

C.O.  
4902  
Recd. Feb 12

PROT  
4902



*What a new appointed  
... could address  
... to change to  
... of the Security post*

Number 66  
ward

EAST AFRICAN ESTATES LTD

Date  
1912  
January

Sends report on development effected by the Coy showing that though expd of £20,000 has been incurred, it can hardly be considered to be legitimate development of the property. Submits memo. of proceedings at meeting to consider matter. Calls attention to discrepancy in Col. O. Thomas' figures as given to shareholders and Govt. Considers position unsatisfactory and arbitration under Cl. 39 of Agreement necessary. States as to Bacon Factory.

Enclosure Paper

at Road

We have talked about this. The matter is one in which we must be sure of our ground, & must have clearly marked out the line which we intend to follow. There are various ramifications, as readily appears from reading the enclosures in this despatch, and here are various points also to be gone into on the previous papers. In the circumstances, we agreed that the most convenient course, and probably the most expeditious, would be to have the paper

*L. African Estates, Case 12, 1912*

Enclosure Paper  
119  
*[Signature]*

printed, when have a conference with the  
Tennison with a view to deciding on what  
grounds we can most safely go for the  
Company, and what ultimate arrangement  
we should aim at.

We have worried the Company on  
1/20/1917 that the Govt has reason to believe  
that they have not spent the sum of  
£20,000 as required within the first three  
years of their lease. The delay, if there is  
any, involved in the course proposed should  
therefore not prejudice our position.

H.A.S.

Feb 27

Mr J. Fisher

London as before

J.R.

27/II

and as quickly as possible

London 28

next page.

~~subject to approval~~ Mr Ridley  
We read Mr J. Fisher

We had a preliminary discussion  
today. The Govt has unfortunately  
sent us only statements of the  
details of the expenditure of £20,000  
and we have been informed that it is  
impossible to embark upon any serious  
discussion without the details.  
I have drafted a letter to the Company  
and have to be sent it as we  
intended to call to members under  
the lease

subject also a draft letter to  
the C.A. and we may as well get the  
leaves drawn locally, respectively  
that our letter may not get from the  
company

~~subject to approval~~ - the previous  
draft  
back to the C.A. as from  
the C.A. have actually received the first  
payment of £1,000 from the Company  
but I believe that in the



... for the execution of these ...  
... the ... rent ... to be ...  
... 1000 ... and ...  
... on the ... the first payment  
... (having been made) on 1st Jan 1912

Clause 34 states that the acceptance of rent  
on 1 Jan. shall not be so act as a waiver  
of any breach which may be committed to the  
order of the Court <sup>during</sup> the following  
period 12 Jan - 3 Oct. ~~...~~  
~~...~~  
~~...~~  
~~...~~

As so far as the Court has information & evidence  
from ... it must ...  
... will ...  
The Court ...  
states ...

JTR 2/3

11

4902

318

C O  
1902  
12

GOVERNMENT HOUSE,  
NAIROBI.

EAST AFRICA PROTECTORATE.

BRITISH EAST AFRICA  
January 26th 1912.

(No. 65)  
(Incl. 3)



Sir,

In confirmation of my telegram of the 5th instant and in continuation of previous correspondence, I have the honour to address you in regard to the East African Estates Limited and their concession in this Protectorate.

*for*  
*680*  
Mr. Tannahill  
Dec. 13th

2. In November last I instructed Mr. Tannahill

Mr. Barton Wright  
Jan. 4th

of the Land Department to inspect the development effected by the Company and to submit a report. This was duly furnished and is forwarded herewith for your information. From it you will perceive that though an expenditure of £20,000 has been shown it is more than doubtful whether it can be considered to have been made on the legitimate development of the property, more particularly in view of Mr. Tannahill's statement that a liberal value for the improvements, including tools, lease plant, &c., on the basis of increasing and outgoing Tenant Valuation principles, would be £10,713 as on November 30th 1911.

