



EAST AFR. PROT.
1217

C O
1217
L.D.
R.G. 13 JAN 11



Colonial
Date
1911
13 Jan
Last previous Paper
38479

Anglo-Siam & Progan Concessions

Memorandum of interview with Mr. Progan
10 January

W. Read.

See memo. 8 minutes within.

gAB

Jan. 13.

W. Fisher

I am sorry that I was prevented by illness from being present at this interview, but Mr. Butler has more than adequately explained me. I think that we should proceed as proposed.

H. J. R.

W. Hammond

I agree. H. J. R.
I agree. J.S.
18.1.

To Sir L. Guinness 31 Jan ✓
copy to Mr. G. 18 Feb ✓
copy to Mr. G. 17 May ✓
copy to Mr. G. 17 May ✓

But what is going to happen to the
cost in the future if they surrender
to sole of their water & outage.
I should like further consideration
of this before final account

H. 18

No. 7

You & I understood from Sir P.
Ground the morning that he had
persuaded Mess^r Samuel that the
proposed arrangement with Capt. Pagan
was not a satisfactory one & that
they would do well to stick to their
original idea of a site on the
marshland where they would have more
allow room & where their stuff
could be more easily handled. It
appears that the water footage referred
to above consists of parts of cliffs
5.5 ft. high ~~with~~ with intervening
ravines, & that it is not suitable
for Mess^r Samuel's operations.

I imagine we are dealing only
with

which Sir
Pagan has
had the
required by
the Mess^r
and respectively,
to Pagan's
intention.

Shown at
the
of the
arranged
map.
x y

with Capt. Pagan for the moment, 27
should Mess^r Samuel eventually demand
(which is very unlikely) the surrendered
portion we shall be in no worse position
than we are now. Apart from this
however, it will be seen from the
accompanying map of that Capt. Pagan's
land is well away from the land
which the port requires for its dep^t
Pagan's scheme. I think, therefore, that
the matter may safely be forwarded

H. J. R.

23/11

Mr. Hancock has the above minute & the
sketch map below. - As matters stand, now
the it appears we shall try from Samuel
wide part of the main land there not at the
time I think, though in any case I do not
understand how the proposed scheme could
be carried out to Pagan's purpose for a point to
at the landing.

With the explanation the proposed
arrangement is for Mess^r Samuel's
arranged in the
Pagan 23/11

Yes H. 26.1.11

On the 10th inst, in Mr. Read's absence, I had a very long talk with ~~Mr.~~ ^{Capt.} Grogan, in pursuance of the recommendations made by the Concessions Committee in the minute attached to Gov. 4479. Sir Percy Girouard was present at the greater part of the interview. Mr. H. T. Allen was also present to take notes. I am indebted to him for the useful summary of the conversation which is attached to this memorandum.

It will be seen from that summary, that ~~Mr.~~ ^{Capt.} Grogan's solicitors are going to write formally to this Office and explain how Mr. Grogan is legally empowered to deal with Mr. Lingnam's ^{concession} as well as with his own. It would appear from what ~~Mr.~~ ^{Capt.} Grogan said that they will have no difficulty in satisfying the Secretary of State on this point. In the meantime, any suggestion that an arrangement should be made with ~~Mr.~~ ^{Capt.} Grogan must be understood to be conditional on his solicitors supplying the assurance indicated.

It is only possible to obtain a detailed knowledge of the situation by reading Gov. 436479, its enclosures, and the extract from the minutes of the 39th meeting of the Concessions Committee attached to that paper.

As the question must now go on to the Secretary of State, the following brief summary of the situation may be useful:-

Messrs Lingnam and Grogan hold between them concessions under which they claim 128,000 acres of "workable forest", plus any land which it is necessary to include

The letter has now come, I shall send it on separately through Mr. Grogan's solicitors. See 1285.

