

1911

EAST AFR. PROT.

C O
32939

Recd
Recd 11 OCT 11



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Agents

Date.

Agreement with C. Africa Synd. Ltd.

11 Oct.

Sends letter from Solicitors reporting further
as to present position with regard to
Supplemental Agreement.

previous Paper.

2654

Mr Fiddes.

* I saw Lord Denbigh and Colonel Villiers yesterday. A summary of the conversation prepared by Mr H.T.Allen, who was kindly present to take a note, is attached. I was quite unaware until a few minutes before the interview, when this letter from the Crown Agents came into my hands, what these gentlemen wished to discuss. It never occurred to me that they could venture to come and say that they were not prepared to carry out the agreement so formally negotiated with the Syndicate in January and February of this year.

You may remember that that agreement was one which the Syndicate themselves suggested after conversations with Sir Percy Girouard. The main outlines of the agreement were these:- The Company were to get certain advantages ^{they were to be allowed} in the ~~charters~~ being able to acquire the freehold of their concession of 500 square miles by

instal

Subsequent Paper

36963

as required by their lease,

instalments, instead of having to put down the purchase price of the whole, namely, about £50,000, before they could freehold any portion of it. They were also to be exempt from any awkward questions as to the fulfilment of their obligations of development under their lease. The Government on the other hand secured the great advantage of breaking a considerable portion of this huge concession into smaller holdings for sale to individual settlers on behalf of the ^{Syndicate} Company. The proceeds of the sale were to go to the ^{Syndicate} Company, the Government to be content with having secured the breaking up of the area. I am not certain that credit has not already been taken publicly for our action in ^{the} dealing with this enormous concession.

In the circumstances I felt that I was justified in speaking pretty plainly to Lord Denbigh and Colonel Villiers, and in refusing even to discuss in conversation the possibility of the Syndicate being allowed to back out of the agreement. ~~It is not possible to discuss this~~

We must now wait for a written communication from the Syndicate, and when it comes consider what action we are in a position to take. Such action should, in my opinion, be of the strongest nature possible in the circumstances

Feb
Oct 13

I agree meanwhile I had better send privately a copy of the memo you prepared to discuss it with ^{Mr. 13}

Mr Butler appears to be in health admirably with these two Directors. L. 14

This seems a very important proposal, but we must wait to see it on paper

15-10-11

W. P. Riddes

It is now nearly a month since this interview took place & we have heard nothing from the Syndicate. We cannot let the thing drift indefinitely.

Tell the Syndicate that the S. of B. learns that they have not yet signed the agreement which formed the subject of their letter of the 17th of June last & subsequent correspondence, and that he will be glad to if they will do so

1733/10

at an early date; send me C.A. a copy of our letter, & the ^{Govt} a copy of the correspondence from our letter of the 2nd of Oct. (on 112) to date

Nov. 9.
alone P. 10

I am do
the form
Save a
file

Memorandum of an Interview between the Earl of Denbigh and Colonel Villiers, Directors of the East Africa Syndicate, and Mr. Butler on Thursday the 12th October 1914.

Colonel Villiers said that it was desired to discuss the proposed agreement in regard to the disposal of the land over which the East Africa Syndicate possessed rights. As an individual Director he could not sign the agreement. He himself had raised the greater part of the money subscribed, and the persons whom he represented strongly objected to the proposed arrangement on the ground that they had never been informed that one-third of the land would be taken from the Syndicate in the manner contemplated by that agreement. Mr. Butler demurred to the term "taken away", as the fact was that the portion of the land in question would be disposed of by the Government on behalf of the Syndicate.

Colonel Villiers said that he had objected to the terms of the agreement at the interviews at the Colonial Office; but Mr. Butler pointed out that the Department was dealing with the Directorate as a whole, and could not, therefore, take cognisance of the views of individual Directors. He, therefore, asked whether Colonel Villiers and Lord Denbigh were empowered to speak on behalf of the Directorate; and, as it appeared that

that they were delegated by the Directors to approach the Colonial Office, Mr. Butler then asked for a definite statement as to the object which they had in view.