Mr. Dundas  
Jan. 18th

THE RIGHT HONOURABLE

LEWIS HARGREAVES, P.O. M.P.

SECRETARY OF STATE FOR THE COLONIES.

DOWNING STREET, LONDON, S.W.

-10718-20

3. Not being satisfied from this report that the Company had complied with its obligations as defined in the Agreement, I convened a meeting at Government House at which besides myself were present Mr. Rea, Col. Owen Thomas, Mr. Young, Acting Crown Advocate, Mr. Barton Wright and Mr. Tannanill. A Memorandum by Mr. Barton Wright showing what took place is enclosed herewith.

4. I would particularly invite your attention to the discrepancy between Col. Owen Thomas's views as to the cost of clearing labour shown in his statements and reports and prospectuses to his Directors and those which has advanced to Government. He will not say what is the cost of clearing and other expenses per acre of public land if cleared by shareholders and not more than £5 yet in the figures supplied to Government it works out at £12. Moreover the Company appears to have failed to keep a competent representative on the property, Col. Owen Thomas refusing to recognize as such its employee Mr. Ridler, who was in sole charge for more than six months.

5. Another important point is that raised by the Crown Advocate. Much of the development effected appears to have been on lands purchased from natives. As these are outside the concession from Government it would seem that expenditure

(5)

expenditure so incurred could not be recovered as part of the £20,000 which the Company is under obligation to lay out, and its failure to comply with the conditions laid down would be even more complete.

6. Taking all these points into consideration I cannot but regard the position of the Company as most unsatisfactory and I think that a resort to arbitration, as provided in clause 59 of the Agreement, will be necessary. In connection with this I would mention that Mr. Tannahill will be on leave from May next and his evidence will be available and would be of much assistance to any arbitrator selected.

7. In the circumstances it would probably be undesirable to take any steps for the concessionaires, though its acceptance could not under clause 34 of the Agreement be construed as a waiver of any breach of the covenants.

8. As far as the Bacon factory is concerned the Company appears to have fulfilled the conditions laid down, as far as can be judged from the enclosed report. Still I am not of opinion that this, though satisfactory in itself, is sufficient to compensate for the deficiencies under the main lease to which I have referred.

I have the honor to be,  
 Sir,  
 Your humble obedient servant,

GOVERNOR.

The Land Officer,

THE EAST AFRICAN ESTATES LTD. CASE.

In accordance with His Excellency's verbal instructions, I visited the Estate at Gani on November 29th & 30th, and met Col. Owen Thomas on the Estate.

My instructions were to report as to how far the development Clause is subsec. 1 of the lease of April 20th, 1907, had been carried out.

The Clause reads, as under:-

"The Lessees will during the first 3 years (Date:- The three years expire 24th October, 1911) of the said term lay out and expend the sum of £20,000 at the least in the development and improvement of the demised premises to the satisfaction of the Governor and such expenditure shall be made in addition to such moneys as the Lessees may lay out in the erection of a Bacon Factory pursuant to the covenant in that behalf hereinafter contained. The said expenditure shall be confined to such matters and things as in the opinion of the Governor relate directly to the soil and its products. The Governor or the Crown Agents may from time to time call for vouchers certifying such expenditure and the Lessees shall supply such vouchers to the Governor or Crown Agents."

In order to make my report it is necessary to clearly understand what is meant by this Clause, and I have searched through the Government White Papers dealing with this concession to ascertain if any special instructions were ever issued preparatory to putting this Clause into its present form:-

I find as follows:-

- (a) Col. Owen Thomas first applied for this concession on April 10th 1906 para. 3 of which letter reads "a minimum sum of £12,000 to be spent on the exploitation of the land within 3 years from the date of the granting of this application."
- (b) May 1st 1907. Secretary of State to Goldman - "To spend £20,000 on the development of the property within 3 years."
- (c) June 11th, 1907. Secretary of State to Goldman - "The

"syndicate



"syndicate to spend £ 10,000 per annum on the property in each of the "1st three years."