J.P.B.

include ~~within the area~~ for the purpose of obtaining that amount of forest. Mr. Grogan holds, in addition, a concession of 100 acres of land bordering on the harbour at Kilindini, the value of which is great already and will be greater in the years to come. The term "workable" appears to be incapable of satisfactory definition, and can be and has been used by the concessionaires to support very large claims. There are also various complications owing to communications which have passed locally between the concessionaires and Government officers. It appears to be established that the concessions in their present form cannot be worked, and the Government have instituted proceedings for their cancellation. The *local* Government's legal adviser now says that the Courts of the Protectorate would probably not give judgment in favour of the Government, and Sir P. Girouard accepts this opinion. In these circumstances an attempt has been made in the Protectorate to come to some understanding with Mr. Grogan with regard to all the concessions. The negotiations have so far resulted in the provisional agreement which will be found on pages 20 and 21 of the printed enclosures in Gov./38479. Mr. Grogan and the *local* Government have arrived at an understanding on all points except three, which are clearly indicated towards the bottom of page 21 of the enclosures referred to.

The papers have been considered by the Concessions Committee, who were of the opinion that it was very desirable to arrange a compromise, if possible. Of the three outstanding points, that relating to royalty may be regarded as settled, the Chief Conservator of Forests, Mr. Hutchins, a very skilled forestry officer, having *eventually* *eventually* agreed to Mr. Grogan's proposal that a royalty

of Rs. 1.38 per 100 cubic feet ^{shall be} taken as the equivalent of the royalty of Rs. 2 per tree provided in the original ^{and the} *provisional* agreements. By conversation with Mr. Grogan was concerned mainly with outstanding points ⁽¹⁾ ~~one~~ and ⁽²⁾ ~~two~~.

(1) The provisional agreement provides that the licensees shall pay a fee of Rs. 6,000 per annum in advance, but ^{that} they shall be entitled to deduct from the royalties payable in respect of trees cut in any year the amount of the licence fee payable in the same year. Mr. Grogan pressed very strongly that this stipulation should be so altered as to enable him to deduct licence fees from the royalties whenever paid. Under such an arrangement it would of course be possible for him not to work the concession for a number of years, and yet, when he did work the concession, to diminish the royalties payable by the licence fees paid in past years. Under the Government proposal he would, ^{on the contrary,} ~~of course~~ have every incentive to work his concession at once, at least up to the point at which the royalties payable equalled the licence fee, otherwise any amount by which the licence fee exceeded the royalties payable in each year would be lost to him for good. As the result of the arguments detailed in the attached summary of the conversation he professed his readiness to accept the terms of the ^{provisional} ~~first~~ agreement on this point, subject to an arrangement being come to on point number

(2) namely, whether he should be given a licence to cut timber in the forest lands lying between the area already surveyed on his behalf under the old agreements ^{and} ~~of~~ the Uganda Railway. He claims this right (and even more) in satisfaction of the old agreements, which purported

to give him 128,000 acres of workable forest, whereas the area already surveyed is admitted to contain not more than 80,000 acres ^{of forest}. It will be seen from the summary of the conversation that Sir P. Girouard saw no objection in granting him, as part of a compromise on the whole question, the right to cut timber in this new district on the terms stated in the provisional agreement with regard to the area originally surveyed, subject to one important reservation. Under paragraph 2 (5) of the provisional agreement Mr. Grogan has the option of taking up within the "original" area any glade land included in the 80,000 acres of forest contained in that area at a rental of 2 cents (10. per annum). The Governor held that he could not defend the grant of an option to take up glade land in the new district, which is close to the railway, on such favourable terms. Mr. Grogan's idea in securing this option is to protect himself against the risk of fire which he would run if these glades were let out to other people for agricultural or grazing purposes; but the possibility must not be lost sight of that he might find it even more to his interest to retail such glade land for agricultural and grazing purposes, if the price of such land in the Protectorate advanced, as it probably will. It was further arranged that, within this new district, the option to take up the included glades should be coupled with such terms as the Governor may fix at the time at which it is desired to exercise the option. Sir Percy's original idea was to provide that any glade land so taken up should be ^{taken at} the price which it would fetch if ^{the lease of} it were put up to auction. The difficulty of putting up the land

to auction is, however, that it would be well known for what purpose the price was being determined, and it would thus be possible for competitors or enemies practically to blackmail Mr. Grogan by threatening to force up the price. On this point, therefore, I think we must trust to the Governor's desire to fix such a ^{rental} price for any glade land ^{in the new area} taken up by the exercise of this option as may appear to him to be fair in all the circumstances at the time. It will at any rate be higher than the 1d. per acre provided in the provisional agreement.

