DOMESTIC C. 0. EAST AFR. PROT. 5900 Arc 17 FEB 08 No. 5 9 0 0 e or Individual ldmand 5 1908 Uplandod E Africa Syndt 177cl. Asko that Gort will be contented of fro , ood watered of froors is about on creat line , during first 3 yrs. If soos on the bacon industry grayen gorts about to you put heart on fisher (Minutes.) previous Paper. 7665 Mr. Ready Law molling whiten to do with this fight. The first fight wer that a mallion franches would be ofent by He Syntiste your they we work to be \$25,000. Mandaling phored the looking garepette hand with the by of wastineting of rectures anneds, and I del take on cuty of always absequent Paper. 6-1331

of bunging the mightistion to an Interibed They were going ? 2210 and I I do not think their he said, to have a meeting will be any difficulty in productly duralfing the continual for moderate lines by the world maximum tomorrow to comiles what They should be in Thise circums with the gotter time to Spend & 30 000 in the first Three years on the wast lands 10,000 aucs. 119/18/2 and \$10,000 on the bacon I understand that we followed wants factory the thought that, a reply by to minimum mining, but the if the Col. Office w? afree informate to less with an important to let then spend only La,000 question I the Kind it such that Just \$5000 in the first three. whise. I would tall him that his gaso, they wi be justified populs your ample with + that from days must clapse before in unking a befinning with The capital which they had. Ht. S. IS: ca fine him an answer Got. (The total amount chich - i the bring the whole metter they have to spend is \$100,000 before the comme ct. on the court and and \$10,000 H. JR. on the bacon fuctory; but it they so decide they ming keep In foldman collect here goter -ly hid that the Sondiente 3/1 the of the area sayong the when they have spent \$30,000, and with they had got to ,000; But reign the rest.) This owing to the firminal exists In. Soldman wheel whether (and (set 1 45,000) had been

it is be popile for him to paras before timorrows meeting This metter was considered by the whether the lit off a world Concessions Committee at Meis he willing to satisfie his neeling y the 25 th g Sobruey and proposed I was spred that I we he in: I was divided to recommend they the modifications of the draft apremise I agree in Minking Hout proposed by h: Gredmann, most The matter should be considered the Concepions Committee at in hi cher home mother of fort I doubt whether the the 21th of Rhomas (on 5,000) state land is as valuable as he Ollis tames, and I am be accepted instinced to think that it Rg 26 86. I be will to entertain he Coldinan's proposal. at mes. Ahr. 26 18 14.2 R. Bur Luchitte Harin Le Consepsion Committee Certains. I will award he may find the smaller some from from the state of the smaller area. This appear he a work in proper to anning already ! I shink from the Company of famuratus M. Godne \$ 192 due large hach of husburners combig to when no opinion beater ments I when no opinion beater to observe that the formand hasting in which we my admin to

London, Wall EC. ().
175% February 1908 5900

Rast Africa Protectorate.

Rect 17 FEB 08

Ras Muaka Senge Concession.

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 250,000 in the development of the area within the first
3 years of the grant of the loncession and in addition, that
they should establish a basen industry at a cost of glo,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

21-11-19289

.0

the then easier conditions of the mency warket. Since Hag.

1907 a very serious financial crisis has arisem, 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 ceast line during the first three years, and £5,000 on the bacen industry.

I should also add that the Syndicate have been awards 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 atthomas the

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 Colons 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 haveunavoidably been lost for planting and that the Syndicate are anxious to commence work as soon as possible.

I should also like to sall 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 ver heavy duty on the export of the fibre plant(said to impose a

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,

Madmouse

The Under Secretary of State,

London, S. W

MR PRAT

I should have mething 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.

10/3

I understand that Mr. Toldman 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 Compossions Committee

4.J.B.

hat he Symicate had preposed not to stary 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 the

circumstances. Under the repeased arrangement with the Jewessent they have to spend £30,000 in the first three years on the coast lands and £10,000 on the back. 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 assount which they have to spend is £100,000 on the seast lund and £10,000 on the bacon factory; but, if they so decide, they may keep 3/10ths of the area when they have spent £50,000, and resign the rest).