(d) Draft concession dated, 1907, Clause 10 - "During the first 3 years..... lay out and expend the sum of £ 30,000 at the least, that is to say £ 10,000 in each year in the development and improvement of the demised premises to the satisfaction of the Governor."

(e) Feb. 17th 1908 Goldman to Secretary of State - Asks that development be reduced to £ 20,000 which was agreed to Feb. 28, 1908.

(f) April 15th, 1908, Secretary of State to Uplands of E. A. Syndicate, para 7 - "the money dealt with in Clause 10/I should be confined to expenditure directly applied to the soil and its products, and that accordingly the cost of purchasing, transporting and erecting machinery intended for such direct application would be legitimately included, but not administration expenses (except the salaries and wages of persons habitually employed on the premises) or commercial agencies concerned rather with selling than producing."

(g) April 20th, 1910 - ~~1908~~ - Conditions as set out in full in para 2 supra and which are now in force.

5. It appears to be clear from the above extracts that development is removed from the category of a valuation and is confined to expenditure to the satisfaction of the Governor in regard to such matters as in the opinion of the Governor relate directly to the soil and its products.

6. Taking the figures as they appear in the Balance Sheet to June 30th, 1911, the expenditure is stated as follows:-

Expenditure to June 30th, 1909	£2,899. 0	
Expenditure from June 30th 1909 to June 30th, 1911	<u>14,738. 2</u>	
		£15,637. 2
Further expenditure to Oct. 9th 1911 as taken from counterfoils of cheques in the Bank Office	£1,045. 10	
Add proportion of General Manager's & Assistant General Manager's salaries pay	<u>400</u>	
		<u>£ 1,800. 10. 2</u>

Total expenditure as per accounts of Gov.  
up to expiration of three years.

£17,437. 10. 2

During my visit to the Estate I received every courtesy and assistance

3.  
 assistance from Col. Owen Thomas, all the books were placed unreservedly at my disposal and Mr. Lament, the resident Manager, explained any items that were not clear. I found the books kept on the estate consisted of a Journal, a Ledger, a Cash Book and a Wages Book with some very elaborate and valuable statistics compiled monthly by Mr. Lament.

The vouchers for these accounts are forwarded to the London Office monthly. Further that there are two accounts kept at the Bank. A No. 1 account on which the District Manager alone draws and accounts direct to the London Office, so that no record of expenditure on that account appears in the Estate Books. And No. 2 account which is used for the estate. Further all the working of machinery, &c. is done from the London Office, so that it is obvious on inspection of the estate books alone would be misleading, and to obtain accurate figures an inspection of the London Office Books and Vouchers must be made. Col. Owen Thomas had taken the very strongest exception to my valuation of October, 1910, when I estimated the value of the development at £2,510, and I endeavoured to ascertain why this particular estate should, according to its balance sheet, exceed in expenditure per acre what my experience in similar estates had led me to expect.

I found this was due to what might be roughly divided into three heads, viz:- (a) The exceptional salary of the General Manager, and his travelling expenses in connection therewith, also the large number of white men employed. (b) The heavy cost of recruiting labour and (c) the loss of time and money due to accidents and failures, partly through natural causes not to be foreseen but partly also to faults in the management of the Estate. On these three heads I propose commenting later.

9.  
 Of these three items, I had made what I still consider fair allowances in my previous valuation in respect of salaries and losses, but I find I slightly underestimated the cost of labour, and that my valuation in 1910 should be about £4,400 and £2,510.

