

1921

KENYA

453

44434

FROM

DATE

B.A. TRADING COY LTD
(WAHTRU, BARON)

15TH AUGUST 1921

FOR CIRCULATION —

SUBJECT

Mr. *Bottomley*

Mr. *Bottomley* Jo.

Mr.

Mr. *Graville*

Mr. *H. Lambert*

Mr. *H. Read* 30/8/21

Mr. *W. J. Martin* 1.10

Mr. *Churhill*

TANALAND CONCESSION

Reports as to proposed recruitment of labour and financial support for scheme, he leaving for Kenya shortly.

Original Paper

MINUTES

33662

Mr. *Bottomley*

See note attached by Sir E.

Northey to whom I showed this letter just before his departure - from which you will see that he now takes the view that unless Baron de Wahtrou can give a better guarantee both as to labour and capital than he has at present, it is not worth while pursuing the negotiations further. He told me that he thought that the proposed scheme would have been of great benefit to the colony if the Baron had really meant business, and that was why he had passed it - I think myself that both he and Mr. Martin were at first too keen to get a move on at almost any price

Subsequent Paper

price - but he was dead opposed to locking up so big an area unless the Baron de Wahrtreu really had resources to push its development - a possibility which now appears remote.

The next step presumably is to send a copy of this to the O.A.G. saying that the matter was discussed with the Governor during his stay in this country, that Sir W. Hartney was not satisfied with the guarantees as to labour offered in this letter, and that until Baron de Wahrtreu can furnish better guarantees both as to labour and capital it appears useless to pursue the negotiations further and ask the Baron be so informed.

There is one point as to which there is a difference of opinion, perhaps deserves further consideration, and that is whether it is reasonable to expect a concessionaire to disclose his financial resources in full before he has obtained his concession. Our present policy is to demand

~~particulars~~

~~particulars~~ of financial ability before entering on negotiations for a concession and no doubt from our point of view this is the safest policy. Baron de Wahrtreu asks that we will on the strength of his vague assurances grant him a concession with a condition that he should furnish proof of his financial ability within a stated time. This seems going too far, as a concession once granted is not easy to take away again, and such a policy would give undesirable opportunities for hawking the concession about. But there seems perhaps some case, if an applicant satisfies us as to his general financial standing (which Baron de Wahrtreu has not done at present ~~to let us have a trial of~~ the concession which he will be granted if he furnishes proof of financial ability to carry out the conditions of the concession, and then ~~let him have~~ a short time in which to furnish such proof. The point is one on which perhaps Sir J. Stevenson might be asked to let us have his views. The question has not become a practical one in the present case as Baron de

Wahrtreu

Warwick has not so far produced
any satisfactory evidence as to
his financial standing, let alone
his ability to produce the labour,
but I raise the question because
Sir E. Northey asked me what exactly
our policy in this matter was.

MS

19.10.20

[I am sorry that the

has been to the means of
by some means

That is on a limited amount
principally shall should be
considered about for the
particular value share of
as compared with a share
in the whole and I regard
the labour difficulty as the
deciding factor of this
situation

The principal danger
that some starting in regard
to financial resources is
available Company possibly
is not a mine, and it may
on occasion not be with
public interest that is very

40
with your own ideas
for return to the state
of the Company during that
period and can be
the only way in which
can be done by
going to some extent
but unless we
is made after
this would be sufficient for
the purpose but we should not
lead to the end of the
process and should rather
if we could. The difficulty
rather lies in the matter of
getting together a definite
step towards
agreement concerning
get much revised up to
the actual date of signature
of conditions afterwards
too

Oct 30. 8.20.

W. J. Butterfield - Smith
W. J. Stevenson

as at (A) in Mr. Butterfield's
minute.
With regard to the financial
question, I agree with Mr. Butterfield.

I think that in practice we have
 always, whether a would-be concession
 is to be encouraged or not. In the
 former case we might certainly prefer
 for a not particularly urgent, in the
 latter it is so useful to be able to
 take him off by meeting a part
 of financial ability before entering on
 negotiation.