The balance of important results which would be secured by coming to an agreement with Mr. Grogan on the lines indicated are as follows:

(1) Mr. Grogan gives up the concessions under which he claims 128,000 acres of "workable forest," plus all glade land which it is necessary to include in order to obtain such an area of workable forest ~~and under which he has the right to take up all such glade land at rates which average 1d. an acre for the two concessions.~~

He gets in exchange 90,000 to 95,000 acres of forest, not necessarily "workable", that unfortunate term being now excluded from the arrangement. He has also the option of ^{renting} ~~taking up~~ the glade land within such forest at 1d. an acre within the area originally surveyed, and on such terms as the Governor ^{per annum} may fix between that area and the railway. The original agreements to lease were for 50 years; the new one will be for 46 years.

He gets in addition a lease of 5,000 acres of land which is not forest land within the area originally surveyed, at a rent of 1d. per acre per annum for 99 years.

to auction is, however, that it would be well known for what purpose the price was being determined, and it would thus be possible for competitors or enemies practically to blackmail Mr. Grogan by threatening to force up the price. On this point, therefore, I think we must trust to the Governor's desire to fix such a ^{rental} price for any glade land ^{in the new area} (taken up by) the exercise of this option as may appear to him to be fair in all the circumstances at the time. It will at any rate be higher than the 1d. per acre provided in the provisional agreement.

The balance of important results which would be secured by coming to an agreement with Mr. Grogan on the lines indicated are as follows:

(1) Mr. Grogan gives up the concessions under which he claims 125,000 acres of "workable forest, plus all glade land which it is necessary to include in order to obtain such an area of workable forest ~~and under which he has the right to take up all such glade land at rates which average 2d. an acre for the two concessions~~.

He gets in exchange 90,000 to 95,000 acres of forest, not necessarily "workable", that unfortunate term being now excluded from the arrangement. He has also the option of ^{renting} taking up the glade land within such forest at 1d. an acre ^{per annum} within the area originally surveyed and on such terms as the Governor may fix between that area and the railway. The original agreements to lease were for 50 years; the new one will be for 40 years.

He gets in addition a lease of 5,000 acres of land which is not forest land within the area originally surveyed, at a rent of 1d. per acre per annum for 99 years.

The

The area in which Mr. Grogan's rights would ^{now} be exercised amounts in all to about 170,000 acres. Of this it is estimated that from 90,000 to 95,000 acres is forest of various sorts, ~~and possibilities~~ and 20,000 acres glade land. The rest has already been surveyed out and allocated as farms, or is composed of scrub, bamboo, and other useless country.

(II) He surrenders half of the very valuable 100 acres which he holds at Kilindini, including half the water frontage.

(III) He now agrees to work under forestal conditions arranged by him with the Chief Conservator of Forests. Under the old agreements he might have clean felled all his forests, with the exception of the very inadequate reservation of five trees per acre, conditions which the Conservator of Forests denounced as impossible. Under the new conditions the forest may be marked, at the discretion of the Forest Department, either for 20 years rotation, or 44 years rotation, or for clean felling, as may be deemed advisable *from time to time*.

(IV) As a whole there ~~are~~ ^{is} substituted for unworkable concessions, which the Government ^{apparently} could not ~~apparently~~ cancel, a concession which it is believed can be properly worked, and ^{which} if worked, should ~~benefit~~ ^{benefit} the Protectorate greatly.

