

EAST AFR. PROT.

45784

REC'D  
REGD 23 MAY 12



15784

A.G. 312  
wing  
Date.  
1912

CAPT GROGAN'S KILIMAJARO CONCESSION

The memo shows lines on which an agreement has been arrived at. There are now only two outstanding difficulties (a) the influence of the royalty and (b) in connection with the fact of the original and separate correspondence which has resulted in the present proposed transaction.

Mr. R.A.

The Memorandum of the meeting of the 25th of February (enclosure No. 1 in this despatch) discusses of the two outstanding questions, namely, whether Captain Grogan shall be allowed to set off against future royalties the rents already paid, and how the land on Mombasa Island is to be divided. In view of the explanations now given, I think the Secretary of State may agree to "glide" land within the new area covered by Captain Grogan's licence, being leased by him at a rental of 12 cents an acre, in consideration of which Captain Grogan abandons his claim to deduct rents already paid from future royalties. I think we may also accept the division of the land on Mombasa Island proposed on the plan enclosed in Gov./4782.

One would have expected that, with these points settled, it would now have been possible formally to conclude the new agreement. But two new points have emerged in this

Copy sent to Grogan  
Recd 4/17 10/11/12

Subsequent Paper

1865

627

This apparently interminable affair. It has been common ground since early last year that Captain Grogan should be allowed to pay royalty at the rate of Rs. 1.38 per 100 cubic feet instead of paying Rs. 2 per tree stumpage. Captain Grogan now claims that the payment of Rs. 1.38 is to be per 100 cubic feet of milled timber. Mr. Combe, the Crown Advocate, argues very ably in his Memorandum dated the 23rd of April (the first sub-enclosure in enclosure No. 2 in this despatch) against the acceptance of this interpretation of the agreement arrived at between Mr. Hutchins and Captain Grogan and accepted by the Secretary of State. Captain Grogan, however, produces a very awkward document (tabbed in green) in which a rate of Rs. 1.38 per 100 cubic feet of milled timber is mentioned <sup>over the paper's in the</sup> and which bears a note by Mr. Hutchins and Mr. Hutchin's signature at the foot. The difference between payment per 100 cubic feet and payment per 100 cubic feet of milled timber was nowhere brought out in the memoranda which accompanied Sir P. Girouard's letter of the 16th of December 1910 (38479), and I feel certain that the difference was not appreciated by any of us here who then had the matter under consideration. In his interview with me on the 10th of January 1910 (see point 3 of printed memorandum attached to C.O. 1217/11) Captain Grogan quietly assumed that the payment of Rs. 1.38 would be per 100 cubic feet of milled timber, as will be clearly seen from the record of his remarks given under this head of the memorandum. Sir P. Girouard was present at the interview for the greater part of the time, but whether he was actually present when the remarks on this point were made I cannot now remember. In any case it would appear that, from the importance of the point not having been brought out by our authorities or the Crown Advocate, the question was allowed

allowed to go by default, at any rate so far as that interview was concerned. I think that Captain Grogan has good reason for believing that his view of this point has been accepted. I cannot understand the failure of Mr. Hutchins to bring out the importance of the point and to make it clear that he had not agreed to payment being made on the basis of milled timber, but I fear that it is now too late to remedy this defect. Unless Sir P. Girouard has any other suggestion to offer, I think we must admit Captain Grogan's claim on this point, and confine ourselves to insisting that something shall be inserted in the agreement to ensure his bringing all marketable timber to the mill without undue waste.

The other new point relates to the land on Mombasa Island. It now appears that certain Arabs and Natives claim to be the owners of some portion of the area which the Government leased to Captain Grogan and in respect of which Captain Grogan has been paying rent. The question of the validity of these claims remains to be determined by the Recorder of Titles on the coast land settlement operations, and we can do nothing pending his decision. It must, however, be recognised that there is no fault attributable to Captain Grogan in this connection, and no reason for giving him anything less than the 50 acres which he stipulated <sup>repeatedly</sup> for under the provisional agreement as to his various leases which is now under discussion. We are bound, therefore, if that provisional agreement is to go through, to guarantee that he shall have the 50 acres made good.