H. J. D.
 30/12/21

Refer
 6/1

See James Stevenson again with A

Shelton
 5/2

See 14/12

action has been taken
 accordingly. It has to be said that
 general principle in this kind of
 case laid down, as I find

10.10.21
 H. J. D.
 10/12/21

Mr. Gifford to be

See for Dept. should not
 circulate a copy of the minutes to Dept. Done

10.10.20
 H. J. D.

1/0

4/10 14/10

1910
 1911
 1912
 1913
 1914
 1915
 1916
 1917
 1918
 1919
 1920
 1921
 1922

we may have this up in
 18-10
 24/12/21
 1921
 1922

But we have already a very useful practice
 of entering into an agreement with an individual
 or syndicate concerning to grant a concession in
 a firm stipulated to the agreement, the concession
 to be granted to a company for the foundation
 of which provision is made in the agreement that
 provision includes stipulations as to working capital

14/11/21
 Mr. Dorey says the whole system of
 dealing with concessionaires on the basis of
 shares was worked out by us years
 ago. It was working in when he was
 here that and they has been with 3
 1918

1/0

Unfortunately, such an agreement
may be based about from a definite
line and the affected part of course
be allowed out of the negotiation of
the contract. I believe that that of
the officers and such progress in a
very limited time to those who
were for this.

Yours truly
John C. [unclear]

Unfortunately such an agreement
may be reached about force a definite
line and the appended copy on paper
be attached out of the negotiation in
the interest. I will think that if
the officers and the papers in a
very limited time be found and
sent for them.

Yours truly
John

3-11-11

11

Extract from minutes on No. 4434/31 Kenya as to requiring applicants for concessions to disclose their financial resources

The next step presumably is to send a copy of this to the Officer administering the Government, saying that the matter was discussed with the Governor during his stay in this country, that Sir E. Northey was not satisfied with the guarantees as to labour offered in this letter, and that until Baron de Vahrtreu can furnish better guarantees both as to labour and capital, it appears useless to pursue the negotiations further and ask that the Baron be so informed.

But there is one point as to finance raised by the Baron which perhaps deserves further consideration, and that is whether it is reasonable to expect a concessionaire to disclose his financial resources in full before he has obtained his concession. Our best policy is to demand proof of financial ability before entering on negotiations for a concession and no doubt from our point of view this is the safest policy. Baron de Vahrtreu asks that we will on the strength of his vague assurances grant him a concession with a condition that he should furnish proof of his financial ability within a stated time. This seems going too far, as a concession once granted is not easy to take away again, and such a policy would give undesirable opportunities for hawking the concession about. But there seems perhaps some case, if an applicant satisfies us as to his general financial standing, (which Baron de Vahrtreu has not done at present) for letting him have a draft of the concession which he will be granted if he furnishes

furnishes proof of financial ability to carry out the conditions of the concession, and then giving him a short time in which to furnish such proof. The point is one on which perhaps Sir J. Stevenson might be asked to let us have his views. The question has not become a practical one in the present case as Baron de Wahrtreu has not so far produced any satisfactory evidence as to his financial standing, let alone his ability to produce the labour, but I raise the question because Sir E. Northey asked me what exactly our policy in this matter was

H.F.B.
29.9.21.

This is an important general principle which should be considered apart from the particular scheme.

In general I agree that some elasticity in regard to financial resources is desirable. Company promoting is not a crime, and it may on occasion not be to the public interest that a man with a good idea should fall between the two stools of the City and Downing Street. No general rule can be laid down, but it is suitable, as we would be helped by giving the man a definite draft concession and a six months option. No doubt there would be a possibility of extension but we should at least be able to get off the option at short notice if we wished. The difficulty rather lies in the direction of preparing a definite draft concession. In our experience concessions get much revised up to the actual date of signature and sometimes afterwards too.

W.C.B.
30.9.21

Sir J. Masterton Smith
Sir J. Stevenson.