For my own part I have no hesitation in recommending that an arrangement should be made with Mr. Grogan on the lines of the provisional agreement enclosed in Gov. /38479, as modified by the arrangement provisionally agreed to by him with regard to licences to cut timber in the area near the railway which is described under head (2) ^{above}. It will be seen on reference to the previous

papers that the idea of both Lord Elgin and Lord Crewe in approving of proceedings being instituted for the cancellation of the leases was rather to compel Mr. Grogan to accept ~~the~~ amended conditions than to drive him out of his concessions. As I have already said, the Concessions Committee are of opinion that it is very desirable that a compromise should be made, if possible.

A certain complication was introduced into the discussion by the mention of Messrs Samuel and Company and their option to take up a lease of the soda deposits at Lake Lagadi. Under their agreement with Messrs Samuel and Company, the Government will be bound to provide them with a site of Crown land, free of cost, for a pier and wharves, warehouses, etc., at Kilindini or in the neighbourhood. It appears that they have cast their eyes on the area of 100 acres now held by Mr. Grogan at Kilindini. It will be seen, ^{from what} ~~however~~ Mr. Grogan said that he is prepared to do rather more than give up half this area with half its water frontage as provided in paragraph 3 of the provisional agreement and that he will go to the length of giving up ^{part of} ~~the whole~~ of his own frontage, ^{reserving} ~~with the exception of~~ 500 feet (which he considers will be sufficient for his own purposes) and will, with this reservation, agree to Messrs Samuel and Company being

+ n. 6. The whole water frontage is 1500 feet. Messrs Samuel & Co. say, I understand, that they want 1000 feet. Their requirements, therefore, would absorb the whole of the Govt's water frontage + 250 feet of Mr. Grogan's. He would find his reward, of course, in the value of his property. 2003

being allowed the whole area they want out of the 100 acres, and will then himself divide any balance left with the Government. The precise effect of this depends on the actual area which Messrs Samuel and Company require, but Mr. Grogan evidently contemplates getting as the result appreciably less than half the area. If this arrangement were made, the Government would be in a position to satisfy Messrs Samuel and Company without incurring any expense, and would still have some of the back blocks of the 100 acres at their disposal. Before anything can be done in this matter, it is necessary to await the formal proposal which Mr. Grogan is apparently going to make to Messrs Samuel and Company, and ^{which} they no doubt will retail to us, and we must also await the exercise by Messrs Samuel and Company of their option to take up the concession of Lake Lagadi, ~~as we~~ ^{understanding} that we ought to have a definite decision from them on this point before very long.

The best procedure would be to let the arrangement with Mr. Grogan go through on the lines contemplated, without taking any account of the wishes of Messrs Samuel and Company. If Messrs Samuel and Company exercise their option and apply to the Government for a harbour site before the arrangement between the Government and Mr. Grogan is definitely concluded, it may then be possible to introduce the appropriate modifications into paragraph 3 of the provisional agreement. Otherwise, ^{what is necessary} ~~the same result would be secured~~ ^{could be done} by the conclusion of a supplementary agreement with regard to the area at Kilindini.

A
ack

*San P. forward
was not pressed
during this part
of the discussion. He
is not sure that it would
be better to have
the Govt. to pay for
Samuel & Co. to take
But he agrees that this
can be considered when
a definite proposal
is before us, & that, in
the near future, we
should proceed as
before at A.*

flab
Jan 13



Memorandum of Interview between Mr Grogan, Sir E.P. Girouard, and Mr Butler on Tuesday 10th November 1910

Mr Butler explained that the interview had been arranged for the purpose of considering the proposals submitted by the Governor, after discussions in the East Africa Protectorate, for settling the outstanding points of difference in regard to Messrs Grogan and Lingens's concessions. Any conclusions arrived at in the course of the interview would, however have to be regarded as ad referendum the Secretary of State, to whom the papers had not yet been submitted.

At the outset Mr Grogan expressed his willingness to accept the terms of the Provisional Agreement subject to a settlement of the three points specified in the Crown Advocate's memorandum of the 9th November 1910 (last enclosure in 38479), viz:-

- (1) Deduction of licence fee from royalty.
- (2) Licence to cut timber between the area surveyed by Mr Coryell and the Uganda Railway.
- (3) The method of computing the royalty.

