



AFRICA. No. 4 (1895).

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CORRESPONDENCE

RESPECTING THE

RETIREMENT OF THE IMPERIAL BRITISH
EAST AFRICA COMPANY.

*Presented to both Houses of Parliament by Command of Her Majesty.
April 1895.*

LONDON:
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Correspondence respecting the Retirement of the Imperial British East Africa Company.

No. 1.

Foreign Office to Imperial British East Africa Company.

Sir,

Foreign Office, November 14, 1894.

ON the 27th June last the Directors intimated that they were willing, with the object of advancing the policy which Her Majesty's Government might deem best in the public interests, to negotiate for the surrender of the Company's rights and interests in East Africa.

On the 6th July they were informed that the Sultan of Zanzibar had already expressed his willingness to negotiate for the Company's withdrawal from its position under the concessions granted to it by His Highness.

No further progress has been hitherto made, as it was understood that the Directors were not willing to come to an agreement with the Sultan unless at the same time Her Majesty's Government should be prepared to sanction a grant from the Imperial Treasury as a recognition of the work done by the Company in the territory in the interior not forming a part of His Highness' dominions.

The latter suggestion, which is, it is believed, of an unprecedented character, has required mature consideration, but the time has now arrived when the Earl of Kimberley is able to deal with it.

It is necessary to preface the communication of the views of Her Majesty's Government with a brief review of the position of the Company as it is understood by Her Majesty's Government, in making which it is his Lordship's desire to avoid as far as possible controversial matter.

The objects for which the Company was formed are recited in the Petition for the grant of a Charter, in which it is said that the petitioners, having obtained a Concession from the Sultan of the powers, rights, and duties of administration and other privileges on the mainland, and having secured preliminary agreements with native Chiefs and tribes in the sphere of British influence, desired the powers of a Charter with the view of promoting trade, commerce, and good government, advancing civilization, and establishing an organization which would lead to the suppression of the Slave Trade and the opening of the country to lawful trade and commerce.

The Charter having been granted on the 3rd September, 1888, the original Concession given by Sultan Burghash was superseded by a more extensive one obtained from Sultan Khalifa, afterwards supplemented by a further one from the same Sultan, and by one from his successor, Seyyid Ali.

At the time of its greatest progress the Company had agents in Uganda and the neighbouring territories who had advanced to the frontier of the Congo State and of the German sphere to the west of Victoria Nyanza, as well as to the west shore of Albert Nyanza. North of the Tana it was attempting the difficult task of the administration of Witu and the pacification of the adjacent Somali country. It held stations connecting Uganda with the coast, and had established an agency within touch of the German frontier in the neighbourhood of Kilimanjaro. But it became evident that this extensive work was beyond the Company's powers, and it consequently found it necessary to retire from Uganda and all the interior territories beyond Kikuyu. This step was followed by withdrawal from Witu and the rest of the territory north of the Tana, with the exception of two Customs ports on the coast belonging to the Sultan. The agency in the Kilimanjaro neighbourhood was suppressed. The tenure of the interior by the Company is now confined to the two posts of Machakos and Kikuyu, placed on the line of communication between Mombasa and Uganda, from which its officers are exercising a beneficial influence

over the surrounding natives, and have been especially active in checking attempts to revive Slave Trade. Roads for communication with the coast have been made through the personal generosity of the late Sir William and Lady Mackinnon.

On the Company's withdrawal, the administration and control of the abandoned territory passed into other hands. The administration of Uganda, placed under Her Majesty's protection, has been organized by Her Majesty's Government out of Imperial revenues. The subjection of the turbulent element in Witu has been effected by means of Imperial forces combined with those of the Sultan of Zanzibar, under whose administration the Protectorate north of the Tana has been placed.

The situation thus described explains the necessity of deciding whether the Company, unable to continue the control of the sphere of influence contemplated by the petitioners for the Charter, should continue to do so partially to the extent of its resources, while retaining the Sultan's Concession on the coast, or, by surrendering the powers obtained by it which it still exercises, should facilitate the adoption of comprehensive measures for the management of the sphere, including the coast, directing its efforts to the practical work of developing the commercial resources by means of the capital which it would acquire in the shape of compensation.

Her Majesty's Government have found difficulty in estimating the sum which the Sultan's Government should be recommended to give for the surrender of the Concession, owing to a want of detailed information as to the pecuniary position of the mainland possessions of His Highness. It would appear from the recent Report presented to the shareholders that, after payment of the rent to the Sultan, a profit is realized from the Customs of about 4,000*l.* It is presumed, though it cannot be found to have been so stated, that this is the net profit after provision for the cost of collection. But no figures are at hand showing the expenditure on account of the administration of the Sultan's territories, as distinguished from the expenditure in the interior.

There is, therefore, not sufficient material for estimating accurately the surplus or deficit on the entire cost of administration of the territories.

The Directors, however, anticipate that, as the territory on the coast is developed, the customs returns will increase, and this appears to be a reasonable expectation. There are certain assets to be surrendered in the shape of Government lands and property in the territory and at the ports, of which the most valuable is the telegraph line. It may also be expected that the concentration of administration in the hands of the Zanzibar Government would result in economy of resources.

The advantage to the Government of such concentration is an important element in an estimate. After careful investigation, it has been decided that the offer of 150,000*l.* may be recommended to the Sultan.

It is held that there is reasonable ground for believing that eventually, if not immediately, the customs receipts may, after defraying administrative expenses, suffice to pay fair interest on that sum, and it is considered that in the meanwhile the expenditure would, for the reasons above given, be beneficial to the interests of His Highness' dominions.

As regards the desire of the Company to receive a pecuniary recognition from Imperial revenues of its work in the interior, I am to observe that Her Majesty's Government are clearly of opinion that it would be a dangerous precedent to admit that a private Company is entitled to look forward in case of pecuniary loss to compensation for its shareholders from Imperial revenues.

But Her Majesty's Government are of opinion that there are special reasons in the present case which will justify them in making an exception from the general rule.

There is a marked difference between the work of other Chartered Companies in Africa, in which the commercial element is a prominent feature, and that of the East Africa Company, in which that element has hitherto scarcely existed. No doubt advantages to trade, which the Company would have been the first to reap, were expected from opening up the lake districts; but, apart from Uganda, there is evidently no prospect that the operations in the interior will be remunerative.

On the other hand, the Company were the pioneers through whose agency British influence was extended to the lake district, and by their means the condition of the native inhabitants has been improved, and the Slave Trade has been suppressed in the territories administered by them. Moreover, the maintenance of posts at Machakos and Fort Smith, where a useful and effective control has been exercised by the agents of the Company, materially facilitates the work which has been undertaken by Her Majesty's Government in Uganda.

It may therefore be fairly claimed on their behalf that a certain amount of

substantial work has been done to fulfil the objects for which the Charter was granted in quarters from which no compensating income is derived.

On these grounds, Her Majesty's Government have decided that they would be justified in recommending to Parliament a grant to the Company of a sum of 50,000*l.* on their relinquishing their Charter.

It will be understood that, in the interior as in the Sultan's Concession, the Company would, while making over administrative posts and Government property, retain its private stores and assets, inclusive of houses and buildings built at its private expense, with the sites on which they stand, as well as private lands purchased by the Company or presented to it by private individuals, which may be identified by documents or by independent evidence, to the satisfaction of Her Majesty's Agent and Commissioner.

It would be a condition as regards land that the admission of the private claims would be subject to the legitimate requirements of the Administration for the purposes of Government, and for the construction of public works, roads, and railways.

His Lordship would be glad to learn as soon as possible whether the Directors would be prepared to relinquish the Concession and the Charter on the terms indicated in this letter.

I am, &c.
(Signed) H. PERCY ANDERSON.

No. 2.

Imperial British East Africa Company to Foreign Office.—(Received November 20.)

Sir,

2, Pall Mall East, London, November 19, 1894.

I HAVE to acknowledge the receipt of your letter of the 14th instant, conveying an offer made through Her Majesty's Government for the surrender by the Company of its Concession along with certain other specified rights and assets on the coast and in the interior, in consideration of receiving payment of the sum of 200,000*l.*; and I am to state, for the information of the Earl of Kimberley, that this proposal will be placed before the shareholders at a meeting to be called for the purpose at the earliest possible date.

In order to facilitate the consideration of this offer, and to enable the shareholders to understand the full meaning of certain expressions contained in your letter, the Directors would ask that they may be furnished with some additional information on the following points.

Reference is made in your letter under reply to the Company continuing its operations, and the expressions therein made use of might seem to imply that the sum to be paid must necessarily be applied to such a purpose. If this is so it will obviously complicate the questions, and delay the settlement of the main issue by involving other matters that can only profitably be discussed under an entirely new state of things. The Directors would therefore ask to be told whether the shareholders are to regard the continuance of the Company as a trading commercial body, and the employment of the money named for such an object, to be a condition essential to the Government offer, or whether the reference is intended only as a suggestion which the Company in its altered status will be hereafter free to deal with at its own discretion.

The next point to which I have to refer, and on which questions will no doubt be asked by the shareholders, relates to the very vague provision under which the Sultan of Zanzibar might have it in his power hereafter to appropriate without compensation any part of the private property reserved to the Company, on the plea that it was needed for railways, Government, or other public works. The terms, if thus understood, would place the Company hereafter at any time at the mercy of the Sultan of Zanzibar, who might appropriate to himself its most valuable rights on terms unknown here in England or elsewhere. The Directors would therefore wish to know how they may reply to such questions.