Sir

But he was  
wrote of it  
Funder did  
appear in  
letter to C  
he is 14 of  
G) which  
written a  
removal of  
unhappy

Sir P. Girouard might see these papers and this minute, and then, if he agrees, we can write to Captain Grogan expressing the Secretary of State's acceptance of the conditions arranged at the meeting of the 25th of February and saying anything that may be necessary on the new points. Or, if Sir P. Girouard thinks it would be better, ask him to come here and discuss the matter.

27ab

May 24.

Sir G. Fiddes

I agree generally, but I think that it would be a good thing to ask Mr. Hutchins (Secretary of the Director Royal Gardens) to call at home what he has to say about it. He thinks that we have treated Capt. Grogan with unnecessary generosity in the matter of timber fees.

H. J. R.

25/2  
Let us have Sir P. Girouard's views in the first instance. I am better in favour of bringing this business to a termination quickly.  
25

Warrant Register

828  
Think on the subject of the Hutchins

fact that he really intended to do a deal

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296

296  
at home  
to J.R.

27/24

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15784

GOVERNMENT HOUSE  
NAIROBI  
BRITISH EAST AFRICA

EAST AFRICA PROTECTORATE.

April 29th 1912.

(No. 312)

Sir,

With reference to your telegram of 21st February and previous correspondence respecting Captain Grogan's Forest Concession in the neighbourhood of Elgasa Ravine, I have the honour to inform you that an agreement has been arrived at on the lines of the enclosed Memorandum, the accuracy of which has been confirmed by him.

2. Sir Percy Girouard informed me, before he proceeded on leave, that the extent of glade land in the area between Mr. Coryell's survey and the Uganda Railway had proved to be much less than he imagined when he wrote his despatch No. 57 of January 24th and that he no longer considered that the disposal of it on the terms proposed would lead to the difficulties which he at one time anticipated. Certain land was as a matter of fact pointed out to him as lying within the area in question which was really outside its boundaries and the objections which he raised were due to this.

3. There remain only two outstanding difficulties. The first relates to the incidence of the royalty. Captain Grogan now contends that only milled timber should be paid for and cites a

Memorandum

Memorandum  
Mr. Conbe  
Apr. 29th  
and  
enclosures

THE RIGHT HONOURABLE  
LEWIS HARCOURT, P.C., M.P.,  
SECRETARY OF STATE FOR THE COLONIES.

X 4782  
TW 4782

1309



(2)

Memorandum by the late Conservator of Forests in support of his demand. This Memorandum was not before Sir Percy Girouard and the Crown Advocate when they formulated their proposals for a settlement towards the end of 1910 and should, I think, be completely ignored, more particularly as a Memorandum making no mention of milled timber and signed <sup>by</sup> both Captain Grogan and Mr. Hutchins was in their hands at that time and was one of the documents on which their proposals were based. I attach the correspondence which has passed on the subject.

4. The other difficulty arises in connection with the land on Mombasa Island. Of the original area of 100 acres leased to Captain Grogan under the agreement of July 14th 1904 about 52 acres were purchased by the Government from a native in 1896, whilst the remainder has since our occupation of the country been regarded as Government land. A notice calling attention to the claims of the Government to this land was published by Sir A. Hardinge on August 16th 1897 and republished on page 48 of the "Orders in Council King's (Queen's) Regulations, &c. (1876-1902) in force in the East Africa Protectorate on January 1st 1903". I now learn that the Liwali of Mombasa, Salim bin Khalfan, also claims to have purchased the Northern strip, amounting to about 15 acres in extent, of the 100 acres originally leased to Captain Grogan from various natives about one month before the Government acquired the 52 acres. The Recorder of Titles will have to decide to whom this land belongs. It is found that it

is not the property of the Government and that we are therefore unable to lease to him the whole of the area marked A and B on the plan which accompanied Sir P. Girouard's despatch No. 57 of January 24th. Captain Grogan informs me that he is willing to accept instead sufficient land adjoining to bring the total area up to 50 acres.

