

1923

KENYA

519  
37979

RECEIVED  
30 JUL 23

FROM  
Villiers  
Col. C. H.

DATE  
28th July 1923

FOR CIRCULATION:-

Mr.  
Mr.  
Mr.  
Asst. U.S. of S.

+ L. H. G. S.  
3/17/23

Permt. U.S. of S.  
Part. U.S. of S.  
Secretary of State.

SUBJECT

Magadi Soda Co.

to make observations  
on recent situation  
proposeable to be  
at C.O. on Wed. 10/11/23

Previous Paper

in

MINUTES

I suppose you disposed  
of Mr. Col. Villiers calls  
except between 3 & 4

I showed 37335 to Mr. R.  
Coynton yesterday was a  
week arranged 2.30 on  
Wed: Aug. 8 with you & him  
for a meeting with the  
Company. I think we had  
better not invite Col. Villiers.  
his position is a little obscure  
there.

Mr. R. Coynton agreed that  
the meeting should be  
fairly preliminary to his

Subsequent Paper

Conf. 46031/23

MINUTES.

MINUTES NOT TO BE WRITTEN  
ON THIS SIDE.

a series (including  
the G. M.) on his return  
to Kenya.

As to the coal in 37335,

the G. M. wanted a  
higher (1<sup>st</sup>) rate was

$\approx 3\frac{1}{8}$  a ton

latering down to  $\frac{9}{10}$  the

( $\approx 17\frac{1}{8}$  a ton) for a large  
quantity. The Company

suffer 18% (or taking

soda ash as the base - 15%

without weight) latering

down to 18 $\frac{1}{6}$  ( $15\frac{1}{6}$ ) the

is a very difficult proposition

it means that the

for the  
wholesale of the

material volume from

bagged, in ~~absolute~~ ~~terms~~

I think it will be

found that there is

nothing doing, but we

must have our meeting

at least on I think

wait till we have seen

to present should be:

550

C.D. Jm, the ~~the~~ ~~the~~ (with the  
Said's Secretary).

Kenya Sir R. Crofton & Major Rhodes  
(see 30900).

CA's Secretary, Am Oliver

Cor. Capt. Farnell on the Trust  
(in Kenya)

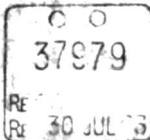
W.C.S. 31/11/23  
see 37335 as to  
the meeting.

at once

A. J. R.

31/11/23

TELEPHONE,  
AT WOKINGHAM.



551

FOLLY COURT,  
WOKINGHAM.

12.7.53.

Dear Mr Herbert Read -

I have been looking you the details of the proposed scheme of reconstruction as placed before me by Capt. Sarnack. & my letter to you last week.

I <sup>said</sup> Capt Sarnack that it was proposed to give the shareholders of the ordinary shares one 5/ share (2/ paid up to & 3/ liability) for each £1. ordinary share held by them.

and to wipe out the deferred shares. but to give the holders of the deferred shares - the right to subscribe for the ordinary share of 5/ with its 3/ liability for every 5/ deferred share held by them.

That his firm was to receive 7% Preference shares for the 270,000 of 2<sup>nd</sup> Debentures held by the Bank. & guaranteed by his firm.

That the 50,000 of Debentures would remain. & also the creditors for £150,000 about.

That the underwriters would receive 5% of the ordinary shares for each share underwritten by them -

The scheme would bring in about £10000 of new money.  
at a very generous rate of interest.

The different shareholders are proposed out of the new money to be made of them - they might equally be asked to subscribe their own £1000 of them.

The General Meeting having got the Company out this time by their scheme would be able to get out first. I do doubt if the first opportunity of the political situation imperious would there be better than that in the subscription. An attempt would be made to get a dividend in the Prof. shares. As was done previously when the Dr. share issue was made.

The scheme could not possibly save the company but the shareholders and it is quite obvious that the position in Great Britain is about as bad as it can be. The dividend has not been paid for 14 years. I am confident we shall have heard of the plant in right. I know that it has been lying out of use it will require necessary repairs. There is no doubt that the whole business requires a fresh start. It would be fatal to place the business against the Managing Director. I have the Council in the General Office -

TELEPHONE  
41 WOKINGHAM.

FOLLY COURT,  
WOKINGHAM.

Monday - The only plan that can save "The Magazine" is a Conference  
between a properly selected Committee of the Shareholders & the  
Interested Holders & Government representatives.

and some way will (should have) be found by which everyone  
is more than twice. I would be proper regard to be on the  
part. & then if a start is made, it can only be done on a  
small scale such as 100 tons a day, from the clean lot, &  
business should be made. I would this is obtained and sold.  
The whole business is looking for business together.  
If any attempt is made without this business on a larger scale  
it means certain failure.

Mr. Samuel tells me that Messrs. should explain their  
proposal by offering £100,000 for the property. & saying  
that if they bought it. They would do their best to start it  
and to work it as well as possible.  
If success is then business to depend on the property.

Generally the payments are not on the side of the shareholders.  
 Their shareholding has never been of any importance & there  
 has been 5% 12th commission in the gross but part was their  
 share. & they would have cleared £100000 a year out of  
 this if the Magade proposition had been successful. if they  
 had taken this commission they have already got back a large  
 part of their guarantee. This I am not certain about.

The original plan is to get back my loss & clear. if that  
 had taken of the shareholders' case. There is no doubt the  
 property would by now have been sold to the Board to in  
 the other scheme of the payments & I stopped here. It  
 made me 8/10th of the profits with the 12% share. &  
 would have the scheme for 5% to the shareholders would  
 have made. The property would have been in the hands of the  
 payments as underwriters - and would have been for sale  
 on the Business Board.

I should like to hope the Colonial Office will take the initiative

TELEPHONE  
41 WORKINGHAM

551

FOLLY COURT,  
WORKINGHAM.

Generally the servants are not on the side of the shareholders  
their shareholding has never been of any importance & their  
5% 1st commission in the present case was their  
claim. They would have cleared £100,000 a year out of  
the if the Magade proposition had been successful. If they  
are taken their commission they have already got their large  
part of their guarantee. We are not certain about it.

The present plan is to get back my loss & clear. If that  
is taken up the shareholders' claim. There is no doubt the  
property would by now have been sold to the House to  
the other scheme of the servants & I stopped here to  
make an 8/ statement? Hope that the deferred shares & I  
would reach the scheme for 5% the shareholders would  
have made. The property would have been in the hands of the  
servants as underwriters - and would have been passed  
over to Business Board.

Through  
I think I hope the Colonial Office will take the initiative

TELEPHONE.  
41 ROBINSON

555

TOLLY COURT,  
WOKINGHAM.

It will tell me that they favour a Committee such as  
I have suggested. In that case I can inform the  
Shareholders. The Committee would go on without any  
trouble of the Colonial Office to permit the sale.

I will call on the chance of being able to see you on  
Wednesday next in the afternoon.

Yrs

Sincerely

Charles William