10.  
 The following is a statement of the areas under cultivation at the time of my visits in 1910 and 1911 respectively:-

	1910 Acres	1911 Acres	Increase Acres
Rice	501	735	176
Rubber	500	777	127
Coconut	120	124	4
Floured land	73	77	4
	<u>1204</u>	<u>1613</u>	<u>181</u>
Estimate of value of buildings.	<u>2222</u>	<u>2222</u>	<u>122</u>

11. On the above figures I estimate that a liberal value on the basis of "Incoming & Outgoing Tenant Valuation" principles for the improvements effected on the Estate up to November 30th, 1911 is £2,400, added to which under the ruling set out in para 2 (f) supra must be the cost of tools, loose plant &c. I suggest the very large figure of £1104 arrived at by accepting without prejudice the Company's own figure for two years of £726 and adding 50% to bring it to three years. This addition brings the total valuation to £10,712.
12. The point now arises as to how far legally His Excellency will be able to prove that the £21,200 as per para 1 supra is not to his "satisfaction" and does not "relate directly to the soil and its products", and I take this opportunity of commenting on the three heads mentioned in para 1 supra, viz (a) Salaries (b) Recruiting labour (c) Leases.
13. SALARIES. Supposing the case comes into Court and we attempt to prove that Col. Owen Thomas' salary of £2,000 per annum, free passages and all living expenses while engaged out of London, is excessive, the Company will, I believe be able to produce evidence (a) that Col. Owen Thomas was anxious to resign this position, so much so that (b) every arrangement was completed for engaging a Mr. Reichel of G. E. I. at a salary of £1,500 per annum and accessories, when Mr. Reichel died on his way home to England to receive his instructions and (c) that arrangements were then made with the Colonial Office to obtain the services of a prominent official of G. E. I. at a salary of £1,000 per annum with accessories, and (d) that it was only after these attempts had been made that the Company were forced to engage Col. Thomas to continue at his present salary. Against this, in my opinion, strong evidence

evidence, Counsel for the Crown could not forward the argument that if the Company found at any time they were falling short of Government requirements in regard to expenditure on development, there was nothing to prevent them raising the General Manager's salary to £10,000 per annum, and thus fulfil the requirements in one man's salary.

At the present moment there are the following white men on

the estate:-

		Cost.
(1)	Col. Owen Thomas salary £2000 p.a. & necessaries about £ allocated	£
(2)	Lanmont (Resident Manager) £2000	all
(3)	Cummings (Book-keeper) £250	"
(4)	Price (Overseer) salary not fixed probably £200	"
(5)	Owen Grant (Asst. Gen. Manager) £600	"
(6)	Allfinger (Pupil)	"
	Also	
(7)	Ribeiro (Overseer)	£150
(8)	Native Clerk	£24

The Resident Manager, Mr. Lanmont, appeared to me a very clever and capable man - not such a man as necessitated the extensive supervision of a General Manager and Assistant General Manager.

14. Recruiting Labour. The Company will be able to prove from their books that it costs them on an average £ 15/- per head to get labour on to the estate before a single day's work is done, and that even at that price it is extremely difficult to get 50% of the labour they require. They suffer through no fault of their own because Gani has got the reputation of being a death-trap. This seems to have arisen through the labour imported by the Mangrove Concessions, at which unhealthy occupation about 20% died, of their own men, over a period of 20 months 15 died when the average number employed was 400 per month. These were imported labour. The estate has died on the estate. On this question of labour the Company have placed in Court that unless they can get labour they cannot do their development and they will lose the estate. They have made very strenuous efforts to obtain men, and still strongly urge this as an insuperable circumstance.

15. Latex. (a) 200 acres of planted rubber were cleared by rats in May and June, 1919. (b) In 1920 they started with an Gani Township area extending 2000, but Government stopped them and over 50% was lost before Government allowed them to continue. (c) They imported 100 washers at £ 15/- per month who proved an utter failure. These were

ineffectual

misfortunes for which they were not responsible.

Being to some dispute in management, the labour was not properly looked after, and the local Rubber Estates fined them £200.

