

EAST AFR. PROT.

1911

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Colonial.

Cotton Cultivation on Juba River.

Date
1911

21 Jan.

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last previous Paper.

Minutes rel. to Conference at Co₄ with representatives of the Cotton Growing Assoc resp. possibilities of cultivating Cotton in the areas along the Juba R. with Draft Agreement embodying terms on which case might be fruct.

W.S.
1909

Colonel Seely

These papers have been req. and for record. It was arranged that you should see them on your return.

J.S.B.

Jan. 26.

Mr. Butler

Seen

21
24.1. at once

subsequent Paper

W.S.
3492
9685

2143

21 JAN 11

M. Fiddler

A conversation took place yesterday between Mr. Harcourt, Lord Derby, Sir Julius Wernher, Sir Percy Girouard, Mr. Hutton, and Mr. Dewhurst as to the possibilities of cultivating cotton in the areas along the River Juba. Mr. Read and I were present.

It was generally recognized that there must be in the first instance some experimental period for the purpose of testing and investigating such questions as

- (a) the suitability of the soil and the climate for cotton growing,
 - (b) the necessity for, and the practicability of, irrigation,
 - (c) the supply of labour,
- all at present unknown or little known factors.

Lord Derby made it clear that they desired to put forward proposals strictly on a business basis, and to exclude the element of "philanthropy". For this purpose he thought the preliminary investigations should not be conducted by the British Cotton Growing Association as such, and the British Cotton Growing Association, though it would very properly have an interest in the concern, should not figure too prominently in the ultimate undertaking. Mr. Hutton was agreed in this view. It was urged by Lord Derby and those with him that, in order to make sure from the outset, not only of the preliminary expenditure

expenditure on investigation and experiment, but also of the larger capital which would be required if, as the result of such preliminary operations, a large scheme were proceeded with, they ought to have to begin with an agreement not only providing for the necessary trials but also stating explicitly on what terms the larger operations could be undertaken.

Even finally
~~Having arrived at this point,~~ Mr. Harcourt suggested that Sir P. Girouard, Mr. Hutton, Mr. Read, and I should adjourn, and endeavour to frame for his preliminary consideration some sort of an arrangement on which a bargain might be made. As the result of our talk the annexed draft agreement is now submitted. It is framed on the lines of a concession of 10,000 ^{granted} acres of cotton land in the Tapaland province in 1908. Certain differences ^{from that concession} must be noted.

(1) A preliminary area is suggested of 1,000 acres instead of 500, ~~both~~ because the area to be ultimately granted is larger than in the previous case, and because Sir P. Girouard wants to be in a position to allot to the proposed Syndicate one of the 1,000 acre farms already surveyed and beacons.

(2) The preliminary grant at a peppercorn rent is made for two years instead of three. Mr. Hutton is quite satisfied that they will know within two years whether it is possible to proceed with the larger scheme, and the shorter period also suits Sir P. Girouard, who would prefer not to have to reserve ^{for} the area within which the larger grant is to be selected, ~~for a longer time.~~

(3) The original rent is at the same rate as that provided in the case of the Tanaland concession, namely, 15 cents (2½d) an acre, but in the draft now submitted the principle of revision of rent is provided for after the thirty-third and sixty-sixth years, subject to maximum rentals at those times of 56 cents (9d) and Rs.1.69 (2/5d) an acre respectively.

(4) An eventual area of 40,000 acres is promised instead of 10,000 as in the Tanaland concession. This would mean a rental of £400 per annum in the first instance, and the maximum rents payable on revision would be £1,500 per annum ^{and} ~~or~~ £4,500 per annum ^{after 33 & 66 years} respectively.

(5) The expenditure on development is at the same rate as in the Tanaland concession, but the acreage to be developed within specified periods is ~~less~~ ^{in proportion} less (in view of the larger total area).