5. Another claim has also been made to a portion of the 50 acres as well as to about 300 acres beyond extending to Ras Mzimili on the East and to the Uganda Railway on the North. Sir P. Girouard in his report upon the East Africa Protectorate dated May 28th 1910 gave, under the heading Land Tenure - West Native Tribes, (c) The Coast and adjacent the Mohammedan Federations of Zanzibar. In December last the elders of one of these Federations applied to the Recorder of Zanzibar for a certificate of ownership of the land in question, and since that date they have sold a part of this land. In the opinion of the Government the lands within the dominions of the Sultan of Zanzibar are Crown lands and a document executed by the elders entitled to represent a tribe and purporting to convey such lands to persons who are not members of the tribe will not confer on such persons a title to the land as against the Crown. I have therefore decided to resist this claim, and I have written to His Majesty's Agent and Consul General in Zanzibar to enquire whether he can furnish me with any information as to whether His Highness

(4)

the Sultan of Zanzibar recognised at any time,  
the rights of communities inhabiting his domi-  
nions to alienate unoccupied land.

I have the honour to be,

Sir,

Your humble, obedient servant,

*L. B. Bowring*

ACTING GOVERNOR.

4

ENCLOSURE

633

C. O.  
15784  
REC'D  
REGD 23 MAY 12

*Envelo in N*  
**MEMORANDUM**

On February 25th His Excellency saw Captain Grogan in the presence of the Chief Secretary, the Land Officer and the Crown Advocate on the subject of the following questions in connection with the timber concession to be granted to Captain Grogan.

1. Whether payment made under the leases to be surrendered should be set off against royalties to be paid under licences to be granted.

2. Whether the rate of rent to be paid by Captain Grogan in respect of any glade lands in the new area which may be leased to him could be now fixed.

3. As to the division of the Mombasa Island land between the Government and Captain Grogan.

2. With regard to the first of these questions Captain Grogan agreed to withdraw his claim to set off past payments against royalties payable under the new licences provided that the Government would <sup>now</sup> fix the rent payable in respect of glade land in the new area, viz: that lying between the land surveyed by Mr. Corryell and the Uganda Railway at not more than 12 cents per acre.

3. His Excellency informed Captain Grogan that he was prepared to recommend that the rate of rent to be paid in the event of glade lands being leased to Captain Grogan in the new area as defined above should be that recently obtained in respect of similar lands in the neighbourhood namely 12 cents per acre.

-5-



MUGHAROMEN

- 2 -

4. Captain Grogan was shown a copy of the plan of the Mombasa Island land sent to the Secretary of State on January 24th and approved the division of the land as shown thereon whereby the Mbaraki portion of the division is to be leased to him.

INCLOSURE

In Despatch No. 5/2 of 24. 10/12

*Encls 2*

C.O.  
15784  
REC'D  
REGD 23 MAY 12

(No. 29)

CROWN ADVOCATE'S OFFICE,

NAIROBI,

APRIL 23rd, 1912.

Sir,

With reference to the claim recently put forward by Captain Grogan that he is entitled under an agreement made between himself and Mr Hu chins to pay royalty only on timber measured after felling, I have the honour to enclose a Memorandum on the subject which may be of some assistance when placing the facts before the Secretary of State for his consideration.

I have the honour to be,

Sir,

Your obedient servant,

*[Signature]*

CROWN ADVOCATE.

The Honourable  
The Agt Chief Secretary,  
to the Government,

NAIROBI

MEMORANDUM

1. I attach copies of  
 (a) letter dated [redacted]  
 to myself, with  
 (b) letter dated [redacted]  
 Mr. Hunter, with  
 (c) letter dated [redacted]  
 to myself.  
 (d) Letter dated [redacted]  
 of Forests to [redacted]  
 will be seen from [redacted] In [redacted]  
 him that it was [redacted]  
 that royalty [redacted]  
 100 cubic feet  
 of Rs. 3 per tree  
 was approved by His Excellency  
 confirmed by the Secretary of  
 the other hand, has expressed  
 Mr. Hutchins did not intend that  
 should be substituted for the old  
 and has advised that unless the  
 in fact agreed that royalty shall  
 provision should be made to  
 Capt. Croghan for the payment of  
 measured in the standing tree.