I shall not on the present occasion make any remarks upon parts of your letter which are, in the opinion of the Directors, both inexact and misleading.

I am, &c.
(Signed) A. B. KEMBALL, *Chairman.*

Imperial British East Africa Company to Foreign Office.—(Received November 23.)

Sir, 2, Pall Mall East, London, November 23, 1894.
 IN further reference to your letter of the 14th instant, I am to observe that the "brief review" which prefaces your communications fails to represent correctly the facts of the Company's case. The first reference to possible negotiations for the surrender of the Company's rights and interests in East Africa was made in July 1892, and not on the 27th June last, as in your letter under acknowledgment.

Objects, mainly of a national character, led to the formation of this Company and to the grant of its Charter. The communications which preceded the acceptance of the Sultan's Concession by Sir William Mackinnon leave no room for the assumption that the Company was primarily other than an agency needed by the Government for the preservation of national interests in East Africa from absorption by foreign enterprise. The fact is illustrated by the following circumstances:—

The Concession of May 1887 (unsolicited by Sir William Mackinnon) was obtained by Her Majesty's Acting Agent and Consul-General (Mr. Holmwood) at Zanzibar. The second Concession, of the 9th October, 1888, was negotiated by Her Majesty's Agent and Consul-General (Sir C. Euan-Smith) prior to the arrival of the Company's first Administrator at Zanzibar on the 6th October, 1888, the Concession having been presented to the latter for signature on the 9th October. The third Concession, of Lamu and the northern ports, dated the 31st August, 1889, was negotiated and signed on behalf of the Company by Her Majesty's Acting Agent and Consul-General (Sir Gerald Portal).

The Directors maintain that not only do these circumstances support the fact stated, but also that at that date the Company was actually co-operating with the Government. In 1890, through the success which had attended the Company's exertions in extending the limits of British influence, Government were enabled to declare a Protectorate over Zanzibar, and to obtain from Germany the transfer of her Protectorate over Witu and the German coast. Thenceforward the interests of the sphere of British influence supplanted those of the Company, which, in official consideration, had ceased to be of further use.

It is inaccurate to say that "the original Concession given by Sultan Burghash was superseded by a more extensive one obtained from Sultan Khalifa after the grant of the Charter."

The Concession of Sultan Khalifa was supplementary to, and confirmatory of, the preceding grant, of date anterior to the Charter, and is "to be read with the Concession to the Company of the 24th day of May, 1887, as if the same were a part thereof."

You remark that the situation "explains the necessity of deciding whether the Company, unable to continue the control of the sphere of influence contemplated by the petitioners for the Charter, should continue to do so partially;" I am to remind you that at the time the Charter was granted to the Company both Witu and Uganda lay outside the sphere of British influence, and were therefore not included in the region which the petitioners contemplated administering. As regards the Company's desire to occupy Uganda, I may here state that Mr. Jackson, the Commander of the Company's first exploring expedition to the north of the then defined British sphere, was strictly enjoined not to enter Uganda. As regards the northern territory of the Sultan's dominions, the Directors distinctly refused at the time of the Company's inauguration to accept the Concession of these ports then offered by the Sultan of Zanzibar. It is apparent that the intention of the "petitioners for the Charter" was limited to operations in the territory still under the control of the Company.

At the present time the Company occupies and has opened up and pacified the entire area of the British sphere as it existed when the Charter was granted.

In the words of Sir G. Portal, Special Commissioner to Uganda (Blue Book "Africa No. 2, 1894"): "To the founders of the Company belongs the sole credit of the acquisition, for the benefit of British commerce, of this great potential market for British goods. It should, moreover, be remembered in justice to them that in the face of many initial difficulties they succeeded, in marked contrast to the neighbouring European Colonies, in establishing their influence without bloodshed, and by their own unaided efforts."

The motives which finally prompted the expedition of Captain Lugard to Uganda in 1890 are a matter of history. It will not be disputed that this movement was due to the suggestions of Her Majesty's Representatives, and to the pressure of public opinion in

this country, under apprehension of the designs of foreign competitors for territorial expansion. On the same grounds, the occupation of Uganda was maintained for more than two years in spite of repeated representations to the Government of the inadequacy of the resources of the Company, whose withdrawal was finally decided upon in consequence of the failure of that support which the Company was entitled to look for in the construction of the railway projected by Her Majesty's Government as early as 1890 in fulfilment of the obligations foreshadowed by the Brussels Act. The necessity for such support, and the purpose of rendering assistance to the Company by this measure, are set forth in the Foreign Office communication of the 12th February, 1891.

Her Majesty's Agent and Consul-General at Zanzibar urged the importance of incorporating Uganda within the British sphere, and the Foreign Office warned the Directors of the danger of the King of Uganda throwing himself into the hands of the first white men who should appear in his country at a time when public attention was aroused by the proceedings of Dr. Peters and Emin Pasha on behalf of German interests. As regards the northern ports, Her Majesty's Acting Agent (Sir Gerald Portal) negotiated this Concession with the view of consolidating British interests on the East Coast.

The occupation of Witu was similarly forced upon the Company by political exigencies.

It is incorrect to suppose that the Company is desirous of surrendering its Charter and Concession in order to the "directing its efforts to the practical work of developing the commercial resources by means of the capital which it would acquire in the shape of compensation." Your proposal leaves out of account the important fact that on the 6th October, 1893, the Directors formulated a claim on the Sultan of Zanzibar for breach of contract, and appealed to Her Majesty's Secretary of State for his intervention, as provided for under Article VII of the Charter. The Directors were informed on the 17th October that the Secretary of State must reserve his reply until he had received the Report of the Acting British Agent and Consul-General at Zanzibar. On the 4th November they were informed that this Report had been received, but up to the present date this question remains undecided.

The Directors are of opinion that, before the shareholders are called upon to consider the proposals made for the surrender of their rights and interests in East Africa, it is just and reasonable that the decision of Her Majesty's Secretary of State regarding the Company's claim against the Sultan of Zanzibar should be communicated.

You state, "It may be fairly claimed on their" (the Company's) "behalf that a certain amount of substantial work has been done to fulfil the objects for which the Charter was granted in quarters from which no compensating income is derived."

The just satisfaction to which the claims of the Company may be entitled is a subject which the Directors are prepared to submit to arbitration. But they maintain that argument based upon the "Company's withdrawal of the administration and control of the abandoned territory" is untenable.

As a matter of fact, these territories have been acquired by the Company at great cost, they have been taken possession of by Her Majesty's Government, and Uganda has been made the base of further extension northwards. The territories which are thus admittedly essential for Imperial purposes could not have been acquired by the State at less outlay than that incurred by the Company.

Since Her Majesty's Government "have decided that they would be justified in recommending to Parliament a grant to the Company of a sum of 50,000*l.* on their relinquishing their Charter," the Directors would wish to be in a position to make clear to the shareholders why a sum so inadequate has been named as "compensation for the substantial work that has been done to fulfil the objects for which the Charter was granted."

Referring to the alleged difficulty in arriving at an estimate of a fair amount to be offered as compensation for surrender of the Concession as well as Charter, it is to be regretted that, before coming to any arbitrary conclusion in the matter, reference should not have been made to the Directors, who have always shown their willingness to assist the Foreign Office to a full understanding of any question relating to the Company.

Considering that no waste, in the sense of money squandered, has been imputed to the Company, it would be reasonable to expect an offer at least equal to the amount of its expenditure, seeing that the retirement of the Company is deemed expedient in the public interest.

On the accounts worked out in this office, which the Company is prepared to explain, the expenditure up to date, exclusive of that represented by private assets, with a fair charge for use and depreciation of these assets during seven years, adding also interest

at 3 per cent. per annum on the capital called up, unless Government should claim to appropriate the amount subscribed by Sir William Mackinnon and friends of the Church Missionary Society for the *Company's* relief in the lengthened occupation of Uganda, as well as all revenue from Post Office, coinage, &c.—

							£
Amounts to	..	..	..	..	..	..	426,337
Plus, probably on realization of the assets left to the Company, a further	..	..	..	..	..	..	62,821
Together							<u>489,158</u>
(However valuable, requisite, and necessary to a going Administration such remaining assets might be, in a liquidation they probably would not realize more than half their value.)							
Against this	..	..	..	..	..	..	489,158
you propose to pay the sum of	..	..	..	..	..	..	<u>200,000</u>
Showing a difference of							<u>289,158</u>

It should not be forgotten that of the *Company's* expenditure on the coast, at 1s. 6d. exchange, 58,084l. have been actually paid by the *Company* to the Sultanate of Zanzibar as rent, the consideration for future profits upon the growth of Customs receipts.

Prior to the administration of the *Company* the revenue to the Sultanate from these territories was practically *nil*, the costs of collection and administration having absorbed all the revenues. Subsequently, in addition to payment of rent, the *Company*, except as to the relief afforded by increment of Customs revenues brought about by its own efforts (which in 1893 amounted to 87,000 rupees), has had out of its own capital to bear the entire costs of collection and administration.

Before submitting the matter to the shareholders in general meeting, the Directors await reply to this letter and to that of the 19th instant.

They hope that, due regard being had to the considerations advanced, Her Majesty's Government may be able to offer favourable modification of the proposals made, or that, in view of the divergence between these and the suggestions submitted by the Directors in their letter of the 6th September, Her Majesty's Government may concur in the justice of referring the whole case to independent arbitration.

I am, &c.

(Signed) A. B. KEMBALL, *Chairman*.

No. 4.

Foreign Office to Imperial British East Africa Company.