Colonel Villiers then said that the Directorate wished to vary the arrangement already made, as their Manager on the spot had reported that the five farms had been developed to the extent required by the original agreement: in fact the Manager, as soon as he learned of it, denied the statement made by the Governor, when last in England, ~~that~~ the Syndicate could not fulfil its obligations by the ~~agreed~~ date *via ~~the~~ ~~date~~ ~~of~~ ~~the~~ ~~agreement~~*. In addition one of the principal Directors was not aware of the proposed agreement, being away at the time it was negotiated; and since his return he had raised the strongest possible objections. The main contention, however, was that the Governor, while in England, had "bounced" the Directorate into making these proposals by representing that the Syndicate could not fulfil its obligations and by threatening that the Government would, in that event, take drastic action. In fact the Governor put a pistol at the heads of the Directors and succeeded in frightening some of them into agreeing to a new arrangement; but Lord Denbigh admitted that the Directors had made a mistake in not consulting their Manager on the spot.

The views of the Directors had, however, been modified by their Manager's reports; and, as they contended

contended that they had fulfilled their obligations under the original lease, they now objected to carry out the terms of a new agreement into which, in their opinion, they had been "unfairly bounced" by the Governor. Colonel Villiers complained that the Governor's attitude when in England was inconsistent. He said that Sir P. Girouard adopted a bombastic and threatening attitude at his meeting with the Directors at the offices of the Syndicate, and had practically accused them of doing nothing for the Protectorate. At the Conference at the Colonial Office he changed his attitude and shewed more inclination to give the Syndicate credit for the good work which they claimed to have done.

Colonel Villiers proceeded to give instances of the benefits conferred on the Protectorate by the operations of the Syndicate, but Mr. Butler said that such details were not relevant. The Syndicate had contracted very definite obligations, and the question at issue in January was whether they had fulfilled them. *or could they be done by the Govt.* He reminded them that the decision on this point rested with the Director of Agriculture and not with the Syndicate's Manager, to which Colonel Villiers replied that he understood that the Director of Agriculture had been over the farms and had expressed himself as perfectly satisfied.

Colonel Villiers added that if the proposed new agreement were carried out, it would ruin the
 Syndicate

Syndicate; and that, rather than submit to this, the Shareholders were determined to take the matter up publicly and to have it thrashed out in the House of Commons.

(1733) Mr. Butler replied that he had no authority to discuss any modification of the arrangement made with the Syndicate; and that he certainly could not, in any case, discuss even the possibility of the cancellation of the proposed agreement. He pointed out that the Director met the Governor in December last, and talked the matter over with him. As a result a Conference was held at the Colonial Office at which the Directors spontaneously put forward definite proposals, which were subsequently embodied in their letter of the 17th January. The fact that individual Directors did not concur in the proposals was a domestic matter, and did not concern the Colonial Office, which could only deal with the Directorate as a whole. Under the arrangement proposed the Directorate secured certain advantages, e.g. the power to purchase the land by instalments, and immunity from further questions as to their development obligations.

A further conference took place to discuss certain details, and in their letter of the 9th March (1733) the Directors accepted all the modifications proposed by the Colonial Office, and they expressed their thanks for the way in which the Colonial Office had met and dealt with their proposals. It was then arranged, with the concurrence of the ^{Directors} Company, that a formal

formal agreement should be drafted, and in the meantime the Governor was instructed that he could make arrangements in anticipation of the signing of the agreement.

Mr. Butler also said that he could not consent to discuss the ~~accuracy of the~~ statement that the Governor had "unfairly bounced the Syndicate"; but, while disclaiming any intention of being offensive to the Syndicate, he must say that, to an unprejudiced ^{had} observer, it would certainly appear that the Directors kept the Colonial Office in play for a period of several months during which they were making up the leeway of their development obligations. On their own initiative the Directors had put forward proposals for an arrangement with the Government. The details were negotiated at two Conferences held at the Colonial Office in January and February last and confirmed by correspondence. Since then the Colonial Office had until now heard no word of any objection on the part of the Directorate. Meanwhile development had been going on; and, the date by which the requisite amount of development had to be accomplished having passed, the Syndicate now came forward contending that they had fulfilled their obligations by that date, complaining that they were misled by the Governor and, on these grounds, asking that the agreement should be cancelled.

