



EAST AFR. PROT.
 UGANDA SOMALILAND
 No. 28804

DOMESTIC
 G. O.
 28807 103
 13 AUG 07

in Agents
 1907
 of previous Paper.

(Subject.)

concessions to Uplands of E. Afr. Synd.

Draft concession is in course of preparation but before proceeding further asks for info on points mentioned.

(Minutes.)

Mr. Read

Par. 3.

The provision of a certain sum to be used only for the development of the property shall be secured by the insertion of a clause in the Co's Memorandum of Association & by requiring each of the Mgt. to deposit the books of the Co. & to declare the same void if the condition is not fulfilled.
 par 4. The sum to be subscribed shall be £40,000.
 par 5. The royalty is out

to the effect of 1/4th of 21 1/2 years on land property

... of 1152 ...

600
 29 321

I think that the *Synthetic* should
be allowed to inflate the number of
the first purchase without further
restriction than the payment of
the royalty
par 8. I do not quite understand
what the arrangement about the
making of the temperate forest area
is to be, but no doubt you under-
stand.

par 9 Tell the C. C. Co. that the
Forest Rules only apply to
Crown Forest, & therefore they
are not applicable and generally
to concessions by which the Crown
alienates forest areas

13/8

to: Antelope
to: Coon

With regard to par 8, the amount
will be as follows. From time to time
a sufficient number of trees in the
forest will be ripe for felling to make
it worth while for the Govt. Forestry
Dept. to put them up to auction.
The forthcoming sale of these trees will
be publicly advertised, the *Synthetic*

... will have an opportunity of competing with other bidders for the purchase of the trees in question. If they are successful they will have the right to cut these particular trees & use them for their purposes, subject to the forest presery regulations. If they are not, they won't have the right.

Or, again, the forest may advertise in the Gazette that they have so many cubic feet of ^{firewood} timber to dispose of at such & such a price, & the Syndicate will then be able to buy as much of it as the require, if they are not anticipated by other purchasers.

I think that the best plan will be to send the Com. Agents a copy of 19735, from which they will see what is proposed.

otherwise proceed as suggested by Mr. Ellis - & send copy of proposal to the Govt for info. L.P.?

H. J. R.

W. H. R.

19/5

James H. R.

194/8

at once.

H. J. R.

19/5

ALL COMMUNICATIONS TO BE ADDRESSED TO THE COLONIAL AGENTS FOR THE COLONIES, THE ABOVE REFERENCE AND THE DATE OF THIS LETTER BEING GOODES.

C. O. V.
28807 165
REC
DEC 13 AUG 07



WHITEHALL GARDENS
LONDON S.W.
-CORNHILL STREET LONDON-

12th August 1907

East Africa Protectorate.

Sir,

I have the honour to acknowledge the receipt of your letters No. 23005/1907 of the 5th of July, No. 26373/1907 of the 30th of July and No. 26914/1907 of the 7th instant respecting the proposed lease of land in the East Africa Protectorate to the Uplands of East Africa Syndicate.

2. The draft concession for this lease is in course of preparation, but before we proceed further with it we shall be glad to have the Secretary of State's instructions on certain points.

3. The conditions on which the lease is to be granted include an undertaking on the part of the Concessionaires to spend £10,000 a year for the first three years on the property, and a sum of £30,000 at least must be subscribed and made applicable only to the development of the property. A condition of this kind may be secured in the Agreement in either of two ways, (1) By having the money placed on deposit as a special fund in the joint names of the Crown Agents and representatives of the Company as trustees, or (2) by requiring that money to the required amount should be gar-marked to

Under Secretary of State,
No. 10, 11, 12,
Colonial Office.

the

the purposes in question in the Company's Memorandum of Association. An example of the first method is clause 22 of the Trinidad Floating Dock Concession dated 28th September 1906 and of the second is clause I (b) and (c) of the Mabira Forest Agreement (Uganda) dated 1st June 1906. The first method, by which the payment of the money is placed under our control, and under which as a rule cheques are issued only on applications from the Concessionaires supported by certificates, undoubtedly offers the better security that the money will be properly spent; and where a concession relates to a work of general public utility such as a railway or dock, we think it desirable that control should be retained by the Government in this manner. In the case however of an enterprise of a private nature, such as the one now under consideration, we are disposed to think that it is not desirable that the Government should be too closely identified with the undertaking and the alternative procedure would appear to be preferable, leaving the responsibility to the directors of the Company but reserving power to the Colonial Government to inspect the books and accounts if they desire to satisfy themselves that the conditions of the concession are being observed. We therefore propose, if the Secretary of State concurs, to adopt the latter method in the draft of the present concession.

4. The Syndicate is to spend £10,000 on a basin factory in addition to the £20,000 referred to in the foregoing paragraph; we conclude accordingly that the sum required to be subscribed and set-marked should be increased to 240,000.

5. With reference to paragraph (e) of your letter to Mr Goldsmid of the 11th of June, I have to enquire

whether

whether the royalty is to be paid on produce exported after the first three years only, or also during the first three years.

6. We presume that the royalty will be payable in produce sold as well as produce exported.

7. There is no reference in your correspondence with the Syndicate to rubber collection. We propose therefore simply to provide that the lease shall be subject to the Forestry regulations in force from time to time in regard to the collection of rubber.

8. With reference to timber and wood for fuel, the intentions expressed in paragraphs 4 and 5 of your letter to Mr Goldmann of the 23rd of July are not quite clear to us. Will the forest be worked by the Government and the Syndicate concurrently, and is the notification of all sales to the Syndicate to be given with the object of informing the latter of the price which they will have to pay for timber and fuel cut by themselves?

9. If any forestry regulations (for timber, rubber &c.) have been issued in East Africa as well as in Uganda and Somaliland, it would be useful in connection with the drafting of concessions if we could be supplied with copies of them in duplicate. A simple reference to the regulations might in many cases save the necessity of detailed provisions in the concessions, and it is of course desirable that the latter if necessary should be drawn up with reference to any regulations that may be in force.

I have the honour to be, Sir,
Your Obedient Servant,

25th May



C. D.
R. 15
D. 11

Sept 28 1907

E.A.P.

168

DRAFT.

C. D. G. to

Recd 25/7/1

J. W. G.

16th August 07

Gentlemen
I am directed by the Secy of Elgin to acknowledge the receipt of your letter see file on the E.A.P. 26 on the subject of the proposed lease of land in the E.A.P. to the officers of E.A.P. and to reply to your enquiries as follows:

* Copy for 252 20 Aug 07

MINUTE.

- Mr. W. H. 15/8
- Mr. Head 15/8
- Mr. Jones
- Mr. Adams
- Mr. Cox
- Mr. Lucas
- Mr. S. Wood
- Mr. Chapman
- The Secy of Elgin

7/1 28/07 other
the Secy of Elgin (27)
32

4. The Royalty of 2 1/2
percent, to be made
payable on all produce
sold or exported during
by the Co., except during
the first 3 years of the
lease when only the
ordinary export taxes
levied on all persons
will be payable.

5. There are no general
rules for rubber collection
in force in the E. A.P.
yet is not intended
to subject the Pyandi-
cate to any restriction
in the matter of the
exploitation of rubber
or other forest produce
within the area of the
land or at the coast
devoted to them, except