In the course of the subsequent discussion it became clear that the prospect of a settlement with Mr Grogan as to (1) was dependent upon the attitude of the Colonial Office in regard to (2) - the two points were therefore discussed together.

Mr Grogan said that he had always understood that, as the initiator of forest development schemes in the Protectorate, he would be granted preferential treatment

Handwritten marks: 217, 0, a/b, checkmark

Handwritten: + M

Handwritten: Concession = 7100 - 20

treatment; but that, as a matter of fact, later comers had obtained grants of forest land on more favourable terms than himself. It was true that his concession comprised the best forest areas: but, subsequent to his negotiations, the position had altered to his detriment, since Dr Atkinson and Lord Delamere had been permitted to acquire areas of forest land situated on the flanks of his concession but nearer to the railway. These areas were granted on more favourable terms than he had himself obtained: for, at the time, it was understood that the land granted to Dr Atkinson and Lord Delamere was wholly pastoral, and the usual licence fees and forestal conditions were therefore not imposed. These grants had handicapped ^{the farmer} ~~him~~ and he considered that he had a valid grievance, as he could not compete in the local market with his more favourably situated competitors. For this reason he could not work his concession profitably at the present time, and as the action of the Government had placed him at this disadvantage, he did not think it fair that he should be further penalised in respect of the licence fee.

Mr Butler pointed out that, in view of criticisms which had already been levelled against the Government ^{for} failing to insist on some provision for the adequate working of another Concession in the Protectorate, it was essential that some provision of that nature should be inserted in the agreement in order to ensure the prompt working of the concession, and he thought that the incentive of recovering the licence

He refers to the original concession made by the F.C. H. J.R.
the Waqada Joda reports.
2/23.

licence fee in each year was the best means of attaining that object.

Mr Grogan agreed that the Government must safeguard itself against criticisms of the nature referred to, but he maintained that the concessions to Dr Atkinson and Lord Delamere had deprived him of the local market, and that he could not work his forest profitably, as, owing to the expense of getting to and felling the trees, he could not at the moment dispose of the timber except at a loss: and he did not consider that he should be further penalised for failing to work the forest on those terms. On the question of access to the concession, Mr Butler pointed out that Mr Grogan had apparently at one time advanced the contention that the Government was committed to the construction of a Railway. It was necessary to guard against any inference that, by granting the concession, the Government was under any obligation to build a line to it. Mr Grogan said that he had never intended to convey such an impression, and he had never had any intention of advancing such a claim.

As it appeared that Mr Grogan's objection in regard to the licence fee would be met if he were granted additional areas with access to the railway, the discussion then turned on point (2), i.e., the grant of licences to cut timber between the area surveyed by Mr Coryell and the Uganda Railway.

Mr Grogan contended that he was entitled to find a further 40,000 acres and that his right to licences

licences over additional areas continuous with the area surveyed by Mr Coryell had been admitted locally. He was, however, willing to accept instead the area specified in the last paragraph of part (1) of his letter of the 15th September 1910 (encl. F. in 38479) if granted on the same terms as the defined area.

The Governor said that there would be considerable opposition locally to the grant of licences on the terms suggested, as the ordinary forest terms were much more stringent. Mr Grogan contended that he was entitled to more favourable terms than those who came later; and that, as his forest was 150-150 miles from the coast, the concessionaires nearer the centre of sale had in fact obtained their concessions on more profitable terms than himself. The Governor had no objection to the extension on principle - the question was really one of terms. Mr Grogan was then asked as to his intentions if the additional licence were granted to him; and he explained that he proposed to start from a suitable site near the railway, and to work back in the direction of his original concession - opening up roads to it as he went. The result would be to hasten the time when he might profitably work the area surveyed by Mr Coryell. The total area ^{which he would then have rights} then granted to him would be 170,000 acres, of which 90,000 to 95,000 acres would be forest (as against the 128,000 he claimed), - the rest being made up of bamboo, scrub, and broken forest with a substantial area of good grass land amounting

per. to
to not more than 20,000 acres in all.