16. It becomes more apparent every day as fresh particulars of expenditure are compiled from actual experience that high grants as 250,000 acres of Coast land in a single concession are absolutely unworkable. A very general estimate for this Coast land is that £5 capital is required for every acre, and if the figures put forward by the Company are accepted, viz- an expenditure of £21,000 to plant 1576 acres, it works out at over £13 per acre. In fact the E. A. Estates most callously admit this in their letter of July 18th, 1910 to the Secretary of State in which they state - "The best method of developing some portions of the land.....is to grant sub-leases."

17. Before making my recommendations, I venture to call attention to several items that have come to my notice while reading through the file.

18. Definition of boundaries. By minute of November 1907, the Honourable the Secretary for Native Affairs recommends that as the Government have recently acquired at very considerable expense some most valuable land at Ras Muka Sanga, that the same should be specially excepted from the concession; in consequence presumably of this minute, the definition which before had been referred to as - "Ras Muka Sanga" reads afterwards as - "South of" - vide January, 1909 - Secretary of State to Crown Agents and April 8, 1909 - "Agreement for concession" - first Schedule. In spite of which the Director of Surveys (enclosure in 13 Vol, III) - "Instructions to head Surveyor" - gives "A straight line running due East and West through the most northerly point of Ras Muka Sanga".

19. 11 mile strip. His Excellency asked verbally how it might come to be taken instead of the usual 10 mile coast strip, and I see it arose in May 1st, 1907 - Secretary of State to Goldman, in which - "about 11 miles inland" - is referred to.

20. Preparation of lease. In the letter above quoted, the Secretary of State informed Mr. Goldman the lease would be prepared by the local Government.

Government. This was countermanded in July 1907 - Secretary of State to Crown Agents, in which instructions were passed for the preparation of the Agreement in England.

21. Disputes. Clause 29 of the lease provides that any dispute as to the meaning of the <sup>Lease</sup> shall be referred to an arbitrator appointed by the Secretary of State for the Colonies.
22. Consideration for sub-lease to Gani Rubber Co. The E. A. Estates pay rental of £1,000 per annum, equals 10,000/- for 250,000 acres, equals 4 cents per acre per annum. They have sub-leased to Gani Rubber Co. at a rental of 1 penny per acre, and a premium of £15,000 in cash and £15,000 in shares.

23. Capital of the two companies.

The E. A. Estates, Ltd.	Area 250,000 acres	Capital £ 150,000
Gani Rubber & other Estates Ltd	10,000 "	" " 50,000

24. I venture to recommend that as a dispute has arisen in regard to the meaning of the lease, the case be referred to arbitration, as provided for in Clause 29 of the lease, and further that the arbitrator be asked to adjudge on the accounts.

Further, that in the event of the arbitrator giving the award in favour of the Crown, that a resolution is made and not cancellation of the lease be asked for.

25. Further, that it shall be made clear at once that the land bought by the Crown of the British Borneo is not included in the concession.

19th December, 1911.

*W. C. B. Mitchell*  
Lead Surveyor.

In reply please quote

No. L 906-II. N/L 4-2000

Land Department,

Nairobi,

4th January, 1912,

C O  
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12

26 / 1912

328

Sir,

His Excellency has asked for a report summarising the position to date of the East African Estates, Ltd.

The period of three years having terminated on October 31st, in which certain conditions, among others, the expenditure of £20,000 in the development of the estate were to be effected, Mr. Tannahill the Land Ranger, was deputed to inspect and report on the improvements effected. This report is attached.

It will be seen on perusal that the Company can show by their books an expenditure of over £20,000, but an examination of the figures shows the cost attributed to management and supervision to be extraordinarily high.

The lease provides that the expenditure must be to the satisfaction of His Excellency the Governor, but further contains a clause to the effect that in the event of a dispute arising as to the meaning of the lease, the case be referred to arbitration.

His Excellency, who was not satisfied from the Land Ranger's report that the Company had complied with its obligations as laid down by the Agreement, convened a meeting which was held at Government House on the afternoon of the 22nd December, 1911.