Mr. Butler added that the matter was a very serious one which he could not consent to discuss verbally, and that the only course was for the Directorate to submit their representations in writing; the representatives of the Syndicate agreed to do.

H.T.A.

12/10.

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C O
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OCT 11

Sec.
F. A. P. 36.

ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
CROWN AGENTS FOR THE COLONIES,
THE ABOVE REFERENCE AND THE
DATE OF THIS LETTER BEING QUOTED

TELEGRAMS, "CROWN, LONDON"
TELEPHONE 1632 VICTORIA.

WHITEHALL GARDENS,
LONDON, S.W.

PRESSING.



11th October, 1911.

Sir,

In continuation of our letter of the 7th of
October, I have the honour to transmit a copy of a further
letter from our Solicitors as to the present position
with regard to the proposed Supplemental Agreement
with the East Africa Syndicate, Limited.

I have the honour to be,

Sir, &c

Your obedient Servant,

Frederick
for Crown Agents.

x N^o 32304

The Under-Secretary of State,
&c. &c. &c.
Colonial Office.

10790-20

438

C.O.

Copy
Sec. 35.

Emilio

32939

Messrs. Sutton-Ormanney & Rendall to *Colonial Office*

7th October, 1911.

Gentlemen,

EAST AFRICA PROTECTORATE.

East Africa Syndicate Limited.

With further reference to your letter of the 4th instant, we have to inform you that at a Board Meeting of this Syndicate held yesterday the Directors took the view, that having carried out the terms of the original grant to the Syndicate, they would not be justified in apportioning the land as proposed by the draft contract, but two of the Directors - the Earl of Denbigh and Colonel Villiers - were appointed a committee to interview the Colonial Office on the subject, and it appears that they are seeking an appointment for Thursday next to discuss the matter.

We have to add that the attitude now assumed by the Directors of the Syndicate is not at present intelligible to us, having regard to the fact that the terms of the proposed modifying contract were negotiated directly with the Syndicate, at whose request we were instructed to prepare the draft embodying such terms.

We have, etc.;

SUTTON ORMANNEY & RENDALL.

cs.

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14 Nov 1901



Sir

459

(m. 11/8812)

With reference to my
reply to you of the 24th
of March, I have the
honour to be sent to you,

for your info, two
accompanying copies of our

~~as regards to the matter,~~
relation to the proposed
supplemental agreement

with the East Africa
Lyons, limited

x 11/8812

+ 11/8812, 32 box, 32

Pat (no 663)

for the 1. financial

Pat 3 Nov

3 deaths

Pat 2 Oct (8812)

Pat 7 Oct (8812)

Pat 1 Oct (8812)

Pat 1 Oct (8812)

Pat 1 Oct (8812)

Pat 1 Oct (8812)

32939

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14 Nov. 1901



Sir

Ch.

I am ^{pleased to see} to ack. the

receipt of your letter marked

(32604)

Sept. 26 of last

H.B. #

(32939)

October 7
of No. 1 ~~presenting a copy~~

in letter of 3.

~~of a letter from~~

~~Letter, containing, a~~

relation to his proposed

Supplemental Agreement with

the East Africa Syndicate,

limited, and to transmit

to you, for your info, with

the accompanying copy

of a letter which has been

addressed to the Syndicate

in the subject

Sheets

to note
at

32939

10792-20

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965

461

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14 Nov. 1941

32939



Sir

With reference to your letter of the

(882)

17th instant, in relation to the

you that the Bureau has

the East Africa Syndicate,

limits, has not yet

signed the agreement which

forms the subject of

your letter of the 17th Jan 41

subsequent

to the Bureau's view it will be

the Syndicate will be prepared

to do so at an

early date.

Sincerely

J. Woods

DRAFT.

Secretary

East Africa Syndicate Ltd

11/14/41

L. Bates 11/14/41

drafts

7/12/42

7/13/43

Commissions - 10791 - 20

Copy for 663. 14 Nov