The Governor said that he would be prepared to face local opposition in regard to the grant of the licences on similar terms to those on which the original concession would be held under the provisional agreement, provided that a compromise could be arranged as to the exercise by Mr Grogan of his option to acquire the glade areas which might be included among the forest. After further discussion Mr Grogan agreed to waive, in respect of the new area, the right which would be given him by clause 8 of the Provisional Agreement of acquiring such lands at a rent of 6 cents per acre per annum, and to accept instead a clause giving him the option of acquiring such glade areas on conditions to be fixed by the Government at the time the ^{exercise of the option} ~~sale or lease~~ takes place.

This arrangement removed Mr Grogan's chief objection in regard to the licence fee, as under it he would obtain areas of forest which he could work at once, owing to their being accessible from the Railway. He therefore agreed to withdraw that objection, provided that the Secretary of State is prepared to approve of his being granted the forest rights in the additional *area* in question on the terms contained in the provisional agreement, subject to the modification as to glade areas mentioned in the preceding paragraph.

Point 3. Computation of Royalty. The point had been practically settled locally as the Chief Conservator of Forests had agreed that the equivalent of Rs. 2 per tree stumpage may be taken at Rs. 1.38 per

100 ^{cubic} ~~cub~~ feet, and the Governor had informed Mr Grogan that he was prepared to recommend the payment of royalty on the latter basis. Mr Grogan said the calculation of the royalty on the 100 cubic feet basis would simplify his operations and also his relations with the Forest Department as, in that case, it would be necessary only to consider the actual output of the mill. As regards Mr Hutchin's original objection upon the score of waste of timber, Mr Grogan said that there was no need for apprehension on that point, seeing that the amount of the royalty was small in comparison with the cost of getting to and felling the trees; and it would not therefore be worth his while to waste ^{any} the timber for the sake of saving the royalty. *upon it.*

4. Mr Grogan's powers to deal with Mr Lingham's interests. Mr Grogan explained that trouble had arisen between himself and Mr Lingham, and that it had eventually become necessary to proceed to the Courts of this country in order to obtain a definition of the partnership. The Court had empowered him to take charge of the position, and he now held a Power of Attorney under which he could enter into agreements, subject only to the confirmation of the Court. At Mr Butler's request he undertook to instruct his solicitors to write to the Colonial Office and explain the exact position.

5. Land at Kilindini Harbour, Mombasa Id.
Mr Grogan was prepared to adhere to clause 3 of the Provisional agreement, but he said that he had recently
been

been approached by Messrs Samuel & Company with
 a view to the surrender to them of a portion of the
 100 acres leased to him at Kilindini Harbour. He
 understood that the Colonial Office was committed to
 assisting Messrs Samuel in finding land for the
 requirements of the Magadi Soda Lake Concession, and
 they appeared to think that by selecting the site
 in question they could save a good deal on their
 capital outlay. Subject to ^{the} negotiations with the
 Colonial Office and to the retention of 500 feet
 water frontage for himself: ^{MR. GROGAN} he had expressed his
^{accommodation} willingness to ~~surrender all his rights in the balance~~
~~of the area desired by Messrs Samuel~~ as it would ^{be}
 to his interest if the latter's scheme were carried
 out. He suggested that Messrs Samuel ^{should} be given
 the area they desired, and that he should then
 surrender to the Government one half of the balance
 of the 100 acres, subject to the reservation of
 the above-mentioned 500 feet of water frontage.
 By so doing the Government and himself would each give
 one half of the area allotted to Messrs Samuel. Mr
 Grogan promised to write to Messrs Samuel expressing
 his willingness to meet their wishes, and telling
 them that a plan and statement of their requirements
 would have to be submitted to the Colonial Office.
 He also promised to send to this Office a copy of
 his letter to Messrs Samuel.

H.T.A.

11/1/10

is valid?
 is much more
 an half of the
 area frontage
 H.T.A.

new agreement being made with Mr Grogan on the terms of the provisional agreement enclosed in your letter, with the following modifications:-

(1) A royalty of Rs 1.38 per one hundred cubic feet should be substituted for the royalty of Rs 2. per tree.