Present:- His Excellency the Governor, Mr. WALK, Col. Owen Thomas, The Honourable the Acting Crown Advocate, the Land Officer and the Land Ranger.

(1)

The Honourable the Chief Secretary.

Nairobi.

Mem: Chief Secretary, No. 2

(1) His Excellency first raised the question of development.

He did not think the salary of an Administrator should be included and quoted Secretary of State's letter of 15th April, 1906 (vide A.F. of Land Ranger's report of 13th December, 1911, attached).

(2) The question of the area embraced in the Concession.

His Excellency maintained that if 250,000 acres were granted the Government's obligations were completed. Col. Owen Thomas maintained that he was entitled to 350,000 acres if such was obtainable and if not obtainable South of Embasa he would be willing to take land elsewhere.

Mr. Combe thinks that on this it shall be for His Excellency to say how far away it would be reasonable to include land to increase area above 250,000 acres in extent.

(3) The question of special land included within the Concession.

Col. Owen Thomas had asserted that all land free of Native claims should be ceded to the Company. His Excellency and Mr. Road maintained this was absurd and, e.g. the land acquired by the Admiralty for Coast defence could not come under this category. It was questionable too how far land within a gazetted township was covered by the Concession. I should have thought that Clause 15 of the Agreement safeguarded Government inasmuch as it is stated:—  
Until the completion of such survey any question as



Hon: Chief Secretary, No.3

to whether any land forms part of the land hereby leased shall be referred to the Governor whose decision shall be final. Mr. Combe agrees.

(4) Gasi Township and Resident Manager.

Col. Owen Thomas contended that Government had hampered development by stopping work within Gasi Township.

N.B. This arose out of a letter from the Provincial Commissioner, Mombasa, dated 10th August 1909, in which he complained that the Company's workmen were cultivating within 80 yards of the houses of the townspeople of Gasi, that the people had complained, and that he had inspected and satisfied himself their complaints were just

I thereupon wrote on the 16th August, 1909, to the Company's representative, Mr. Ridler, asking him to desist from further cultivation within the township area. Mr. Ridler ignored our communication, and cultivation of the area was continued; not until the 6th February, 1910, did Col. Owen Thomas write in on this subject, and in this letter he took great exception to any letter being addressed to Mr. Ridler whom he describes as a farmhand servant of my Company, and saying that all letters should be addressed to him the only representative of the Company.

His letter commences:- "On my return to B. E. A. after a few months absence in England..."

His letter was followed by an interview with Col. Montgomery, and as I was responsible for the letter

*Handwritten signature or initials*

Mem: Chief Secretary, No. 4

letter complained of, and as he had seen fit to comment on my discourtesy, and to ask Col. Montgomery to instruct me how to conduct business in dealing with his Company, I asked for permission to be present at the interview, and asked Col. Owen Thomas how in his absence for months in England it was possible for me to address anyone but the local representative while upon questions of local urgency. This question Col. Owen Thomas was unable to satisfactorily answer.

I would now point out that in Clause 22 of the Agreement it is laid down that the lessees will provide at their own expense a competent and suitable agent or representative resident upon the demised premises to whom all notices and directions under these presents may be given. It would seem to me, therefore, to be clear that, since in Col. Owen Thomas' letter of the 9th February, 1910, he discredited Mr. Ridler as a representative, that the Company was for this period of 8 months or more without a competent or suitable agent resident on the property, and that clause 22 of the agreement has been contravened.

(5) The question of excessive cost of development.

His Excellency stated that in the prospectus issued, the Cmsl Estates informed the public that the cost of developing this land up to the third year would be only £5 an acre, whereas from the figures supplied by the Company to the Government it works out at over £12 an acre (vide Land Ronger's report

Chief Secretary, No. 5

In December, 1911, para 16). Col. Owen Thomas said his never appeared in the prospectus. His Excellency said if it did not appear in the prospectus it appeared in the booklet.