Yr. Goldman asked whether it would be possible for him to know before temorrow's meeting whether the Colonial Office would be willing to entertain his preposal. 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.L.A. Feb.18

Mr. Churchill; Lord Elgin,

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

PUBLIC RECORD OFFICE, CONTO

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

F. S.H.

Derbarnly.

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

W.F.C.

I will await the opinion of "onceasions Committee before I express any.

E.10/2

By Mr.Churchill's instructions I interviewed Mr.doldmann. We discussed the various points outstanding in regard to which the Company objected to the draft concession (59848) 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

They should spend £30,000 in the first three years
on the coast area and £10,000 on the Bacom Factory.

- 2. That they should then be granted 105,000 acres on ease at the coast at a rent of £1,000 per annum for 9 years, plus a royalty of 21%.on produce exported.
- . That they should have the option of acquiring a ease of a further 245,000 acres by spending £7000 in ach of the next ten years paying the same royalty and thout increase in the rent.

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

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

heartwield I anoliverment a titide and the

-the sinted suctant mit heastrests by . apusbloi . sensing the reserve to eprop the Company Optonor at animals and to denotes to (19846) and there appeared to be a all as for , registry militar to frequery alderesses rediture and according to all a state and for a turbos information from the flower open none of them. I do not on the titles at not a repta decipies at assist on the greet to noticed in 1900) as to the reduction of the some to be spent in the circl barre yours of the lease.

gett and many sparkingth at improvements out they should really one on the filt of three blace with Trerpat namet ell no doo, out the seus Jason said ng acros 000, out hernary od nest bisons vails cast to of the count as a read of \$1,000 per minus for her recire cambern of the to volume a ante entre that they should have the souther of mostring a but the further sellend and on by seconding 17000 in him attempts such antend spring man two and to do winer and mi constant apoint

Yim Clade verd hand season was mandish in a man cannot bears out no coo, and brage as many half to of feet transport moses and no pool as are stands of cussed at an shore of them one, on our sais makely things on them care many trainer are universe . Blife purchase and respect of place. to his one to proposed of at one one care and busin 900, be 95, before a since want since not next tenns or had

5. That if the Syndicate desire a lease of the ming area (280,000 acres) they will spend £10,000 ich of the next eight years on the coast property: pat eventually \$100,000 will be spent in 11 years ad of in 13, and also will spend between the 3rd ith year a further 25,000 on the Bacon industry s 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 asonable 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 31d. an acre, plus 21% on produce exported

W.D.E.

21.2.1908.

H.J.R.

21.2.1908

the are proposed that seems a loss of the state of the st

I think that this anominant is not as asseld persuble as if at the was of three years that the paying the nat it inchestants rest of \$1,000 per arms on 70,000 is say blue before on process on 20,000 to say blue of a say of an arms.

A.D.F.

42. S, \$908.

H. J. R.

BOYL. L. ENG

13900 233 28 Feb.04 Wa toyour letter Of Goldmann 6. of the 14 Hinst um directed by the End of Elger to MINUTE. infum you that se Real 27 her figured to Mr Just. appear the arrival. Mr. Antrobas. 27 Mr. Cox. mest of the drift Mr. Lucas. Constant to the Sir F. Hopwood Mr. Churchell. 18 1 - 7 Whit I. A. Paper The Earl of Blgin. fu wom. rate on the following un femined them a way entyrifty) a) Therent to be . firt on the last him Effrages to you a in the first 3 years el. 10(1) teleneduced

(d) The amount to be spect from \$30,000 to \$20,000. on the Racon in Listing in the past 3 years chiqs (b) the amount of the thindured toggst. land telegranted at from \$10,000 to \$5,000 the end of 3 years as for the first first on the understanding of the miledule, to be that the Synticate will And this own or the nedered fro nata Factory alone, waring from 105,000 auco this mygeter that me Ald he find on (e) In the wort of the the fundant farming propredicate, set the end of He zyears, desiring (4) The Syndicate will to take alease of. sfired a further \$ 5000 the reminder of the on the Bacon Ladustry land, studied in the 2nd fait of the noteful's bluer the thirty, and of the third of the they ongrye to find, end of the pallyer \$10,000 ayer on the of the lund, willy Hey can show to the lighty is call of the met right years, instead stisfaction of the gov that thereis no fity, boo in sail of the next ter year.