Sir,

Foreign Office, November 24, 1894.

I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 19th instant, stating that a special meeting of the shareholders of the Imperial British East Africa Company will be called to consider the proposals submitted in my letter of the 14th instant for the surrender of the *Company's* rights and interests in East Africa, and requesting to be furnished with further information on certain points, in order to facilitate the consideration of the offer made by Her Majesty's Government.

As regards the continuance by the *Company* of its operations as a trading commercial body, I am to state that while Her Majesty's Government would be glad to see the *Company* retain its commercial connection with East Africa, such continuance is not a condition of the surrender of the Charter and Concessions on the terms proposed, and the question of the appropriation of the funds obtained as compensation is a matter entirely for the decision of the Directors at their discretion.

With reference to the apprehension expressed by the Directors, that the Sultan of Zanzibar might have it in his power to appropriate without compensation the private property of the *Company* on the ground that it was needed for railways or other public works, I am to state that there is no ground for such apprehension, as fair compensation would unquestionably be paid for any private land within the Sultan's dominions which it might be found necessary to take for such purposes. As regards the country in the interior outside the territories of Zanzibar, I am to inclose, for the information of the Directors, an extract from a despatch which was sent to Her Majesty's Agent and Consul-General at Zanzibar on the 2nd instant with reference to an application for a grant of land by an intending settler,* which will serve to indicate the views of Her

* Extract from letter to Mr. Hardinge, November 2, 1894.

Majesty's Government in regard to the reservation of rights on the part of the Administration to acquire private property for public purposes.

I am, &c.
(Signed) H. PERCY ANDERSON.

No. 5.

Foreign Office to Imperial British East Africa Company.

Sir, *Foreign Office, November 27, 1894.*
I AM directed by the Earl of Kimberley to acknowledge receipt of your letter of the 23rd instant relating to the offer contained in my letter of the 14th instant.

I am to state, in reply, that the letter refers to points of a controversial nature, into which, as intimated in my letter above referred to, Lord Kimberley thinks it better not to enter at the present. He will await a definite reply to the offer which has been made to the Company by Her Majesty's Government. The concluding passage in your letter suggests a mode of settlement not contemplated in that offer.

I am, &c.
(Signed) H. PERCY ANDERSON.

No. 6.

Imperial British East Africa Company to Foreign Office.—(Received November 30.)

Sir, *2, Pall Mall East, London, November 30, 1894.*
BEFORE communicating to their shareholders the offer made by Her Majesty's Government for the purchase of the Company's rights and interests, the Directors desire to have an opportunity of submitting their views on the matter to the Earl of Kimberley, and would beg that his Lordship will be pleased to grant them an interview for this purpose:—

The points the Directors would wish to submit for his Lordship's consideration are:

1. The inadequacy of the offer of Her Majesty's Government.
2. A suggestion whether Government should not concurrently take over from the Company its assets at cost.

The Directors would be glad if the Earl of Kimberley would fix a day next week to receive a few of their number.

I am, &c.
(Signed) A. B. KEMBALL, *Chairman.*

No. 7.

Imperial British East Africa Company to the Earl of Kimberley.—(Received December 4.)

THE Court of Directors have deputed us to confer with your Lordship regarding certain questions that may be raised by the shareholders of the Imperial British East Africa Company at the meeting to be convened for consideration of the proposals communicated in the Under-Secretary of State's letter of the 14th November, for the purchase by Her Majesty's Government and the Sultanate of Zanzibar of the Company's rights and interests in Africa.

Assuming that your Lordship is fully acquainted with the facts stated in the printed "Case" of the Company, which has been already submitted for your perusal, the Directors merely desire to place in your Lordship's hands extracts from two letters from high permanent officials of the Foreign Office, which have been found amongst the private correspondence of the late Sir William Mackinnon, the President and founder of the Company. These letters, it is contended, support the statement that the formation of the Company was encouraged and promoted under the influence of the Foreign Office for national ends, which ends have now been successfully attained. Under these circumstances the Directors consider that the offer made by Her Majesty's Government is wholly inadequate, and they would wish to be in a position to explain to the shareholders why, if Her Majesty's Government have decided to set the Company aside, the shareholders should not in some form or other be recouped their entire outlay.

The Company is ready to continue its enterprise as originally contemplated, provided the disabilities it has laboured under be removed.

The offer as it stands will, on liquidation of the Company, entail a further heavy sacrifice of capital upon the shareholders, for the assets, which being necessary to the new Administration and worth to it their cost price, can only be realized by the Company in a limited market, the Administration probably being the sole buyer. The Directors wish to be in a position to inform their shareholders whether some arrangement cannot be included in the offer for the taking over of the assets at cost price. A detailed list of the assets is annexed. The Directors desire also to be informed what arrangements are contemplated for the taking over by the new Administration of the Company's coinage which is in circulation and in store.

In the event of the shareholders deciding to accept the offer of Government as it now stands and to convert themselves into a mere trading Company which the Directors feel sure from the feeling expressed by many of the larger shareholders to be improbable—they, nevertheless, desire to be informed whether the Bank Concession with all its rights will be left with the Company to be worked with the loyal and entire support of the Government of the Protectorate, as a means of recouping the Company for some of its loss; and whether in the event of the railway being constructed, the Company will be granted suitable blocks of unoccupied lands (as may be agreed upon) along the line. Whether also the Concession of the railways, waterworks, and the other few monopolies reserved to the Company under its Charter cannot in the future be worked through the Company's agency or treated as part of the assets to be left to the Company.

Finally, the Directors desire to submit, for your Lordship's consideration, a scheme under which a settlement might be come to with the Company, on a more equitable basis than that proposed. The Foreign Office now holds 200,000*l.* in Consols belonging to the Sultanate of Zanzibar, from which, under the proposal of the 14th November, it is suggested that 150,000*l.* should be paid over to the Company for the repurchase by the Sultan of the Concession rights; and to this sum it is proposed to obtain, in addition, a Parliamentary grant of 50,000*l.* only for the relinquishment by the Company of all its Charter rights and Treaties with native Chiefs, as compensation for the labour of seven years in acquiring, opening up, developing, and holding Uganda, and all the intermediate territory.

It is submitted that 100,000*l.* would be a moderate sum for Her Majesty's Treasury to contribute for what Her Majesty's Government have acquired through the agencies of the Sultanate of Zanzibar and the Company, and in place of making the Company any *cash payment* we would suggest as a feasible plan that the Treasury by contributing 100,000*l.*, to be held "in trust" for the Sultanate, would thus hold 300,000*l.* in Consols, yielding a yearly income of 7,500*l.*

The Directors are prepared to recommend their shareholders to accept Zanzibar bonds, interest thereon guaranteed by Government at 2 per cent. on the entire outlay of the Company, say, 450,000*l.*, requiring annually in interest 9,000*l.* The deficit of 1,500*l.* can easily be provided from the general revenues of the Sultanate. The present Customs revenue from the Concession ports of the Company alone yield 15,000*l.* per annum, and should the railway be constructed, the Customs revenues of these ports must very shortly double, and even treble; while the lands throughout the territory would so increase in value that their sale or rental would enable the Sultanate to redeem its bonds at about 80*l.* per 100*l.* bond, leaving the 300,000*l.* Consols in hand for the future benefit of the Sultanate. Under such a settlement the Sultanate acquires full value by the repurchase of the Concession under its enhanced value, the disposal of all claims and every asset of the Company, and thereby all question of valuation of assets and lands which belong to the shareholders is rendered unnecessary.

December 4, 1894.

COMPANY'S Assets as at 30th June, 1894.

	Rupees.	Rupees.
<i>Furniture, &c.</i>		
Mombasa Hospital furniture	1,843	
Furniture in Company's houses and offices.	29,573	
Melindi Kilifi district furniture	2,614	
Lamu district furniture	4,143	
Kismayu furniture	2,847	
Custom-house weighing machine	2,186	
		43,206

	Rupees.	Rupees.
<i>Stores.</i>		
Medical and surgical instruments	3,319	
Transport and general stores	122,231	
Public Works stores	53,626	
Wanga district stores	2,081	
Melindi Kilifi district stores	7,052	
Lamu district stores	10,470	
Kismayu district stores	37,004	
Ndi station stores	2,215	
Machakos station stores	7,672	
Kikuyu station stores	15,711	
„ live stock	825	
		262,206
<i>Railways and Tramways, &c.</i>		
Railway construction	168,936	
Railway plant	302,649	
„ rolling stock	25,287	
„ point stores	13,560	
Mombasa island railway	14,643	
„ „ „ plant	14,643	
Kilindini railway construction	63,972	
„ „ stores	901	
„ „ rolling stock	13,734	
		638,316
<i>Steamers, Launches, Lighters, and Small Craft.</i>		
Steam-ship "Juba"	236,781	
Stern-wheeler "Konia"	89,325	
Lighters and steam-launches	112,487	
Lamu boat	1,231	
Kismayu boat	863	
		440,687
<i>Telegraph Line, Plant, &c.</i>		
Telegraph construction	148,199	
„ materials	31,481	
		179,680
<i>Roads, &c.</i>		
Road construction at Kikuyu	6,160	
Melindi Jelori-road	10,969	
Taro and Tzavo wells and road	6,451	
		23,580
<i>Shambas, Cultivation, &c.</i>		
Shamba clearing and cultivating	49,707	
Isa-bin-Mahdi's cotton	1,548	
Shamba experimental	21,579	
Melindi shambas	1,956	
Magarini „	14,138	
Kismayu „	92	
		89,020
<i>Land, Houses, Piers, Harbour Works and Plant.</i>		
For particulars see separate list		466,247
Mortgages		48,331
		2,191,273
		£ s. d.
At exchange 1s. 6d.		164,345 9 6
Add to the above cost of lake steamer at present lying in Glasgow		4,426 14 6
		168,772 4 0

In addition to the above add:—

Arms and Ammunition.