A proposal to grant 40,000 acres appears at first sight inconsistent with the suggestion recently made by Sir P. Girouard, and accepted by the Secretary of State, that he should be invited to ^{reconsider the} ~~submit suggestions for revised~~ terms on which concessions of land for the cultivation of tropical products should be granted, the intention being to grant in future small areas and to exact higher terms. The circumstances are, however, exceptional. The suggestion referred to related to land in the coast strip and ^{the} ~~to~~ more developed parts of the Protectorate, where there is a certain amount of competition

competition for such concessions and the difficulties of transport, etc, are, if not absent, at any rate well understood. In the present case it is a question of pioneer work with a view to testing the possibilities of a large and, as the Governor believes, potentially very rich district. Little or nothing has been done in this district hitherto. Mr. Argyropoulo has a concession of some 6000 acres at one point on the Juba, and has done little to test its possibilities. He has, however, been compelled to stop for lack of funds. Recently, when a Syndicate approached this office with a view to taking over his 6,000 acres and acquiring another 14,000 in addition, the enterprise was smiled upon by the Government, but for one reason or another it has so far come to nothing and at the present moment we are not committed in this respect. It need hardly be said that the promoters of this previous proposal could not be compared in any respect with the gentlemen who have now approached Mr. Harcourt. When it is remembered that these gentlemen are prepared to incur a good deal of preliminary expenditure in proving the Jubaland province for cotton, and in sending out cotton and irrigation experts for the purpose, I think the agreement now suggested is a distinctly favourable one to the Government. The agreement would have to be discussed word by word again and polished up in certain respects, but I think the main frame-work of an understanding is contained in it. It might, for instance,

the required
now will have
introduced
the Karawada
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W. Syndicate]

yes
H

instance, be improved by the addition of a clause as
to the resumption by Government, ^{with or without the consent of the Lessees,} of any land which
there seemed no prospect of the ^{Lessees} business developing, ^{this}
^{being the lower part of their proposed right to}
~~whether with their consent or not,~~
^{abandon a part of the area & reduce the rent}

If Mr. Harcourt thinks that an arrangement
on these lines would be a good thing, the best plan
would be to send a copy of this draft agreement to Mr.
Hutton informally, in order that he and his friends
may consider what proposal they can make formally
to the Government on this basis. It would be neces-
sary to warn him that the draft is sent as a basis
only, and that the actual wording of the agreement
would still be open to mutual arrangement.

HAB

Jan 19

In order that the period required for testing
the land may be shortened as much as
possible, Sir D. Finlayson proposes to visit
the local Agricultural Dept. to plant 50
acres with certain species of cotton at
once - the actual expenses of the seed,
cultivation, &c. to be borne by the B.C.G.,
Mr. Hutton agrees.

H. J. R.

19/1

Seely (among other letters)
Harcourt

I agree that a little doubt as to the
proposed agreement might possibly cause difficulties with
the Italian firm as joint users of the water, but Sir D. Finlayson
is a sufficient safeguard & probably for

I approve of the draft agreement.
I suppose there will be a forfeiture clause
in the event of a breach of the covenant.

H. 20.1.11

21 JAN 11

AN AGREEMENT made this _____ between
~~HIS MOST GRACIOUS MAJESTY KING GEORGE THE FIFTH~~ of the
one part and
(hereinafter referred to as the Lessees) of the
other part.

WHEREBY in consideration of the rent hereinafter reserved
and of the covenants by the Lessees hereinafter contain-
ed or implied by virtue of the provisions of the Crown
Lands Ordinance 1902 His Majesty doth hereby demise unto the
Lessees all that piece or parcel of land situate in
the Province of Jubaland in the East Africa Protector-
ate comprising 1000 acres or thereabouts which will
be selected by the Lessees with the approval of the
Land Officer together with the right to use and take
water from the river Juba hereinafter mentioned. To
hold the same unto the Lessees for the term of two
years from the _____ day of _____ 19____
subject save where expressly herein otherwise provided
to the provisions of the said Crown Lands Ordinance
1902 and especially the provisions contained in
article 16 thereof and to the rules for the time being
in force under the said Ordinance yielding and paying
therefore during the said term the yearly rent of one
peppercorn if demanded. And the Lessees do hereby
covenant with His Majesty his heirs and successors that
they the Lessees will during the said term use the
said land for the purpose of cultivating cotton. And
that the said land shall be surveyed and the Lessees
shall pay all the costs of such survey. And it is agreed
that when such survey has been completed a plan of the
said land agreed to and signed by the Chief Surveyor
shall be annexed thereto. And it is further agreed
that