2. The question as to the substitution of a  
 royalty on a basis of 100 cubic feet instead of stump  
 was discussed by His Excellency [redacted]

Capt. Grogan in my presence on November 8th 1910. Capt. Grogan did not, at that interview, produce the Memorandum of Agreement re Method of Royalty Payment on which he now relies and the only agreement between Capt. Grogan and Mr. Hutchins which was before His Excellency at that interview was the agreement which had been sent to me either by Mr. Hutchins or Capt. Grogan and is set out in the last paragraph of my Memorandum of November 9th on that interview. The question was further considered by the Concessions Committee at the Colonial Office, and the following is the extract of the minutes of the Concessions Committee on that question:- "In view of the fact that, after consultation with Mr. Grogan, the Conservator of Forests had agreed to the payment of royalty on the basis of Rs. 1.33 per 100 cubic feet as the practical equivalent of Rs. 2 per tree, the Committee saw no reason to dissent from the proposed agreement. The only agreement before the Concessions Committee was the agreement furnished to me and set out in my Memorandum referred to above.

3. I think that I am correct in stating that the question as to whether royalty should be payable on killed timber or on timber measured in the log or the standing tree was never considered either by His Excellency here or by the Concessions Committee at the Colonial Office. It is probable that both His Excellency and the Concessions Committee considered that in agreeing as to the amount of royalty, on a measurement basis which was agreed on to be 2 per cent.

*Handwritten notes:*  
 Case of Capt. Grogan  
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 to be  
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 10



vator of Forests and Capt. Grogan had agreed as to the method of measurement to be employed.

Capt. Grogan's case is that the method of measurement was agreed and he produces the document headed "Memorandum of Agreement re Method of Royalty Payment" to evidence that he and Mr. Hutchins had agreed that the timber should be measured after milling and royalty should be paid on the timber so measured.

It is not upon the original of this Memorandum but as inferred that the first paragraph which is initialed by Capt. Grogan is typewritten and that the second paragraph which is signed by Mr. Hutchins is in Mr. Hutchins' handwriting.

It is important to note that in the paragraph added by Mr. Hutchins the words "of milled timber" which appear in the first paragraph are omitted.

Having regard to this very important difference in the paragraph initialed by Capt. Grogan and the paragraph added by Mr. Hutchins, it is agreed that Mr. Hutchins was not prepared at the time to agree that if royalty on measured timber was granted the timber should be measured after milling.

Capt. Grogan has stated that after this Memorandum had been drawn up by him and Mr. Hutchins had an interview with His Excellency and that His Excellency agreed that the principle should be accepted. It is not, for one moment, imagined that His Excellency went into the question as to whether the timber should be measured on the standing tree or after milling, or that question would be a matter

which he would leave to Mr. Hutchins to decide, and I do not suppose that Capt. Grogan would contend that His Excellency went further than to say that, so far as he was concerned, he had no objection to a royalty based on measurement being substituted for a royalty at the rate of Rs. 2 per tree, and to authorise Mr. Hutchins to agree with Capt. Grogan as to the royalty to be substituted.

It was after this interview that the agreement which was sent to me was drawn up and signed by Mr. Hutchins and Capt. Grogan.

4. That agreement is silent on the question as to whether Mr. Hutchins was willing to agree to a royalty per cubic feet after milling and, if so, on what new conditions to be inserted in the forestal conditions he would agree to such royalty.

The silence is explained by a letter, a copy of which is attached, which Mr. Hutchins wrote to me on the day he signed the agreement. When I received that letter I did not fully appreciate its meaning, which is now made clear by the claim put forward by Capt. Grogan.

It cannot, I think, be suggested that a man of Mr. Hutchins' experience would agree that the Government should accept in lieu of a royalty of 2 rupees a tree an equivalent to that royalty based on measurement after milling assuming all marketable timber be milled, without requiring of Capt. Grogan some conditions which would ensure that all marketable timber be milled without undue waste.

All that was agreed by Mr. Hutchins was that set out in the agreement supplied to me, and I have no doubt in my own mind that Mr. Hutchins made it clear to Capt. Grogan that the question as to whether and on what terms he would agree to timber being measured after milling still remaining to be settled between them.