Estimated quantity in active use at Mombasa and other stations, say Rupees. 7,000 to 8,000

HOUSES (Mombasa).

	Rupees.	Rupees.
Cost of one stone house, Bandarini	821	
House near fort in Main Street	190	
Stone house in Main Street	8,510	
Native house, Mombasa	425	
Said-bin-Sud's house in Main Street	4,623	
Fort bungalow	5,856	
Fort coast bungalow	4,752	
Sectional houses	6,984	
Assistant Administrator's bungalow	4,302	
Leven House	17,142	
English Point bungalow	5,259	
Temporary buildings, English Point	13,485	
Killindini wooden bungalow	4,715	
" stone bungalow	47,388	
Stone barracks	3,289	
Transport store buildings	5,456	
Custom-house sheds	35,049	
Kerosene shed	3,375	
Patent prison	6,217	
Hospital	33,435	
Railway Point buildings	14,564	
Compensation for removal, material, rebuilding, &c. ..	16,970	
<i>Fort Alterations.</i>		
Repairs	5,063	
<i>Houses at Outposts.</i>		
Lamu	39,341	
Melindi	11,765	
Wanga	11,397	
Tanganyika	1,500	
Kismayu	18,014	
		328,887
<i>Lands (Mombasa and Neighbourhood).</i>		
Purchased from Ahmed-bin-Suliman	3,624	
Maukpa, &c., land	19,107	
Ground adjoining Customs	100	
One shamba and plot of ground from Isa-bin-Mahdi ..	851	
Ground and houses near Customs	2,765	
Machangamwe and improvements	1,847	
		28,294
<i>Outstations.</i>		
Tanganyika	1,000	
Melindi	559	
Wanga	18	
Fort Smith	35	
		1,612
<i>Harbour Works (Mombasa).</i>		
English Point pier and works	50,471	
Iron pier	28,039	
Mombasa Harbour lighthouse, plant, &c. ..	26,633	
<i>Outposts.</i>		
Lamu	828	
		105,971
Total .. ..	..	464,764

Foreign Office to Imperial British East Africa Company.

Sir, *Foreign Office, December 31, 1894.*
 I AM directed by the Earl of Kimberley to state that, in accordance with the assurance given by him to the deputation of your Directors at their recent interview with him, his Lordship has given his careful consideration to the proposals laid before him for the acquisition by the Sultan of Zanzibar of the private assets of the Company in the territory covered by his Concessions to the Company, and has consulted the Government of His Highness upon them.

Before entering into an examination of the individual items, I am to observe that Her Majesty's Government could not recommend to the Sultan that, in order to recoup the Company for their entire outlay, his Government should take over the assets at cost price, the rupee being reckoned, for the purpose of calculating the price, at the exchange value of 1s. 6d. The basis of the valuation must be such as to allow for depreciation, and to put the property at its fair present value at the exchange of the day.

The first of the individual items on the list is for furniture, &c. The valuer would have to carefully distinguish between what is private and what can fairly be considered as Government property. The necessary furniture of the Customs offices and the Custom-house weighing-machine would appear to come within the latter category.

The second item is for stores, of which the Sultan could only be expected to take over those within his own territories.

Amongst the headings of the third item (Railways and Tramways, &c.), there are two for "railway construction." In view of the present condition of the existing railway, it cannot be expected that the Sultan should pay for the cost of its construction, and the charges, therefore, under this heading, could not be admitted.

The fourth item is for steamers, &c., which, at a proper valuation, might be taken over by the Sultan.

The fifth item is for the telegraph-line, plant, &c. According to the offer made to the Company, the purchase of the telegraph-line was to be considered as included in the payment of 150,000*l.* already offered. This would comprise the cost of construction, and would leave the unused materials only as objects for further purchase.

The sixth item is for roads, &c. Some of these lie beyond the Sultan's territories, and the whole of them must, in Lord Kimberley's opinion, be considered as having been made by and for the use of the Administration. They, therefore, come under the heading of public, as distinguished from private, property.

The seventh item for shambas and cultivation would seem to apply exclusively to private property, and, if taken, would be subject to valuation.

With regard to the eighth item, which deals with land, houses, harbour works, and plant, his Lordship is not in possession of sufficient information to enable him to express a definite opinion as to how far they come under the categories of public or private property respectively, but I am to observe that Custom-houses, prisons, and forts would appear to be clearly public property.

Of the ninth item, mortgages, no explanation is given.

The steamer for the Victoria Nyanza, which forms the tenth item, will, if purchased, be paid for from the revenue of the Uganda Protectorate, and would not constitute a charge against the Sultan.

Lord Kimberley has ascertained that the Zanzibar Government would be prepared to consider the purchase of the private property of the Company within the Concession territory on the lines above indicated at a fair valuation to an amount not exceeding 50,000*l.*, beyond which it would not be possible to burden the Sultan's revenue for this purpose.

If, therefore, your Directors are willing to accept the offer made to them in the letter of the 14th ultimo, as above explained, his Lordship would propose that an independent authority should be selected who would distinguish Government from private property, and would value the latter. It would be understood that stores and ammunition, though destined for administrative purposes, would not be considered as Government property.

In the event of a settlement being come to on the points above mentioned, Lord Kimberley would be prepared to advise the Government of the Sultan to take over the Company's coinage in circulation and in store.

The bank and other Concessions and monopolies referred to in the Memorandum, so far as they relate to the mainland, are to be considered as lapsing on the repurchase by

the Sultan of the general Concessions, but if the shareholders should decide to convert themselves into a trading Company, any applications on the subject which they might make in that capacity would not fail to receive his Lordship's best consideration.

I am, &c.

(Signed) H. PERCY ANDERSON.

No. 9.

Imperial British East Africa Company to Foreign Office.—(Received January 9.)

Sir, 2, Pall Mall East, London, January 9, 1895.

I HAVE the honour to acknowledge your letter of the 31st December.

The Directors observe that Lord Kimberley, instead of treating as a whole the interests at the coast and in the interior which have been identified and inseparable from the beginning, bases the proposal upon a distinction in regard to assets which operates to the manifest disadvantage of the Company. The suggestion that the assets should be taken over as a whole, at cost values, seemed to the Directors to offer a means whereby the Sultanate and Her Majesty's Government conjointly could legitimately in some degree meet the reasonable expectations of the shareholders.

As to the question of exchange, the statements submitted represent the actual sterling money spent. To adjust the sterling cost of assets at to-day's rate of exchange would merely be to increase the Company's net sterling outlay on other items of expenditure by a precise equivalent, and to make more apparent the inadequacy of the proposal to pay 200,000*l.* for the interests apart from assets.

The Directors are now informed that only such assets as might be selected could be taken over by the Sultanate, and then only at a valuation, and that in no case can a sum of more than 50,000*l.* be appropriated for this purpose.

This is an answer that will enable the Directors to inform the shareholders of the decision arrived at on this point, and it will remain for the shareholders, in event of accepting the substantive offer, to retain the whole of their assets, or to allow the Zanzibar Government to pick out whatever they may choose at a limited valuation, leaving the remainder on the hands of the Company.

The assets of the Company (excluding the telegraph-line and improvements on the actual buildings taken over from the Sultanate) stand in the books, and have cost the Company about 150,000*l.* If the purchase by the Sultan of such of the Company's assets were restricted to 50,000*l.*, this would obviously include the more valuable portion of them, and it is evident, therefore, that what remained in the hands of the Company would be practically unsaleable. It is, therefore, only fair that the assets, if dealt with at all, should be treated as a whole. It would obviously greatly facilitate the consideration of the question by the shareholders if it were clearly understood what assets would be taken over by the Sultan in consideration of the 50,000*l.*, so that the shareholders might determine, in event of the substantive offer being accepted, whether to sell or to hold.

There is, however, another question that has been incidentally introduced by your letter under reply into the consideration of the original offer, as contained in your letter of the 14th November. This relates to what constitute the assets to be given over in consideration of the 150,000*l.* offered by the Sultan. The letter under acknowledgment is, the Directors maintain, at variance with the terms of the original proposal of the 14th November.

At the interview with Sir P. Anderson prior to receipt of the written proposal (on which it was understood the proposal was based), as set out in the Memorandum prepared by Mr. G. S. Mackenzie, and accepted by Sir P. Anderson as a correct representation of the authorized communication to be made to the Directors, it was agreed that, with the single exception of the line of telegraph, all the assets of the Company other than those actually received from the Sultan with his Concession, and the forts of Machakos and Kikuyu, were to remain the private property of the Company.

A copy of the Memorandum is sent herewith; and I am directed to draw your attention to the fact that the interpretation which your letter under acknowledgment places upon what are to be treated as public and private assets raises a new and important issue which, unless cleared up before the meeting of shareholders, must so detract from the value of the offer conveyed in your letter of the 14th November as to raise grave doubts as to its precise value, and as to what is meant by the additional claims now put forward.

In order to give an early reply to the Government proposals, the Directors have arranged to call a meeting of shareholders to put these before them. When this is done, the result will be duly communicated to you.

I am, &c.
(Signed) A. B. KEMBALL, *Chairman.*

Inclosure in No. 9.

Report of a Conversation with Sir P. Anderson at the Foreign Office on November 1, 1894.

