. They were going, he said, to have a meeting tomorrow to consider what they should do in these

circumstances



circumstances. Under the proposed arrangement with the Government they have to spend £30,000 in the first three years on the coast lands and £10,000 on the bacon factory. He thought that, if the Colonial Office would agree to let them spend only £20,000 plus £5,000 in the first three years, they would be justified in making a beginning with the capital which they had got. (The total amount which they have to spend is £100,000 on the coast land and £10,000 on the bacon factory; but, if they so decide, they may keep 3/10ths of the area when they have spent £30,000, and resign the rest).

Mr. Goldman asked whether it would be possible for him to know before tomorrow's meeting whether the Colonial Office would be willing to entertain his proposal. I said that I was afraid that it would be impossible.

I agree in thinking that the matter should be considered by the Concessions Committee. But I doubt whether the land is as valuable as Mr. Ellis thinks, and I am inclined to think that it would be well to entertain Mr. Goldman's proposal.

R.I.A.  
Feb. 16.

Mr. Churchill,  
Lord Elgin.

The Concessions Committee must certainly consider and they may find a solution e.g. spending the smaller sum on a smaller area. *Prima facie* I shrink from the Concession of such large tracts of unknown country.

country. On general merit I express no opinion except to observe that the financial backing is evidently not very robust.

F.F.S.H.  
18/2

Certainly.

This appears to be a most improper attempt to evade a compact already too favourable to Mr. Goldman.

W.F.C.  
18/2.

I will await the opinion of Concessions Committee before I express any.

F.  
19/2.

By Mr. Churchill's instructions I interviewed Mr. Goldmann. We discussed the various points outstanding in regard to which the Company objected to the draft concession (39848) and there appeared to be a reasonable prospect of our coming together. But as the points are complicated and we are still awaiting further information from the Governor upon some of them, I do not refer to them here since a rapid decision is desired on the question (raised in 5900) as to the reduction of the amount to be spent in the first three years of the lease.

The arrangement in the draft lease was that

1. They should spend £30,000 in the first three years on the coast area and £10,000 on the Bacon Factory.
2. That they should then be granted 105,000 acres on lease at the coast at a rent of £1,000 per annum for 99 years, plus a royalty of 2½% on produce exported.
3. That they should have the option of acquiring a lease of a further 245,000 acres by spending £7000 in each of the next ten years paying the same royalty and without increase in the rent.

Mr. Goldmann now wishes that they shall only be called upon to spend £20,000 in the first three years on the coast, and £5,000 on the Bacon Factory: but he is willing that the £5,000 shall be spent on the Factory alone, waiving the request that some might be apportioned to the purchase and farming of pigs.

2. That the area to be granted at the end of three years shall be reduced to 70,000 acres the rent and royalty remaining the same.

1908  
100000

... That if the Syndicate desires a lease of the  
...ing area (280,000 acres) they will spend £10,000  
... each of the next eight years on the coast property;  
... that eventually £100,000 will be spent in 11 years  
... and of in 13, and also will spend between the 3rd  
... 6th year a further £5,000 on the Bacon industry  
... as they can show to the satisfaction of the Governor  
... there is no scope for further development.

I think that this amendment is not in itself  
reasonable as if at the end of three years they can't  
the necessary rent they will be paying the net  
ly inadequate rent of £1,000 per annum on 70,000  
say 3 1/4d. an acre, plus 2 1/2% on produce exported

W.D.E.

21.2.1908.

H.J.R.

21.2.1908

... the necessary rent they will be paying the net  
... inadequate rent of £1,000 per annum on 70,000  
... say 3 1/4d. an acre, plus 2 1/2% on produce exported



900



*5900 & 5900 to 1000*  
*233*  
*28 Feb 07*

DRAFT.

*C. P. Goldmann & Co.*

*to the account*

Sir  
In re. to your letter of the 17<sup>th</sup> inst. I am directed by the Govt of Egypt to inform you that we are prepared to approve the amendment of the draft Concession to the Uplands of G. A. Payer - rate on the following lines -

MINUTE.

- Mr. *Wills* 26/2
- Mr. *Read* 27
- Mr. Just.
- + Mr. Antrobus 27
- Mr. Cox.
- Mr. Lucas.
- ✓ Sir F. Hopwood.
- Mr. Churchill. 28
- The Earl of Elgin.

*for reason*  
*(we promised them a very early reply)*

*Copy sent to you 9*  
*C.A. L.F.*

*543-11*

*Copy sent 106 28 Feb*  
*543-11*

(a) The amount to be spent on the Coast Survey in the first 3 years (cl. 10(1)) to be reduced

from £30,000 to £20,000.

(b) the amount of land to be granted at the end of 3 years as per the first part of the schedule, to be reduced per rata from 105,000 acres to ~~40,000~~ 40,000 acres.

(c) In the event of the syndicate, at the end of the 3 years, desiring to take a lease of the remainder of the land, specified in the 2nd part of the schedule, they engage to spend £10,000 a year on the property in each of the next eight years, instead of £4,000 in each of the next ten years.

(d) The amount to be spent on the Bacon industry in the first 3 years (1923) is to be reduced to ~~£10,000~~ £5,000 on the understanding that the Syndicate will spend this sum on the factory alone, unless their suggestion that more should be spent on the purchase & farming of pigs.

(e) The Syndicate will spend a further £5,000 on the Bacon Industry between the third & end of the third & the end of the sixth year of the lease, unless they can show to the satisfaction of the Govt. that there is no