5. On the 18th of April 1911 Mr. Hutchins wrote a Memorandum on the proposed agreement with Capt. Grogan as to his forest concession which had been approved by the Secretary of State. The following extract is of importance in consideration of the present question :-

(2) Siropaga. After the above conditions had been settled Capt. Grogan called and asked that payment per cubic foot mill be substantiated for payment per acre. I was loth to admit without some independent investigation, and wrote to the Hon. the Crown Advocate to this effect. This came from the Kenia forests the equivalent is that mentioned in these papers to which I forwarded a certificate to the Hon. Crown Advocate. It must, however, be distinctly understood that the cubic foot measurement here referred to is the estimate of the cubic content of trees standing in the forest; it is not the cubic content of sound timber got out of these trees after passing through the mill or otherwise utilised. I gather from

these papers that the existence of stumpage for this fact measurement has been agreed to, but no equivalent for this concession is evident."

6. On the papers before me I am of opinion -

a. That Capt. Grogan sought to induce Mr. Hutchins to agree that in the event of payment per cubic feet being substituted for payment per stump, timber should be measured after milling and that Mr. Hutchins refused to so agree.

b. That the Memorandum now put forward by Capt. Grogan does not evidence any agreement between himself and Mr. Hutchins that measurement for the purposes of royalty should be of the timber after milling.

Grogan  
Mr. Hutchins  
Pg. 1. 10  
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c. That payment per cubic feet should be substituted only on the condition that royalty is paid on the timber measured in the standing tree, and that if Capt. Grogan is not prepared to accept such condition it will be necessary to revert to the royalty of 2 rupees per tree.

7. I have informed Capt. Grogan that I am unable to accept his contention that Mr. Hutchins agreed that timber should be measured for the purpose of royalty after milling, and that I would write a Memorandum on the subject in order that the matter might be placed before the Secretary of State for his decision thereon.

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RECORD  
STATION



8. If the Secretary of State should approve of timber being measured for the purpose of royalty after milling, it will be necessary to alter the forestal conditions agreed to between the Government and Capt. Greig and his associates in the States, since those conditions were based on the assumption that the former royalty was based on the tree remaining. If the royalty is based on milled timber the interest of the Government will be protected by the insertion of a clause which will ensure that all timber milled

NAIROBI,

2nd April, 1912.

1000  
Sixth Avenue,

643

Nairobi, British East Africa.

April 3rd 1912

The Hon. The Crown Advocate.  
Nairobi.

Sir,

At the request of Mr. Pattison, I have the honor to acknowledge the receipt of your letter of the 2nd inst. in relation to the proposed timber concession.

I understand that Mr. Pattison has a copy of this memorandum. The original is in the Crown's possession and will be produced by him at any time if you will be good enough to make an appointment with him.

Yours, Sir,

15

Memorandum of agreement re method of royalty payment.

Payment to be made at the rate of Rs 1.38 per 100 cubic feet of milled timber instead of at the rate of Rs 2 per tree. This is the agreed equivalent of the Rs 2 per tree deduced from the measured samples of Mr. Hutchins' report.

Ed. 4725.

Int. E.S.G.

Oct 20th 1910.

If payment per c.ft. be conceded the equivalent on the Kenia lease is Rs 1.38 per 100 c.ft.

(S.S.) (E. Hutchins)

10/426

Copy

6.5

CROWN ADVOCATE'S OFFICE

NAIROBI,

12th April, 1912.

Sir,

In continuation of my letter No.10/210 of 4th instant acknowledging the receipt of your letter of April 3rd enclosing a copy of a Memorandum by Mr. Hutelins, I have the honour to request that you will inform Mr. Grogan that that Memorandum was not before either the Hon. the Excellency the Governor when the question of the introduction of a royalty on a basis of 1% of the value of the produce was under consideration or the Hon. the Attorney General. Mr. Grogan and Mr. Hutelins at that time were the basis on which the proposal was made. It is regrettable that

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I enclose a copy of the Memorandum referred to from which it will be observed that there is no reference therein to 'Hutelins' and in the Memorandum on which Mr. Grogan appears to now rely. The insertion of such words would, I believe, be prejudicial to the Government and could not be inserted in the licence to be granted unless approved by the Secretary of State.

3. On the question as to whether Mr. Grogan would be justified in asking the Secretary of State to approve such an alteration in the terms of the settlement, the

Hunter Esq.