THAT Her Majesty's Ministers having considered the question of coming to a settlement with the Company for the purchase of their rights in Africa, I was authorized to submit the following proposals for consideration of the Directors:—

Concession Territory.—The Company to accept the sum of 150,000*l.* cash from the Sultan of Zanzibar for the relinquishment of his Concession; the Company thereafter to be relieved of all administrative functions, and to hand back to His Highness only the public buildings and public lands which the Company obtained under the Concession; also all the lines of telegraph erected by the Company; the Company, however, to retain all their stores and assets of every kind, inclusive of houses and buildings erected by them at their *private* expenses, together with the sites on which they stand, if previous to their having been built the sites were vacant public lands; to such sites a reasonable surrounding space to be added. Also, all private lands purchased or presented by private individuals to the Company, which can be identified by documentary or independent personal evidence.

Interior.—In addition to the above-named 150,000*l.*, Her Majesty's Government to apply to Parliament for a grant of 50,000*l.*, making 200,000*l.* cash payment in all, to be paid to the Company in consideration of their resigning the Charter, making over the Treaties, and handing over to Government the forts and buildings at Kikuyu and Machakos only, but not any other lands occupied by the Company; that is to say, such lands as are not within the boundary of the forts, and which can be shown to be in the occupation of, or to have been formally transferred to, the Company.

Road.—The road between Kibwezi and the coast, it was explained to Sir Percy Anderson, was the property of Sir William Mackinnon's executors, and did not belong to the Company.

Selection of Lands.—It was proposed by me that the Company should be permitted to select, as hereafter to be agreed upon, blocks of unoccupied lands in the interior, subject only to the right of roads and railways passing through such land as might hereafter be required.

N.B.—Although not discussed with Sir Percy Anderson, I pointed out to the Directors that there were some matters which would require to be arranged before the offer could be entertained; for instance, that all the Company's coins in store and in circulation should be recognized as coin of the Sultanate, and be so dealt with by the Zanzibar Government.

That the agreements with the Company's staff should be taken over by the Government, or that those whose agreements have expired and would be renewed shall be given the option of joining the Government service.

(Signed) GEORGE S. MACKENZIE.

London, November 2, 1894.

No. 10.

Foreign Office to Imperial British East Africa Company.

Sir, *Foreign Office, January 14, 1895.*

I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 9th instant relative to the acquisition by the Sultan of Zanzibar of the assets of the Imperial British East Africa Company in the territory covered by His Highness' Concessions.

Lord Kimberley fears that there is some misapprehension on the part of your Directors as to the nature of the proposal contained in my letter of the 31st ultimo, to which it is a reply. The offer of Her Majesty's Government as to the terms on which the Company should relinquish its general Concession to the Sultan is contained in Sir Percy Anderson's letter of the 14th November, 1894, and not in any previous Memorandum of informal conversation as to what the terms would be. That letter contains the following passage:—

"There are certain assets to be surrendered in the shape of Government lands and property in the territory and at the ports, of which the most valuable is the telegraph-line."

Further on it states as follows:—

"It will be understood that, in the interior as in the Sultan's Concession, the Company would, while making over administrative posts and Government property, retain its private stores and assets, inclusive of houses and buildings built at its private expense, with the sites on which they stand, as well as private lands purchased by the Company, or presented to it by private individuals, which may be identified by documents or by independent evidence, to the satisfaction of Her Majesty's Agent and Commissioner.

"It would be a condition as regards land that the admission of the private claims would be subject to the legitimate requirements of the Administration for the purposes of Government, and for the construction of public works, roads, and railways."

Your Directors having expressed apprehension as regards the effects of the sentence last quoted, they received in a further letter of the 24th November the following assurance:—

"With reference to the apprehension expressed by the Directors that the Sultan of Zanzibar might have it in his power to appropriate without compensation the private property of the Company on the ground that it was needed for railways or other public works, I am to state that there is no ground for such apprehension, as fair compensation would unquestionably be paid for any private land within the Sultan's dominions which it might be found necessary to take for such purposes."

When Lord Kimberley received the deputation from your Company on the 4th ultimo, the question of the acquisition of the Company's private assets by the Government of Zanzibar was submitted to him, and he promised that it should receive consideration. My letter to you of the 31st ultimo contains the conclusions at which he has arrived.

The proposal of the Directors appears to be that, in order to recoup the Company for their expenditure on these assets with only the loss of interest on the money so expended, the assets should be taken over *en bloc* at their estimated cost price, taking the rupee at the value at which it stood in 1891.

Lord Kimberley has been unable to accept this proposal, but he has stated that the Government of Zanzibar would be prepared to consider the purchase of the private property of the Company at a fair valuation to an amount not exceeding 50,000*l.* It would not, in Lord Kimberley's opinion, at all necessarily result that, if this proposal be accepted, the Zanzibar Government would select for purchase all the more valuable portions of the assets, leaving only to the Company those which are comparatively worthless. The object of the Zanzibar Government would be to acquire that portion of the assets which will be most useful for its work of administration, while other assets, possibly more valuable for commercial purposes, would be left in the hands of the Company. But it is clear that the question of distinguishing between what may properly be regarded as Government or public property and what as private assets, the selection of the private assets to be acquired by the Zanzibar Government, and the price to be paid for them, must all be matters for detailed discussion by persons cognizant of the circumstances, and authorized to speak respectively in the interests of the two parties.

I am, &c.

(Signed) T. H. SANDERSON.

Imperial British East Africa Company to Foreign Office.—(Received January 18.)

Sir, 2, Pall Mall East, London, January 17, 1895.

I HAVE to acknowledge your letter of the 14th instant, which will be submitted to the meeting of shareholders called for the 21st instant as supplementary to the matter submitted in the Report. I have, however, to remark that the letter does not remove the difficulty the Directors experienced on receipt of that of the 31st December.

The Company's list of assets did not include any item which had not been acquired privately. The "prison" described in the Memorandum was erected by the Company. The Custom-house and office which is in the Customs building were furnished at the Company's private expense.

What I desire to point out is, that the letter of the 31st December seems to imply that any assets which had been used for Government purposes might, by the experts following the lead of your letter, be claimed as "public."

Almost all the assets of the Company having been so used might under the interpretation of your letter be so appropriated—the Administrator's residence, the hospital, the piers, with their cranes, &c.—although built at the Company's cost. Of course, this would be at variance with the provision in your letter of the 14th November that the Company "would retain its private stores and assets, inclusive of houses and buildings built at its private expense, with the sites on which they stand," &c.

The Company would be prepared to give up with the Concession whatever buildings it had received with it from the Sultan, whether forts, prisons, Custom-house and offices, including outlay in repairing and improving the same; but your letter of the 31st December goes further and claims the very furniture of these buildings, which had never been the Sultan's, and introduces a principle which might be applied to the Company's great prejudice.

As to the Memorandum approved by Sir Percy Anderson. Mr. Mackenzie was invited to the Foreign Office to be made acquainted with the offer proposed to be made, with express reference to the assets to be left to the Company, and he embodied the information so conveyed to him in a Memorandum which was approved (after some alterations) by Sir Percy Anderson, and then submitted to the Board of Directors as official.

The Directors much regret that the Foreign Office are not now disposed to accept that Memorandum as conveying a true interpretation of the offer.

As matters stand, the Directors are now in perplexity as to what the proposal really is.

There is first of all the difficulty as to what are to be regarded as Government assets under the interpretation of your letter of the 31st December, and then again as to the items of private assets the Sultan would be prepared to buy.

Your letter of the 31st December, followed by that of the 14th January, indicates that both these points could be decided only after acceptance by the Company of the general offer of 200,000*l.* Hence the difficulty in instructing the shareholders as to what is really before them.

Failing acceptance of this Memorandum as a definition of the position, the Directors would respectfully submit that the simplest mode of clearing up the matter would be by the appointment of a Joint Committee, composed of Representatives of the Government and the Directors, in order to arrive at a clear understanding of the subject.

I am, &c.

(Signed) A. B. KEMBALL, *Chairman.*

Imperial British East Africa Company to Foreign Office.—(Received January 26.)

Sir, 2, Pall Mall East, London, January 26, 1895.

THE meeting of shareholders having been called on the 21st instant, in conformity with the intimation conveyed to you in my letter of the 9th instant, to consider the offer of Government for a settlement with this Company, I have the honour to subjoin a copy of the Resolution then passed with practical unanimity as expressing their views for the guidance of the Directors:

Resolved.—That this meeting is unable, from the information before it, to estimate the value of the proposals made by the Government, and requests the Directors to urge upon the Earl of Kimberley the nomination of two or more Representatives on behalf of Her Majesty's Government to confer with an equal number of the Directors, in order that, by careful investigation, an estimate as nearly complete as is possible may be arrived at as to the precise meaning and effect of the Government proposals of the 14th November last.

In submitting this Resolution to the Earl of Kimberley, the Directors desire to express their hope that his Lordship will be pleased to accede to the suggestions of the shareholders.

I am, &c.
(Signed) A. B. KEMBALL, *Chairman*.

No. 13.

Foreign Office to Imperial British East Africa Company.

Sir.

Foreign Office, January 30, 1895.

I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 26th instant, transmitting a Resolution passed at a meeting of the shareholders held on the 21st instant with reference to the proposals contained in the letter from this Department of the 14th November last.

I am to inform you that the Resolution will receive immediate consideration.

I am, &c.
(Signed) H. PERCY ANDERSON.

No. 14.

Foreign Office to Imperial British East Africa Company.

