

that it would be best (if possible) to insist on the completion of the draft lease (copy just below) and grant the new terms as a temporary concession revisable after two years. That would place us in the better position and dispense with the necessity for an elaborate new instrument.

(2) I do not think there is any special virtue in the sentence about the Magadi Railway being worked as an integral part of the Uganda Railway: it is connected with what goes before: i.e. the General Manager has to supply rolling stock &c., for the whole and not for one part rather than another.

We have to remember:-

(a) The interests of the shareholders: when the scheme is put to them they should be free to raise any points in which they consider themselves prejudiced in relation to their parties concerned, and their views will influence the final decision of the Secretary of State.

(b) That the liabilities of the old Company to the Government in regard to freight and royalty must be paid off. They amount, I think, to about 25,000.

If it is decided that the scheme outlined in 37355 is in other respects satisfactory we should give the Company the substance

of the telegram, make the points (i), (a) and (b) in the foregoing, and say that on hearing that the arrangement is accepted by the shareholders, the Secretary of State will arrange for the necessary instrument to be prepared by the solicitors of the various parties with a view to its being submitted to the Governor [and, when it is completed, ^{with a view} to the necessary application being made to the Court for the discharge of the Orders against the Company.]

W.C.S. 199.23.

The precise method of completing the agreement - is whether it should be made with the Railway Co before its dissolution & assigned to the new, or whether it should be made direct with the Co - we cannot leave to the solicitors.

But on the principle involved I agree with what Mr Boston says in (1) of his minute. But would a temporary concession be acceptable to the shareholders? And on what basis is the revision to proceed & what happens if within two years the parties cannot agree.

The Govt. Secy's lay great stress on the price of soda. If he only contemplated revision of the concession to enhanced price of soda (if any) could he not agree on a formula now - I suppose some part

*Form is ok, but in the main form must be altered
H.B.*

if Govt demands to have vague proposal.

of the telegram, make the points (i), (a) and (b) in the foregoing, and say that on hearing that the arrangement is accepted by the shareholders, the Secretary of State will arrange for the necessary instrument to be prepared by the solicitors of the various parties with a view to its being submitted to the Governor [and, when it is completed, ^{with a view} necessary application being made to the Court for the discharge of the Orders against ...]

W.C.S. 19923

Form is ok, but
Grossed 18th
"ali qelta"
HIB

The precise method of completing the agreement - i.e. whether it shd. be made with the Existing Co before its dissolution & assigned to the new, or whether it shd. be made direct w. the new Co - we cannot then leave to the solicitors.

But on the principle involved I agree with what Mr Bottomley says in his minute. But was a "temporary" concession be acceptable? I think not. Such a concession is to remain in force until what concession in two years to parties concerned.

The Gov. seems to say that discussion to price soda. If he only contemplates provision of rates corresponding to enhanced price of soda (if any) could he not agree on a formula now - I suppose some of the

if Gov. deems to
not vague proposal.

Could he discover anything as to
a fixed scale of revision based on
Africa's gold?

It might be better that he wants
revision on the several points in
which case there will be trouble.

It is present with as suggested
series to be in "day"

He

So passed when the 6th of 1851;
on 1st Stevenson 8th see the
in book

at once

to J.R.

1851

C.O.
46031

Telegram from the Governor of Kenya to the Secretary of State for the Colonies, dated 15th September 1923.

REC. 17 SEP 23

(Received, Colonial Office, 6.10 p.m. 16th September, 1923.)

529

No. 272. 15 September.

11.
37335

Your despatch of 15th August No. 1147. After consultation with Executive Council and General Manager of Railway if necessary to enable company to reconstruct this Government would accept inclusive rate and royalties ^{now} ~~not~~ proposed viz:-

19 ^{18 shillings} up to 50,000 tons 17 shillings up to 150,000 tons 16 shillings 6 pence over 150,000 tons. Acceptance based on proof by Company of present low value of their soda. The new rate to be liable to ^{re consideration} ~~(correct group repetition asked for)~~ after short period of working say 2 years. Company to satisfy the Government as to selling price time to time by production of Accounts Railway would take all reasonable steps to provide rolling stock required but cannot undertake to keep rolling stock standing to meet possible maximum requirements. The Magadi branch must be worked as integral portion of Uganda Railway. Draft of contract should be submitted here for final approval.

... in some way

DECODE

of a telegram from the Governor of Kenya

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1923

Received in the Colonial Office at 6-10A. on 16 Sept

530

No 272. 15 Sept Your despatch of
 15th August NO 1147 After consultation
 with Executive Council and
 General manager of Railway if
 necessary to enable company to
 reconstruct this Government would
 accept inclusive rate and royalties
 now proposed viz- 19 up to
 50,000 tons 17 shillings up to
 150,000 tons 16 shillings 6 pence
 over 150,000 tons (1) Acceptance
 based on proof by Company of
 present low value of their soda (2)
 The new rate to be liable to
 (3) ~~arrived from competitors in the past~~ after short period of
 working say 2 years (4) Company
 to satisfy the Government as to
 selling price time to time by

roduction of accounts of Railway
uld take all reasonable
steps to provide rolling stock
required but cannot undertake
to keep rolling stock standing to
meet possible maximum requirements.