As at (a) in Mr. Batterbee's minute.
With regard to the general question, I agree with

with Mr. Bottomley. I think that, in practice, we soon discover whether a would-be concessionaire is to be encouraged or not. In the former case we might certainly go as far as Mr. Bottomley suggests; in the latter it would be useful to be able to choke him off by insisting on proof of financial ability before entering on negotiations.

H.J.R.

30.9.21.

I agree.

J.W.S. 1.10.

Sir James Stevenson agrees with "A"

S.H. Leake.

5/10.

Sir H. Read

Action has been taken accordingly. I take it that no general principle on this point is to be laid down so far as

E.O.S.

10.10.21

at once

H.J.R.

10.10.21

Mr. Grindle to see

Seen. General Department should note and circulate a copy of the minutes to Departments.

G.G. at once,

10.10.21

Notes on Wambra

Letter of

Aug 15, 21

is really there that
 can be found: a few
 of course might be found
 the banks of the Tana - but
 have never visited
 a reliable source of quality
 Nyanyika has several schools
 all in the same line as the
 outside of the

To date, not agreed to
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 of the Congress, must show
 at the time the Capital
 can find the... before
 the... Congress...
 know little of the money at the
 and I think or wait on

Aug 21, 21

Notes on Wombey

— City of

Am 15. 21

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 ... banking the ... that
 ... have never ...
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 ... however ...
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 ... outside ...
 ... to date ...
 ... for ...
 ... of the ...
 ... the ... the Capital
 ... can find ...
 ... know little of the ...
 ... of ...

Code: A1; A.N.O. 2ND & 3RD EDITION

Head Office: MOMBASA

Private

44434

EAST AFRICA TRADING Co. Ltd

GENERAL MERCHANTS

EXPORTERS & IMPORTERS

501

Your Ref. No. E5679/E1

P.O. BOX 204

Mombasa, Kenya Colony

August 16th 1921.

Sir,

I have the honour to acknowledge the receipt of your letter of 28th June 1921 which was delivered to my London address after my departure for Kenya and has reached me therefore by last European mail only a few days ago.

(2) The statement that up to 8,000 native labourers could easily be procured locally in Tana province and in the Tanganyika territory was based firstly on my intimate knowledge of the locality, where I know that I could procure at least 500 native labourers, and secondly that I did not anticipate any objections on the part of the Tanganyika Government against the recruiting of about 1,500 native labourers for temporary work in a neighbouring Colony, and in a locality situated quite near the Tanganyika territory. When permission was granted not long ago for recruitment of 8,000 native labourers for work in Kenya for railway construction etc. The statement that from 5,000 to 10,000 native labour can be recruited in the Republic of Liberia and Portuguese African Possessions has been made on the authority and with the consent of Lt. Col. Sir John Norton Griffith, M.P. who assured me of his ability to supply same and who gave me the name of Mr. F.W. Ensor as his recruiting agent, adding that the latter gentleman is well known to your department.

(3) It must be obvious to you Sir, that preliminary negotiations with regard to a scheme that is not based on anything tangible, like an actually granted concession must be very confidential indeed, especially when several financial groups are in consideration, and when the object is the securing of best terms. I can state that I have received reliable and quite satisfactory assurances from two very powerful financial groups, that the necessary capital as stated by me, will be supplied. I shall be prepared when the concession is actually granted to supply the Secretary of State within a very short time with all the names and necessary proofs as to my financial ability to carry through the undertaking. I presume that the furnishing of such proof within a stated time would be one of the principal conditions of the concession.

The Under Secretary of State,
Colonial Office.

Private

44434

EAST AFRICA TRADING Co. Ltd.

GENERAL-MERCHANTS

EXPORTERS & IMPORTERS

501

Your Ref. No. E5870/21.

P.O. BOX 204.

Mombasa, Kenya Colony.

August 16th 1921.

Sir,

I have the honour to acknowledge the receipt of your letter of 20th. June 1921 which was delivered to my London address after my departure for Kenya and has reached me therefore by last European mail only a few days ago.