Sir,

Foreign Office, February 5, 1895.

I AM directed by the Earl of Kimberley to acknowledge your letter of the 26th ultimo, transmitting the Resolution adopted at the general meeting of the 21st ultimo, "That this meeting is unable, from the information before it, to estimate the value of the proposals made by the Government, and requests the Directors to urge upon the Earl of Kimberley the nomination of one or more Representatives on behalf of Her Majesty's Government to confer with an equal number of the Directors, in order that, by careful investigation, an estimate as nearly complete as is possible may be arrived at as to the precise meaning and effect of the Government proposals of the 14th November last."

In order to make the matter clear, it will be convenient to recapitulate the correspondence which has passed on the subject of the offer made by Her Majesty's Government to the Company.

On the 14th November the Directors were informed—

1. That the Sultan would be recommended to offer 150,000*l.* for the surrender of the Concession.
2. That Her Majesty's Government would recommend to Parliament a grant of 50,000*l.* on the relinquishment of the Charter.

Two conditions only were attached:—

1. That Government lands and property, including administrative posts in the Sultan's territory and ports, and also including the telegraph-line, should be surrendered with the Concession, the Company retaining its private property.
2. That the tenure of the private land should be subject to the legitimate requirements of the Administration for the construction of public works, roads, and railways.

On the 19th November the Directors asked for explanations as to the second condition, expressing an apprehension that it might involve a right to arbitrary appropriation.

On the 24th of the same month they were assured that fair compensation would be given for all land which it might be necessary to take. As no further communication has been received from the Company on this point, it is presumed that this explanation was satisfactory.

As regards the first condition, the Directors made, in a Memorandum forwarded on

the 30th November, a counter-proposal, suggesting that some arrangement might be included in the offer for the taking over the Company's private assets at cost price. A detailed list of the assets was annexed. They at the same time inquired what arrangements could be made for taking over the Company's coinage. On the 31st December, Lord Kimberley having in the meanwhile had an interview with a deputation, the Directors were informed by his Lordship that the Sultan's Government would be advised to take over the coinage. As regards the private assets, it was stated that the Zanzibar Government would entertain the question of purchase, not at cost price, but at fair present value, but that it would not be possible for them to burden the revenue for that purpose beyond the sum of 50,000*l.* It was explained that it was proposed that an independent valuer should be selected, who, while distinguishing Government from private property, would value the latter.

It was at the same time pointed out that some of the items inserted in the list of private assets, which included custom-house sheds, prisons, barracks, harbour works, and a lighthouse, appeared to fall under the definition of public rather than of private property.

On the 9th January the Directors stated that they feared that, under the proposed arrangement, the Sultan might be able to pick out the more valuable portion of the Company's private property, leaving in its hands what was practically unsaleable. On the 14th January they were informed that they need be under no such apprehension, as the object of the Zanzibar Government would only be to acquire that portion of the assets which would be most valuable for their work of administration.

On the 17th January the Directors remonstrated against the inclusion under the head of public property of any buildings, lands, or other property whatever, constructed or acquired at the Company's expense. They said, however, that the "Company would be prepared to give up with the Concession whatever buildings it had received with it from the Sultan, whether forts, prisons, custom-houses and offices, including outlay in repairing and improving the same."

From this summary of the correspondence, it appears that the only points as to the offer on which there is a controversy are the definition of the public property to be surrendered with the Concession, and the question of such definition being made by an independent Arbitrator. I am to state that, though the original offer of the 14th November contemplated the surrender of all public as distinct from private property, and though Lord Kimberley does not apprehend that a competent expert would have much difficulty in arriving at a satisfactory definition, his Lordship is prepared to treat this question in a liberal spirit, and he will therefore, in order to avoid all further difficulty on the point, accept the definition given by the Company itself. The proposal that the expert who values the private property should set apart the public property consequently falls to the ground.

This cause of possible misunderstanding having been thus removed, I am to summarize as follows the offer of Her Majesty's Government as it now stands:—

1. The Sultan will pay 150,000*l.* for the surrender of the Concession.
2. The Government will recommend to Parliament a grant of 50,000*l.* for the surrender of the Charter.
3. The Company will make over to the Sultan with the Concession the public property as defined by it in the letter of the 17th January, and the telegraph-line.
4. As regards public property outside the Concession, to be made over on receipt of the Parliamentary grant, such property will comprise the forts at Kikuyu and Machakos, with the buildings contained in them, and also the road between Kibwezi and the coast, constructed for public use by the generous action of the late Sir William and Lady Mackinnon.
5. The private land in the Sultan's territory and in the interior will be subject to Government requirements for certain purposes under the conditions laid down in the letter of the 24th November.
6. Arrangements will be made in Zanzibar for taking over the Company's coinage.
7. The Sultan will purchase the private assets of the Company, after valuation by an independent expert, to the extent of 50,000*l.*, under the conditions explained in the letter of the 14th January.

Should the Directors still require further explanations, his Lordship would be ready to appoint two Representatives, as suggested in the Resolution, to confer with an equal number of the Directors.

I am, &c.
(Signed) H. PERCY ANDERSON.

No. 15.

Imperial British East Africa Company to Foreign Office.—(Received February 8.)

Sir, I HAVE the honour to acknowledge receipt of your letter of the 5th instant relating to the offer of Her Majesty's Government for the surrender of the Company's rights in East Africa, which has been laid before a meeting of the Directors to-day.

The Directors, in desiring me to express their acknowledgments of the explanations afforded by your letter, wish to avail themselves of the opportunity offered in the concluding paragraph to delegate three of their number (unless Lord Kimberley should consider more than two to be undesirable) to confer with the Representatives of the Foreign Office on some points in regard to which they think further explanations would be of advantage. They would suggest that the earliest possible date should be appointed for the meeting of the Conference.

I am, &c.
(Signed) A. B. KEMBALL, *Chairman.*

No. 16.

Foreign Office to Imperial British East Africa Company.

Sir, I AM directed by the Earl of Kimberley to acknowledge receipt of your letter of the 7th instant relating to the offer of Her Majesty's Government for the surrender of your Company's right in East Africa, and I am to state that Sir T. Sanderson, Sir P. Anderson, and, if possible, Sir E. Grey will be prepared to meet three of your Directors at No. 53, Eaton Square, at noon on Tuesday next, the 12th instant, with a view to affording any further explanations which may be desired in regard to the offer.

I am, &c.
(Signed) T. H. SANDERSON.

No. 17.

Foreign Office to Sir A. Kemball.

Dear Sir Arnold, I SUBMITTED to Lord Kimberley the principal points discussed at our meeting on the 12th, which were as follows:—

As regards the Mackinnon road, you and your colleagues had explained that this road with certain blocks of land along it was the property of Sir W. Mackinnon's executors, and that the Company held it and the land under a lease signed on the 24th November last in pursuance of a previous agreement. This lease was determinable by the Company if they at any time retired from the territory through which it passed. The lease was, as we understood, held at a peppercorn rent, but with the obligation to keep the road in repair, and it included an option of purchase on payment of the sum expended in construction.

Sir E. Grey, Sir P. Anderson, and I had thereupon agreed that such a lease could not be considered an asset, that the mention of the road might be considered as omitted from paragraph 4 of the offer of Her Majesty's Government contained in Sir P. Anderson's letter of the 5th instant, and that, if the offer of the Government were accepted, any eventual arrangement in regard to the road should form matter for subsequent discussion between the Government, the Company, and the proprietors.

Lord Kimberley quite concurred in this.

In the course of the further discussion, you and your colleagues had inquired whether the purchase by the Sultan of the private assets of the Company to the extent of 50,000*l.*, which forms the subject of paragraph 7 of the offer of the Government, was an essential condition of the offer. We had replied that it was not an essential condition, and was not mentioned in Sir P. Anderson's letter of the

14th November; that it had been added in consequence of a suggestion made by the Directors, and that the Company were free to accept the rest of the offer without it if they preferred so to do.

Lord Kimberley confirmed this view.

I told him that Sir Percy Anderson had suggested that Sir L. Matthews, on the part of the Government of Zanzibar, and Mr. Pigott, on behalf of the Company, should discuss which assets should be taken over by Zanzibar and which should be retained by the Company, but that this proposal had not seemed to you and your colleagues as likely to produce a speedy settlement.

It does, however, appear to Lord Kimberley that, if these gentlemen were apprised by telegraph of an arrangement of this nature between Her Majesty's Government and the Company, and requested to act upon it, a satisfactory result would be obtained without any appreciable delay, and his Lordship would be prepared to telegraph at once to Mr. Hardinge to this effect if the Company agrees. Without such agreement, of course it would be useless to take any such action. But Lord Kimberley would press once more on the Company the expediency of taking this course in the interests of a speedy and satisfactory settlement. I told Lord Kimberley that you had not seen your way to entertaining a further suggestion that, in order to remove any apprehension of the Sultan's Government selecting all the most marketable assets, the Directors should specify those to the retention of which they would attach most importance.

Another suggestion, that the whole of the assets should be valued by an independent expert as a first step to a settlement, had been also objected to by you on the score of the delay which it would entail.

I mentioned that you had asked for explanations as to the provision that private land might be taken at fair compensation for public purposes, and that you had been assured that this stipulation was not intended to go beyond the practice now almost universally prevalent in England and other European countries when land is so required for purposes of public utility.

I put before Lord Kimberley your proposal, that the whole of the Company's assets should be taken over for a sum of 100,000*l.*, and that the additional 50,000*l.* required for this purpose should, if the Government were not prepared to obtain a vote in Parliament for it, be raised by a charge on the local revenues derived from import and export duties and other sources in the interior territories under British administration.