Examination has shown that it appears in a report written by Col. Owen Thomas to the Directors of the Cazi Estates Col. and dated 6th July, 1910, furthermore in the prospectus it is stated, a highly favourable and exhaustive report on the property (copy of which is enclosed herewith) has been made to the Directors by Col. Owen Thomas, who has had many years of practical experience of similar businesses in East Africa, and the statements of fact relating to this property are based upon that report. In Col. Owen Thomas' report in question it is stated "I estimate that the cost of clearing new land, planting, management and all other expenses up to tapping will be about £5 per acre."

I would also call attention to Col. Thomas' remarks in this report under the heading:-

Labour. The cost of clearing and planting would be very low owing to the fact that labour is cheap, plentiful and of good quality.

Yet strange to say in face of the above statement, at our interview of the 16th December, Col. Owen Thomas took considerable pains to explain that the high cost of development was in no small measure due to his difficulty in securing suitable labour.

(6) His Excellency informed Mr. Read and Col. Owen Thomas that it seemed clear that this case must

Memorandum Chief Secretary, No. 6

go to arbitration, as provided for in clause 34 of the Agreement.

I would suggest that if this course be followed that, as Mr. Tannahill will be at home on leave in May and after, his services be enlisted.

Mr. Coote, with whom I have further discussed the case, suggests a further point which is worthy of consideration.

It would appear to be admitted that much of the cultivation performed, especially round Gasi, has been done on lands purchased by Col. Owen Thomas from the natives. If this does not form portion of the land to be leased by Government, such expenditure cannot be included in the development of the Concession.

Either Col. Owen Thomas must admit the land purchased from natives is Crown Land in occupation of natives, in which case lessees may have committed a breach of covenant 16 of the agreement - to the effect that the lessees shall not without previous consent of the Governor occupy or interfere with lands occupied or cultivated by natives - or that the land is land privately owned by natives and purchased from them, in which case monies expended cannot form part of development of lands intended to be leased by Government.

Encl: 1

I have the honour to be,

Sir,

Your obedient servant,

*Stewart*  
Land Officer.

Land Officer,

Uplands Bacon Factory.

I was instructed to proceed to the East African Estates Bacon Factory near Limeru on Friday the 12th instant, and inspected the work that has, and is being done.

There is not the slightest doubt, in my opinion, that the covenants of the concession are being complied with.

The development effected is thoroughly sound and satisfactory, and the industry appears to be carried on in a businesslike and able manner. The 2000 acres of land was granted them for the purpose of raising and breeding pigs, but this, however, they do not do.

I was informed by Mr. Owen Grant that it is the Company's intention to sub-let a portion of this area on the condition that whoever takes the land must use it for breeding pigs so as to sell them to the Company.

This, however, has not been settled.

A white working foreman is employed at a salary of £250 per annum.

Below are extracts from the lease for your guidance, so that you may the more easily see that the covenants are being complied with.

Date of lease, 20th April, 1910.

(A) Lessees will forthwith build and construct of stone, brick or other substantial material to the satisfaction of the Governor, and on a site on the defined premises to be approved by him, a suitable Bacon Factory of the best value of £3000 at the part and will complete and furnish the same with the proper machinery, including a refrigerating

Land Officer,

Uplands Bacon Factory

I am instructed I proceeded to the East African Estates Bacon Factory near Limuru on Friday the 12th instant, and inspected the work that has, and is being done.

There is not the slightest doubt, in my opinion, that the covenants of the concession are being complied with.

The development effected is thoroughly sound and satisfactory, and the industry appears to be carried on in a businesslike and able manner. The 2000 acres, I see, was granted them for the purposes of raising and breeding pigs, but this, however, they do not do.

I was informed by Mr. Owen Grant that it is the Company's intention to sub-let a portion of this area on the condition that whoever takes the land must use it for breeding pigs, so as to sell them to the Company.