14



That the Memorandum on which the terms of settlement were discussed was of a subsequent date to that of the Memorandum now put forward by Mr. Grogan and was signed by both Mr. Grogan and Mr. Hutchins in not undervaluing of consideration.

I have the honour to be,

Sir,

Your obedient servant,



CROWN ADVOCATE.

C O P Y.

... to the Secretary of  
State, who then referred the matter to the Chief Conservator of Forests. It is no  
assumption that the British Government of Kenya has no  
obligation to payment of royalties being made on  
this occasion.  
basis of 100 c.f.t. instead of stumpage.

The Chief Conservator of Forests and Capt.

Griffin agree that the equivalent of Rs. 2 per tree  
stumpage may be taken at Rs. 1.33 per 100 c.f.t.,  
this being the average figure for the Kenia forest  
excluding Gampah.

Oct. 1910.

(Sgd) E. Hutchins

(Sgd) Ewart S. Griffin.

C o p y.

Sixth Avenue, 648  
Nairobi, British East Africa,  
April 16th 1912.

Sir,

I have the honour to acknowledge receipt of your letter of April 15th.

The memorandum in question headed "Memorandum of Agreement re method of royalty payment" was drafted and signed in the office of the Chief Conservator of Forests on Oct. 2nd 1911. It defined the agreed method of payment in substitution of the method of payment by which timber is sold to the Government. The Chief Conservator of Forests advised me that the decision as to the principle was reached with His Excellency on the same date and that His Excellency had shown him the memorandum. His Excellency decided that the principle should be abandoned. The Chief Conservator and I therefore returned to the Forest Office and signed a further memorandum noting our agreement as to the principle and adding an explanatory reference to the agreed equivalent showing how it was deduced from the proposed principle of "Automatic" report No. 4721.

2. The second memorandum should not be expected to refer to "milled timber" since it does not refer, as does the first Memorandum, to "method of royalty payment". I rely on the two Memoranda read conjointly, on the first as defining the agreed method of payment and the agreed equivalent if the principle of substitution be accepted, and on the second as stating the acceptance of this principle of substitution.

In the matter of "method of royalty payment"  
I rely upon Clause 5 of the ~~Revisional~~ Revisional Agreement accepted  
by the Secretary of State in a letter dated February 10th  
1910 whereby it is agreed that "the forestal conditions  
of the licence shall be such as may be agreed upon by  
Mr. Grogan and the Chief Conservator of Forests".

S. I cannot accept your suggestion that "an altera-  
tion in the terms of the settlement" is proposed.

The two Memoranda which I hold bear the same  
date October 20th 1910

I have the honor to be,

Sir,

Your obedient servant,

(Sd) ~~Wm~~ Stuart B. Grogan

The Honorable

The Crown Advocates.

~~O. A. P. V.~~

45/87/09

Forest Office,

Nairobi,

April 4<sup>th</sup> 1908

Sir,

Ref. Gen. L.P. No. 573/Vol. 3/1908

I have the honour to enclose a copy of a letter with enclosure which I have received from Mr. W. C. Hunter.

In a conversation with Mr. Crogan a few weeks ago he informed me that it had been proposed to by Mr. Hutchinson that only milled timber should be paid for.

I informed him that I had no record of any such agreement in the office. I was the letter from Mr. Hunter in regard to the same.

In regard to the proposed system of payment for milled timber he is of the opinion that it is entirely objectionable and that it would be a definite loss to the Government. He is of opinion that he had no intention of agreeing that 2.5% per 100 c. feet of milled timber is the equivalent of the value of the same.

I would request that when the new laws are sent to this country for the approval of His Excellency that care should be taken that no such agreement is entered into.

The system of paying for milled timber after it has left the mill has long been discontinued and abolished in Canada, the United States and other countries on account of the waste of wood involved in such a system.

Under it a saw miller is under no obligation to bring all the timber he fells to his mill; any log which presents any transport difficulties can be left to rot in the forest.

Chief Secretary,  
Nairobi.



To put an extreme case  
to take an easy road for one  
and to receive Royalty  
the amt 10,000 and no Royalty  
trees left in the forest.