I said you had explained to me that this arrangement would buy the Company completely out, and that if it were accepted by the Government, the Directors were prepared to urge it upon the shareholders with their whole authority.

Lord Kimberley, however, as I had anticipated, said that he could not entertain this proposal; that he could not go beyond the offer already made.

The offer of the Government must therefore be considered as that stated in Sir P. Anderson's letter of the 5th instant, subject, of course, to what is stated at the beginning of this letter.

I am, &c.

(Signed) T. H. SANDERSON.

No. 18.

Sir A. Kemball to Foreign Office.—(Received February 15.)

Dear Sir Thomas,

2, Pall Mall East, London, February 15, 1895.

I DULY received last night your letter of same date, and I will at once submit it to the consideration of my fellow Directors at a Board meeting to be specially convened for this purpose.

It will be satisfactory to them to learn that the private property of the Company is not to be expropriated, and that it will remain with the shareholders to accept or reject the offer of Government for the surrender of the Charter and Concession, retaining in the former case the whole of their assets for disposal at their discretion. They will thus be at liberty to treat with the Sultan for such portions as His Highness may desire and they may be willing to part with.

You are aware that the Company resents very bitterly the harsh treatment they have experienced at the hands of Her Majesty's Government compared with the consideration extended to the Hudson's Bay Company and the Royal Niger Company,

and this notwithstanding that the work done by the Company, on precisely similar lines, has been incomparably more important to the State, while the difficulties and obstacles opposed to it were immeasurably greater. As a matter of fact, the Government demands to obtain, by means of a contribution of 50,000*l.*—the additional 150,000*l.* being taken from Germany—the whole of the territories comprised in the British sphere, including the Protectorate of Zanzibar, which, but for the intervention of the Company—urged and encouraged by Her Majesty's Ministers—and the outlay of private capital of nearly twice the amount stated (debarred as the Company was from all sources of revenue), must have been lost to the nation, to the sacrifice of the nation's interests in the Nile Basin.

It has been most unfairly alleged that the Company has stood in the way of the Government policy, and reference made in Parliament in this sense to the negotiations pending between it and the Government, whereas repeatedly during the past two years the Company has manifested its willingness to come to an arrangement on conditions which Ministers themselves declared to be entitled to prompt consideration, while the present offer was made by Government in terms so vague as to necessitate a correspondence, completely justified on the part of the Company, extending over a period of three months.

I presume that your letter under acknowledgment may be regarded as official for all practical purposes—its publication, for instance, for the information of shareholders.

Believe me, &c.
(Signed) A. B. KEMBALL.

No. 19.

Foreign Office to Sir A. Kemball.

Dear Sir Arnold,

Foreign Office, February 21, 1895.

THE result of the meeting of the 12th is that the Directors are empowered to inform the shareholders that the scheme under which the Sultan would purchase the Company's assets at a valuation up to a maximum sum of 50,000*l.* is not an integral feature of the Government offer. The shareholders will be free, at their discretion, to entertain it or to set it aside.

It has, however, occurred to Lord Kimberley that as the question of the purchase of the assets originated with the Directors, the shareholders may not be altogether satisfied with this alternative. I am, therefore, to say that his Lordship has decided to authorize the Directors to further inform the shareholders that if the valuation scheme is unacceptable, he is prepared to recommend the Sultan to pay down at once a sum of 50,000*l.*, on receipt of which the Company would surrender all the assets in British East Africa. In this scheme valuation would disappear. The Company would receive 200,000*l.* from Zanzibar in addition to 50,000*l.* which Parliament would be asked to grant.

I am, &c.
(Signed) H. PERCY ANDERSON.

No. 20.

Sir A. Kemball to Foreign Office.—(Received February 23.)

Dear Sir Percy,

2, Pall Mall East, London, February 23, 1895.

AT a Board meeting yesterday the Directors had under consideration your letter to me of the 21st instant, and resolved that the proposal of Government to recommend the Sultan to purchase all the Company's assets in East Africa for a sum of 50,000*l.* should be communicated to the shareholders at a general meeting to be convened on or about the 27th proximo, twenty-eight days' notice being necessary for this purpose under the deed of settlement.

It is understood that the cash balances and debts recoverable, including mortgage loans, will remain to the Company. These, it is estimated, would about balance the Company's African liabilities.

There is still one question to which it would be satisfactory to the Directors to obtain assurances, for the information of the shareholders, viz., the intention of Her Majesty's Government in respect to taking over the staff of the Company. According to their agreements, the European employes of the Company in Africa would be entitled to receive three months' notice of discharge, or, in lieu thereof, three months' salary, with passages home in all cases (unless re-engaged by consent) if they left the country within one month of the date of their services being dispensed with. To admit of the necessary arrangements being made, it would be convenient to the Company to come to an understanding on this subject as early as possible.

The Directors having further resolved, under the circumstances, to recommend the shareholders to accept the Government proposal, I am to inquire if the new Administration would in such case be prepared to take over charge of the Company's territory on the 31st March, leaving the payment of the sum of 250,000*l.* offered for the surrender of the Company's rights, interests, and property in Africa to be effected at the earliest date thereafter at which the requisite formalities can be completed.

Believe me, &c.
(Signed) A. B. KEMBALL.

No. 21.

Foreign Office to Sir A. Kemball.

Dear Sir Arnold,

Foreign Office, March 4, 1895.

MY reply to your letter of the 23rd February has been delayed owing to the necessity of communicating with Zanzibar.

Mr. Hardinge now telegraphs that the majority of the Company's employes could be re-employed, but that he could not, of course, at present, pledge himself as to individuals.

He also telegraphs that the administration could be taken over at short notice, assuming that the formalities of the transfer would be completed in London. It is, however, evident that the 31st March is too early a date. The decision of the shareholders will not be given till the 28th, and if it is favourable to the recommendation of the Directors, it will still be necessary to obtain the assent of Parliament to the vote before the arrangement can be completed.

Lord Kimberley authorizes me to say that, subject to these conditions, the Directors may be assured that every facility would be given by Her Majesty's Government for relieving them, as soon as possible, of their responsibilities.

I am, &c.
(Signed) H. PERCY ANDERSON.

No. 22.

Sir A. Kemball to Foreign Office.—(Received March 4.)

Dear Sir Percy,

2, Pall Mall East, London, March 4, 1895.

I HAVE received your note of this day, and I will duly communicate it to the shareholders at an informal meeting called at the request of some of their number for the 7th instant.

The formalities mentioned in my note of the 23rd February had special reference to the alleged necessity of obtaining the signatures of Mr. Hardinge and a clerk in his office, who had been represented to be the trustees of the funds held in England at the disposal of the Sultan of Zanzibar.

In the event of the Government offer, limited to 50,000*l.*, being accepted by the shareholders, it was presumed that the Parliamentary vote would involve even less delay.

You are aware that a quarter's rent to the Sultan becomes payable in advance on the 1st April. The 31st March was therefore suggested as the most convenient date for determining the administration of the Company, on which date its transfer to the Government could take effect; or, alternatively, the administration could be carried on by the Company on behalf of Her Majesty's Government. Could not the one course or

the other be adopted? It is very important that I should be able to make known to the shareholders the date definitively on which their responsibilities would cease.

Yours truly,
(Signed) A. B. KEMBALL.

No. 23.

Foreign Office to Sir A. Kimball.

Dear Sir Arnold,

Foreign Office. March 6, 1895.

LORD KIMBERLEY wishes me to say, in answer to your letter of the 4th, that the Directors may feel fully confident that, if the shareholders decide to accept the offer, Her Majesty's Government will do all in their power, when they are in a position to do so, to facilitate the completion at an early date of the arrangements for the transfer, but that it is impossible to fix a date in anticipation of the sanction of the vote by the House of Commons.

I am, &c.
(Signed) H. PERCY ANDERSON.

No. 24.

Imperial British East Africa Company to Foreign Office.—(Received March 28.)

Sir,

2, Pall Mall East, London, March 27, 1895.

I HAVE the honour to inform you that at a special meeting of the shareholders held this day the following Resolution was adopted:—

“That, as arbitration on the whole case of the Company has been refused, the Directors be, and they are hereby, authorized to accept the proposals made to them by Her Majesty's Government for the surrender of this Company's Charter and Concession, and for the sale and cession of its property, assets, and rights in East Africa (excepting therefrom its cash balance, debts due and accruing due, including all mortgage loans), for a sum of 250,000*l.* in cash, subject to such modifications or alterations as the Directors may approve or agree with Her Majesty's Government, and that all necessary steps be taken for giving effect thereto.”

In communicating the foregoing Resolution for the information of the Earl of Kimberley, I have also the honour to inclose copy of another Resolution subsequently adopted by the shareholders, as well as copy of a letter received by the Directors from an influential number of them, and which was read at the meeting. This Resolution is entirely distinct from and independent of that by which the Government offer is accepted. The Directors sympathize with the feelings of the shareholders, and beg to recommend the views embodied in the second Resolution to the most favourable consideration of Her Majesty's Government.

I am, &c.
(Signed) A. B. KEMBALL, *Chairman.*

Inclosure 1 in No. 24.

Resolution.