that if before the completion of such survey and annexure of the said plan as aforesaid any question arises as to whether any place is or is not within the land hereby leased the matter shall be referred to the Land Officer whose decision thereon shall be final And that the Lessees will not assign sublet or otherwise part with the possession of the said Land or any part thereof without the previous consent of the Governor in writing and will pay Rs 10 for every such consent and will pay the costs of the preparation of this Agreement amounting to Rs 100 Provided always and it is hereby agreed that the Lessees will during the first year of the said term plant with cotton 50 acres of the land hereby demised And will during the second year of the said term plant with cotton an additional 100 acres of the said land Provided always that if at the end or before the expiry of the term hereby granted the Lessees shall have planted with cotton and shall then have under cultivation not less than 150 acres of the said land and shall have performed all the covenants hereby agreed by them to be performed His Majesty his heirs and successors shall grant to the Lessees a lease of 40,000 acres of land within the area shown on the sketch plan to be hereto annexed (hereinafter referred to as the larger area) such acreage to be selected by the Lessees subject to the approval of the Land Officer of which the land hereby demised shall form a part for term of 99 years at a yearly rental of Rs. 5000 with revision at the end of the 33rd and 66th years subject to maxima of 56c and Rs 1.69c an acre respectively at the end of the

2) 15 cent
 1000 and one
 c. = 1/2 acre
 9 = 2 1/2 an acre

33rd and 66th years and subject to the usual covenants and subject to and with the benefit of the following special covenants and provisions:-

1. That the Lessees shall spend a sum of £20,000 in development of the larger area within five years from the date of such lease.
2. That at the end of the first year of the term the Lessees shall have under cultivation 1000 acres of the larger area.
3. That at the end of the second year of the term the Lessees shall have under cultivation 2,000 acres of the larger area.
4. That at the end of the third year of the term the Lessees shall have under cultivation 4,000 acres of the larger area.
5. That the Lessees shall at all times thereafter during the said term keep not less than 4,000 acres of the larger area under cultivation.
6. That the Lessees shall be at liberty at any time on giving to the Governor six months' previous notice in writing to surrender to His Majesty his heirs and successors any part of the larger area subject to a proportional reduction of rent.
7. That the Lessees may use and take water from the river Juba so long as they do not interfere with the navigation or existing rights subject to Clause 7 of the said Crown Lands Ordinance 1902 and subject to all other irrigation rules for

for

for the time being in force or which may hereafter be made due regard being paid to the rights of the Lessees to such supplies of water as may be necessary for the proper cultivation of their crops.

In witness etc.,

C.O. S.A.P.

56

No. 2140
RECEIVED
21 JAN 11

for my signature
HAB.

21 Jan 1911

DRAFT.

Mr. Hutton Esq
15 Cross Street
Manchester.

Dear Hutton,

MINUTE.

- Mr. Butler Jan 21
- Mr. Read 21
- Mr. Fiddes.
- Mr. Just.
- Mr. Cox.
- Sir C. Lucas.
- Sir F. Hopwood.
- Col. Seely.
- Lord Crewe.

I now send you,
as arranged, a copy
of the draft agreement
which we produced in
the ~~our~~ ^{our} ~~hasty~~ ^{hasty} conversation
at this office
last Wednesday as
a possible basis on
which Lord Percy
and his friends might
frame proposals for
a cotton-growing

draft.
(spare copy herewith)

undertaking in
Labaland. The next
step will be for them
to submit some definite
application to the
S. of B. It will be
understood, as it
was ~~set~~ ⁱⁿ our conversation,
that this draft is
sent as a basis on
which business might
be done. It is not
to be put forward as
a document the
wording
of which
is immediately fixed.
We should have to
add, for instance,
a clause providing
for forfeiture in the

event of a breach
of the covenant ⁵⁷,
and there are, no
doubt, other points
in which the lawyer
would think it
necessary to
elaborate a little.

Yours sincerely,

7.13