It is well known that  
turn out twice as much mill  
unskilled men find a log of the

I have the

Sir

Your most obed

humble serv

(Sd)

Conservat

To put an extreme case he could cut down 20 trees to make an easy road for one log, for which the Government might receive Royalty for a few boards, milled from the one log; and no Royalty would be paid for the 20 trees left in the forest.

It is well known that a highly skilled miller can turn out twice as much milled timber from a log as an unskilled man from a log of the same size.

I have the honour to be,

Sir,

Your most obedient,  
humble servant,

(Sgd) R. Battiscombe  
Conservator of Forests.

2301/10

~~CONFIDENTIAL~~

Forest Office,  
Nairobi.  
Oct. 20th., 1910.

Dear Combe,

file 652

You spoke to me on the telephone 3 days ago about the proposal to give Brogan a cubic foot basis of payment in lieu of the Rs.2 stumpage on his present agreement; and I told you that I was not in favour of making the exchange unless Brogan offered favourable terms.

This morning the subject was brought up again and very fully discussed, and I have given a note of the discussion with the very few details of the subject of the proposed exchange of terms to Brogan but I do not wish to go into details.

The main points in favour of the exchange are:

- (1) The exchange will save the Government the cost of I fear exciting much discontent among the fell owners who are now actually working the forest.
- (2) The absence of waste.

It would, of course, give us more work to do in securing a lot of timber in the log at the mill instead of merely selling the stump in the forest.

As a general forest matter I have no objection to the exchange, and I am sure you will be glad to see the proposed arrangements which may help his working.

The total stumpage on ruly logs is 10 cents per c. ft. against 25 cents per c. ft. on foot logs. All present working millers are paying for Cedar, Yellowwood, Black Ironwood, Olive etc.

Sincerely yours,  
—(Sgd) E. Hutchins.

The stumpage rate of Brogan's present agreement is 25 cents per c. ft. and to pay for everything good & bad, suitable or not, which is over 1 ft. in diameter.

As a general rule we can work it out the present stumpage rate is 10 cents per c. ft. and 25 cents per c. ft. on foot logs.

C.D.  
R. 1 JUL  
D. 3

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15784

Gov. 15784 E.A.P.

SC



Downing Street,

4 July 1912.

DRAFT.

E. Hutchins, Esq.

Sir,

MINUTE.

Mr. Baileur June 28

Mr. Reed 28

Mr. Fiddes 27

Sir H. J. St.

Sir J. Anderson

Lord Emmott.

Mr. Harcourt.

I am directed by Mr. Secretary

Harcourt to inform you that a question has arisen as to the exact terms of the royalty to be paid by Captain L. S. Grogan in respect of his forest concessions in the East Africa Protectorate

in substitution for the royalty of Rs. 2 per tree stumpage provided in the lease originally granted. It is beyond question that the new rate of royalty is to be Rs. 1-38 per 100 cubic feet, but Captain

it was understood

that

Memorandum by Mr. Coombe

*dated 23 April 1912  
enclosed in 15784. Ad  
subsequent correspondence  
is also despatched to  
the same. B. B. B. B.  
duplicate is available.*

that this rate was to be levied on milled timber and not on timber as measured in the standing tree.

I am to enclose a memorandum by Mr. Coombe, the Crown Advocate of the Protectorate, which will make the situation clear. The document relied upon by Mr. Coombe in his <sup>report</sup> recommendations to the Governor and by the Secretary of State in considering Sir Percy Girouard's recommendations, was the memorandum dated the 20th of October 1910 signed by you and by Captain Grogan in which there is no mention of the royalty being levied on milled timber.

Mr. Harcourt would be glad to be informed what were the exact terms of the royalty which you desired to recommend as the result of our negotiations with Captain

Grogan in October 1910, and to be furnished

with your observations on the <sup>second draft</sup> document of the 20th of October 1910.

headed

headed "Memorandum of Agreement re

method of royalty payment

by Captain Grogan in

mention of a royalty of \$1.35 per

100 cubic feet of milled timber in the

part initialled by Captain Grogan

at the bottom signed by you in

which the words "on milled timber"

do not occur

to the use of the words

ing part of the memorandum

*Copies of both documents are appended to Mr. Coombe's report*

*La Roche 2nd 1910*

*18/10/10*

*18/10/10*