Capt: (2) In addition to the licence mentioned in the provisional agreement Mr Grogan should be granted a licence

to cut timber in the forest situated between the forest area surveyed by Mr Coryell and the Uganda Railway, the boundaries of this ^{new} area being defined in the last paragraph of section (1) of Mr Grogan's letter

Capt: to you dated the 15th September last, a copy of which was attached to Mr Coombe's memorandum of the 11th October last. The terms on which this licence should be granted

should be the same as those contained in the provisional agreement with the exception that, all farms already surveyed

and seasoned in the new area should be excluded and that instead of being permitted

C.O. 1217.

905

55 30

DRAFT.

COLONEL SIR P. GIROUARD, K.C.M.G., D.S.O., R.E.

Downing Street,
27 January, 1911.

MINUTE.

Butler. Jan 27
Read 27
Fiddes. 27
Just.
Cox.
r C. Lucas.
r F. Hopwood.
l. Seely.
Harcourt.

G.
Down

Sir,

I am directed by Mr Secretary

Harcourt to acknowledge the receipt of your

letter of the 16th December relating to the
Forest Concessions of Messrs Lingham and
Grogan.

2. It appears from your letter and
its enclosures that your legal Adviser is
of opinion that the Courts of the Protectorate
would probably not give judgment in favour
of the Government in the suit which has been
instituted for the cancellation of these con-
cessions; that you accept this opinion; and
that you recommend that an attempt should be

38478

Copy to be made by you and sent to me

Copy of P. enclosure
of a...
sent to G. for
copy (12) Confidentially

17101220

38475

made

any
to take up "glade" land included in the
new forest area on the terms stated in para-
graph 2(9) of the provisional agreement. Mr Capt
Grogan should be required to pay for any such
glade land such a rental as the Governor, at the
Capt.
Grogan's exercise of his option in
fact should decide to be fair. It is,
to be understood that you will exer-
discretion ^{thus} which is reserved to charge
glade land taken up in the new area a
~~as would be secured~~ ^{as the area which} if the lease of
were put up to auction.
is to be understood that it is a part
Capt.
terms that Mr Grogan accepts the wording
graph 2(4) of the provisional agreement, by
the licensing fees to be paid may only
be deducted from the royalties payable in the area
^{in 1910}
for which licensing fees are paid and not from
royalties payable at any time during the currency
of the licence of the lease.

I desire to express my appreciation of the
care which you have given to this question, and of
the ability with which Mr Coombe has advised you

and

Captain
 come to some arrangement with ~~Mr~~ Grogan,
 legally empowered to deal with both ~~Con-~~
 as. It further appears that, as the result
 of negotiations in the Protectorate, a provisional
 agreement has been drafted, (a copy of which formed
 the basis of *Capt.* re No. 4 in your letter), which ~~Mr~~ Grogan is
 asked to accept, subject to an arrangement being
 made on three specific points which are detailed
 in ~~Combe's~~ *Combe's* memorandum of the 9th November last
 (re/5 in your letter).

Mr Harcourt accepts ⁵ your recommendation
 on the subject, and an interview has taken place
 between ~~Mr~~ Grogan at which the three outstanding points
 were discussed. As the result of that interview,
 Mr Harcourt is prepared to meet *Capt.* ~~Mr~~ Grogan's wishes
 on the ~~second and third~~ *second and third* ~~two~~ *in question*
 of the three points which were then ~~disc-~~
 and ~~Mr~~ Grogan intimated his willingness, if
 they met on these points, to give way on the first
 point, namely the question whether the licence
 fee, to be paid ~~under~~ *in each year* the new agreement should or
 should not be deducted from the amount of royalties
 payable ~~year by year~~ *in respect of the same year, but*
 not from the amount of the royalties otherwise paid.
 4. Mr Harcourt accordingly approves of a
 new

and conducted negotiations locally with
 Mr Grogan. I trust that on the lines in-
 dicated you will find it possible on your
 return to the Protectorate to arrive at an
 agreement *satisfactory to* ~~with~~ all concerned.

I am, etc.,

11
 Signed G. V. RIDDES.

AFT