The statement that up to 2,000 native labourers could easily be procured locally in Tana province and in the Tanganyika Territory was based firstly on my intimate knowledge of the locality, where I know that I could procure at least 500 native labourers, and secondly that I did not anticipate any objections on the part of the Tanganyika Government against the recruiting of about 1,500 native labourers for temporary work in a neighbouring Colony, and in a locality situated quite near the Tanganyika Territory, when permission was granted not long ago for recruitment of 5,000 native labourers for work in Kenya and elsewhere. The statement that from 5,000 to 10,000 native labourers can be recruited in the Republic of Liberia and Portuguese African Possessions has been made on the authority and with the consent of Lt. Col. Sir John Norton Griffith, M.P. who assured me of his ability to supply same and who gave me the name of Mr. F.W. Enser as his recruiting agent, adding that the latter gentleman is well known to your department.

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Yours faithfully,
The Under Secretary of State,
Colonial Office.

16-3-21.

502

concession.

(4) I have the honour to inform you that, as the interests of my Company on account of several important and pressing business matters demanded my presence in Kenya, for some time at least, the following gentlemen will, during my absence from England, act on mine and the Company's behalf, and can be communicated with, in case of urgency:

The Earl of Kintore, G.O.M.G., P.C., Chairman of the Company,
10 Park Place, St. James', S.W. 1.

W.G. Ardley, Esq., Director of the Company, (Managing Director
George Kent, Ltd.), 199, High Holborn, W.C. 1.

I am prepared of course to come to England as soon as possible if my presence there is needed.

I am,

Sir,

Your obedient servant,



The Under Secretary of State,

Colonial Office,

London, S.W. 1.

6 Oct 1944

~~July 2~~

to

His assistance

I have no reference to my desk.

RAFT.

[245/11]

N. 1091 of the 15th July, 1944

Mr. N. H. H. H.

transmit to you for your information

to the effect,

a copy of a letter which has been

MINUTE.

been received from Baron de

Chief of Police
Battersea L.
Belvedere, 6, 10/11/44

the letter is attached to the file

under the name of

Baron de (Tanzania)

- 1. Minutes
- 2. Letters
- 3. Plans
- 4. Paddy
- 5. Maps
- 6. Reports

(2) The matter was discussed
~~The letter~~ You will remember

lost you during your stay in
that the letter was shown to you

him personally, who you saw
unavoidable prior to your departure

from Kenya and his satisfaction with
from England, after your departure

to the fact that it is not possible to

44426/24
11/8/44
44426/24

6 Oct 194

~~NY 1/2~~
to

With reference
to ~~have~~ ~~to~~ ~~refer~~ to my ~~depl.~~

DRAFT

[207/10] N° 109 of the 15th of July, and
I have to ~~inform~~

Gov. Northey

transmit to you for ~~your~~ information
the ~~letter~~,
a copy of ~~the~~ letter etc. has ~~been~~

MINUTE

- 11. Clerk of P.C.
- 12. Sub-Commissioner
- 13. Secretary to P.C.
- 14. ...
- 15. ...
- 16. ...
- 17. ...
- 18. ...
- 19. ...
- 20. ...

been received from Baron de
his
ambassador regarding the proposed
application for a
Conservation in ...

to ...
the ...
11/15/4
64424/4

(2) The matter was discussed
~~The letter~~ you will remember
that you having your stay in
this country when you ...
immediately prior to your departure
yourself as well satisfied with
from England, also you expressed
the intention as to ...

Office of the ...

Unsatisfactory with the ...
I cannot ... and
offer ... to labor.

(3) ~~I consider~~ ^{the} ~~that~~ ^{you may gather} ~~that~~ ^{expenses} ~~that~~ ^{will} ~~that~~ ^{Baron de}

Whether can furnish better ...

both as to labor and capital, it appears to be ...

useless to pursue the negotiations further.

I have to ...
and I expect that you will inform the
... to inform ...
... accordingly.

...

...