This, however, has not been settled.

A white working foreman is employed at a salary of £280 per annum.

Below are extracts from the lease for your guidance, so that you may the more easily see that the covenants are being complied with.

Date of lease, 20th April, 1910.

- (11) Lessees will forthwith build and construct of stone, brick or other substantial material to the satisfaction of the Governor, and on a site on the desired premises to be approved by him, a suitable Bacon Factory of the cost value of £2000 and the part and will complete and furnish the same with the proper machinery and appliances, including a refrigerating

refrigerating building or factory, out buildings, and offices, and also by means of roads, tramways or other ways with convenient means of access to the nearest port or market. And will complete the same fit for use.....before the expiration of 1 year from the date hereof.

I could not very well draw up a comparative table of expenditure as I have not quite the same headings as they have. You will see that their report was taken last May, and mine is for this year which shows an increase of £206 which no doubt helps to cover the water service and Electric light then in course of construction. This, point of fact, is not quite completed yet inasmuch that they are about to lay water on to the houses.

Ed. L. V. Dundas

18/7/12.

Summary of 1922 Manager's Report on Rubber Factory 1922/23.

1.	New Factory Building	1668
2.	Machinery, Plant and Water service	1743
3.	New House, Office, and Factory Buildings and houses.	1048
4.	Riding and Roads	70

Total Expenditure 24418

Company's Report on African Expenditure at 19th May, 1921

1.	New Factory Building	1637
2.	New Factory Plant	1521
3.	Old Building and House	880
4.	Electric Light, Water service etc. in course of construction.	300

Total Expenditure 24210

W. T. P. P. P. P.

and Manager

1922/23.



Gov. E.A.P.

4902



sent 5 10 pm  
4 1/3

Ans'd 13/11/02

DRAFT.

Telegram

Your despatch of 26 Jan 02

Conson

ullmann to

Nairdvi

MINUTE

55 send home by first opportunity

Mr. Butler March 5

Sabanailla

Mr. Read 87

was details of

Mr. Fiddes

tarot

Sir H. Just

expenditure

Sir J. Anderson 11 17

endynams

Lord Emmott

to which reference is made

Mr. Harcourt

recatruce

for conson

paragraph 11<sup>o</sup> 5

paganaas

Tanna hills report of  
reportings

2 drafts

13<sup>th</sup> December

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Gor

E.A.P.

4902

O.D.  
12 MAR  
1902

sent 5 10 PM

DRAFT

Telegram

Your despatch of 11 Jan 02

is enclosed

Minute

MINUTE

Mr. Butler, March 5

Mr. Reed & J

Mr. Fobles

Mr. H. Just

Mr. T. Anderson

Mr. Harcourt

send me a copy of the report

sent at 10 PM

expenditure

endogenous

in session

to which reference is made

recognition

paragraph 4

sagunas

Tamona hills

report of

reportings

2 Dec 02

13 December

day we need



of the East African  
Estates Limited, claims

has an expenditure  
of £ 21,208-15-0 has

been incurred in  
construction of the  
requirements of the

10(i) lease  
to be made of the  
land. This sum is made

as follows -

Expenditure to June 30<sup>th</sup> 1909 3889-9-0  
Expenditure from June 30<sup>th</sup> 1909  
to June 30<sup>th</sup> 1911 4750-9-0

18039

Further expenditure -  
October 9<sup>th</sup> 1911 as at  
from 1000 pounds of cheques  
in 1911. Nil 1968-18-0

Add provision for General  
Managers and Assistants  
General Managers salaries 600-0-0 2568-0-0

Total amount due to  
to expiration of three years  
£ 21,208-15-0

enquire who is the  
Bank of the East African  
Limited can loan these  
-squares and, if so  
request  
that they will be so

word as to furnish  
a statement showing the terms  
of the lease and the  
other certificates

and the and  
showing the details

of which is done

the same