THAT although the shareholders acquiesce, on the grounds of expediency, in the recommendation of the Directors to accept the Resolution just carried, rather than continue the inconveniences of a dual control in the Concession and chartered territories, they are still of opinion, for the reasons set out in the accompanying letter, that the only fair mode of settlement would have been the submission of the whole question to impartial Assessors; but having regard to the fact that the offer just accepted confessedly takes no account of the Company's outlay in acquiring and holding Uganda, the shareholders beg that the Directors will continue to urge that, in all the circumstances attending the effective occupation of Uganda in the national

interest, and the special reasons for withdrawal, there exists a strong moral claim for compensation.

The shareholders beg that the Directors will continue to urge that claim on the attention of Ministers.

Inclosure 2 in No. 24.

Letter addressed to the Chairman and Directors of the Imperial British East Africa Company.

Gentlemen,

London, March 25, 1895.

WE, the undersigned shareholders in the British East Africa Company, desire respectfully to record our reasons for demurring to your recommendation that, as the Company is powerless to remove the serious impediments and disabilities created by Her Majesty's Government under the application of the Free Zone system and International Treaties, the shareholders should accept the sum of 250,000*l.* proposed by the Foreign Office in full settlement for all its property and rights in East Africa, notwithstanding that the Company has expended nearly double the amount.

Before proceeding to give these reasons, it is needful (as a matter of history) to recall the fact that in the year 1877 His Highness Seyyid Barghash, Sultan of Zanzibar, with an evident foresight of the approaching European aggression in Africa, conveyed a proposal to the late Sir William Mackinnon to cede to him his mainland territory on the East African Littoral, and upon receiving a favourable reply His Highness invited his friend and adviser, the late Dr. George Percy Badger, to proceed to Zanzibar, where the Concession was duly agreed to in April 1878.

This Concession Sir William Mackinnon submitted to the British Government, but, not receiving the encouragement he expected from Her Majesty's Advisers, he relinquished it, to the great satisfaction of his friends. A few years later what is popularly described as the "scramble for Africa" became more intense, reaching its climax in 1885.

Three of the Continental Powers were then zealously pursuing a policy of annexation, Germany on the East Coast being the most formidable. Under the able and energetic leadership of Dr. Peters, who had the full support of his Government, Germany acquired extensive possessions, including 450 miles of the Sultan's coast-line, which formed part of the Concession of 1878, and there was considerable apprehension that the remainder would be similarly appropriated. At this juncture an urgent appeal was made by Her Majesty's Consul-General at Zanzibar to Sir William Mackinnon to step into the breach and save the situation. The British Government was no longer indifferent, and, with every encouragement from the Foreign Office, he patriotically responded, and thus saved this valuable territory to Great Britain, with its magnificent harbour of Mombasa, destined at no distant date to become the Bombay of East Africa.

Coming now to the reasons why, in our opinion, the Government proposals are not adequate, we beg to remind you—

1. That the Company was formed in 1887 to administer these possessions, and every subsequent step was taken with the knowledge and approval of Her Majesty's Government. That having throughout confined its operations to the opening up of the country, the extension of civilization, stopping slavery, exploring the territories, negotiating Treaties with the native Chiefs, the establishment of judicial, police, and municipal organization, it is justly entitled, on relinquishing its administrative functions to the Government, to be repaid the entire expenditure incurred in the pursuance of these objects.

2. That a considerable portion of the Company's capital has been expended in ungrudgingly fulfilling the policy of the Foreign Office and the national will in regard to Uganda and Witu, both beyond the scope of the original Concession, and, as evidence of the careful husbanding of the Company's funds, it may be mentioned that certain of its members generously disbursed money out of their private means to effect measures of the first importance, rather than allow them to be a drain upon the Company's resources.

3. That the Company having acquired what remained of the Sultan's rights on the sea-coast, and having acquired the interior by Treaties (approved by the Secretary of State) with the native Chiefs, the Government was enabled step by step, and with due

deliberation, to carry out its policy of establishing Protectorates over Zanzibar, Witu, and Uganda.

4. That, as a result of the latter, a system of dual control has arisen in the British sphere, embarrassing alike to the Government and to the Company, which it is recognized can only be remedied by the Company's withdrawal. Fiscal changes have also been brought about by the Government, which have deprived the Company of a considerable portion of its revenue, without reduction in the tribute payable to the Sultan, an acknowledged hardship which the Company for two years past has ineffectually urged that the Secretary of State should deal with in his capacity of referee under the Concession. At the same time, unlike other chartered Companies, it is debarred the rights of taxation to recoup administrative charges.

5. That it is more than doubtful whether, if the Government, instead of the Company, had entered into possession of the Concession and chartered territories, it could have accomplished in eight years all the Company has done for less money. Be this as it may, unless it can be shown that there has been any wrongful or wasteful expenditure, then, in common justice, the shareholders, in relinquishing to the nation all that it has acquired and created, are fairly entitled to be reimbursed their outlay. In order to judge whether or not this has been the case, we, with all deference, appeal to you to submit our views to the Government, with the reasonable request that disinterested Assessors, nominated by the Government, be appointed promptly to settle the amount which the Company is entitled to be reimbursed.

6. That whereas the acquirement of the neighbouring German and Italian possessions in East and North-East Africa has in each case entailed an expenditure of over 1,000,000*l.* on their respective Governments, and no little bloodshed, and whereas France is preparing to spend millions in Madagascar, our Company can point with pride and satisfaction to the fact that, its affairs having been directed by men of the highest administrative experience, the grave mistakes of our neighbours have been avoided, and the Company's vast territory, as large as any of the three named, has been peaceably secured for the nation with the good-will of the natives, together with a development of its revenues and general interests entirely at the Company's expense.

There are some amongst us who would be prepared to sacrifice all they have invested rather than submit to a slur being cast upon the Company and the honourable names connected with it by a blind acceptance of unexplained conditions, which imply that either by incapacity or maladministration half the capital of the Company has been improperly or wastefully expended.

In conclusion, we beg leave to remark that as the Foreign Office is the negotiator on behalf of the Zanzibar Protectorate and the Uganda State, and is constituted by the Charter, the only Court of Appeal, its officials could not in fairness to both parties be expected to act as Assessors. Further, that this question does not directly affect the British taxpayer, inasmuch as, following all precedent, the cost would be chargeable upon the revenues of Zanzibar and the New East African Colony.

We are, &c.
(Signed by Sir E. S. Dawes and a number
of Shareholders.)

No. 25.

Imperial British East Africa Company to Foreign Office.—(Received April 12.)

Sir,

2, Pall Mall East, London, April 11, 1895.

REFERRING to the subject of my communication of the 27th March, I have the honour to inform you that the Resolution passed by the shareholders at their meeting on that day, authorizing the Directors to accept the offer of Her Majesty's Government for the transfer of the rights and property of the Company in East Africa, was duly confirmed at the special meeting held to-day for that purpose, in accordance with the provisions of the Deed of Settlement.

The necessary authority for the transfer of the Company's rights and property in East Africa having been thus acquired, the Directors are prepared to carry out the arrangements necessary to give effect to this decision on the earliest date convenient to Her Majesty's Government.

In making this communication, I have the honour again to submit, for the information of the Earl of Kimberley, the second Resolution passed by the shareholders on the same occasion, and submitted to his Lordship on the 27th March :—

“That, although the shareholders acquiesce, on the grounds of expediency, in the recommendation of the Directors, to accept the Resolution just carried, rather than continue the inconveniences of a dual control in the concession and chartered territories, they are still of opinion, for the reasons set out in the accompanying letter, that the only fair mode of settlement would have been the submission of the whole question to impartial Assessors ; but, having regard to the fact that the offer just accepted confessedly takes no account of the Company’s outlay in acquiring and holding Uganda, the shareholders beg that the Directors will continue to urge that in all the circumstances attending the effective occupation of Uganda in the national interest, and the special reasons for withdrawal, there exists a strong moral claim for compensation. The shareholders beg that the Directors will continue to urge that claim on the attention of Ministers.”

Without entering into questions whether the Company was or was not directly urged by Her Majesty’s Government and by public opinion to occupy Uganda, or whether prior to the advance adequate guarantees should or should not have been secured, the shareholders found their claim for consideration upon the facts that by their acquisition of the territory, held subsequently during a period of two years, Her Majesty’s Government were enabled to enter upon peaceable and economical possession ; and that the importance of bringing Uganda and the Nile Basin under the control of Great Britain has been insisted upon strongly by the public press, and confirmed in official utterances in the House of Commons.

As, in the settlement now concluded with Her Majesty’s Government, no account whatever has been taken of the outlay incurred by the Company in acquiring and holding Uganda, the shareholders trust that the Earl of Kimberley will be pleased to favourably represent their claim for compensation on that account to Her Majesty’s Government. In this the Directors earnestly concur.

I am, &c.

(Signed) A. B. KEMBALL, *Chairman.*

No. 26.

Foreign Office to Imperial British East Africa Company.

Sir,

Foreign Office, April 18, 1895.

I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 11th instant, stating that the Resolution passed by the shareholders on the 27th ultimo, authorizing the Directors to accept the offer of Her Majesty’s Government for the transfer of the Company’s rights and property in East Africa, had been duly confirmed at the special meeting held on the 11th instant for that purpose.

With regard to the second Resolution passed on the same occasion, in which the Directors were requested to urge the claim of the Company to further compensation in connection with the retention of Uganda, I am to state that Her Majesty’s Government cannot modify the terms accepted by the Company, which were finally offered by them after mature consideration of all the circumstances.

I am, &c.

(Signed) H. PERCY ANDERSON.

CORRESPONDENCE respecting the Retirement of the Imperial British East Africa Company.

Presented to both Houses of Parliament by Command of Her Majesty. April 1895.