The Magadi branch must be worked
as integral portion of Uganda Railway.

Draft of contract should be submitted
here for final approval

Governor

46021/1923.

DOWNING STREET,
12¹/₂ October
~~September~~, 1923.

Sir,

With reference to the letter from this Department of the 14th of August, I am directed by the Duke of Devonshire to inform you that a telegram has now been received from the Governor of Kenya regarding the proposed reconstruction of the Magadi Soda Company Limited.

2. The Governor states that, after consulting his Executive Council and the General Manager of the Railway, he is willing, if it is necessary to secure the reconstruction of the Company to agree to the new rates, freight and royalty inclusive, proposed in the enclosure to your letter of the 25th of July, viz.,

Up to 50,000 tons a year,	18s. 6d. a ton
" 150,000 " " "	17s. 0d. a ton
Over 150,000 " " "	16s. 6d. a ton,

but

CAPTAIN THE HONOURABLE WALTER SAMUEL
DIRECTOR
MAGADI SODA COMPANY.

CO. 533
227

RECEIVED
MAGADI SODA COMPANY
MAGADI
KENYA
1923

but that his acceptance is conditional on proof by the Company of the present low value of their soda. In the despatch sent to Kenya it was stated that calculations must be based on a figure of £3. 15. 0 per ton of soda ash at Kilindini.

3. The Governor considers it essential that the above rates should be liable to reconsideration after a short period of working, say two years, and that the company should satisfy the Government by production of accounts as to the selling price of its soda from time to time. As regards the arrangements for reconsideration, the Secretary of State is of opinion that it will be best that the lease agreed upon at the end of 1922 should be formally completed and a simple instrument be prepared containing the necessary temporary modifications. The form of this instrument and the question whether it should be entered into by the present Company, which would assign it to a new Company, or by the new Company, can be left over to the advice of the Solicitors to the several parties.

4. The Governor states that the Uganda Railway would take all reasonable steps to provide the rolling stock required

C.O. 533

227

RECEIVED
 10
 1923

Gov Kenya
46031

535

11 24 SEP.
D V

1st October
1923

Sir,

With reference to the letter from the Dept. of the 14th of August, I am to inform you that a telegram has now been received from the Gov. of

DRAFT.

to the Hon:

Walter Samuel

Car
Soda Co. Ltd.

MINUTE.

Kenya regarding the proposed reconstruction of the Magadi Soda Co. Ltd.

- Mr. Astor
- Mr. ...
- Mr. ...
- Mr. Davie.
- Sir G. Grindle.
- Sir H. Read.
- Sir J. Masterton Smith.
- Mr. Ormsby-Gore.
- Duke of Devonshire.

2. The Gov. states that, after consulting his Executive Council and the General Manager of the Railway, he is willing, if it is necessary to secure the reconstruction of the Co., to agree to the low rates, freight and royalty in clause proposed in the enclosure to your letter of the 25th of July, viz:

make up
any will be
in later

Stanger
think that you
to see this letter
before it is signed
sent M. J. L.
24/10/23

Up to 50,000 tons a year, 18s. 6d. a ton
 " " 150,000 " " 17s. 0d. a ton
 Over 150,000 " " 16s. 6d. a ton

but that his acceptance is conditional
 on proof by the Co. of the present low
 value of their soda. ~~As the~~ ^{in the} ~~sub~~
 sent to Kenya it was stated that
 calculations must be based on a
 figure of £3.15.0 for ton of soda
 ash at Mombasa.

3. The Governor considers it essential
 that the above rates should be held
 to non-indicator after a short period
 of working, say two years, and that
 the Company should satisfy the
 Govt by production of accounts as
 to the selling price of its soda for
 the time being. As regards the most
 appropriate recommendation,
 the S. of the ~~com~~ ^{com} ~~mission~~ ^{mission} ~~of~~
 opinion that it will be best
 that the lease be renewed when it

the end of 1922 should be
 formally completed and a
 new instrument to be prepared
 containing necessary temporary
 modifications. The form of this
 instrument and the guarantee should
 it should be entered into by the
 lease company, which would
 assign is to the new Company, or
 by the new Company, can be
 left for ^{our} ~~the~~ ^{to} ~~the~~ ^{advise} ~~of~~ ^{of} the
 S. of the Govt with several parties.

536

DRAFT.

MINUTE.

- Mr.
- Mr.
- Mr.
- Mr. Davis.
- Sir G. Grindle.
- Sir H. Road.
- Sir J. Masterton Smith.
- Mr. Ormsby-Gore.
- Duke of Devonshire.

4. The Governor states that the
 Uganda Ry would take all
 reasonable steps to provide
 the rolling stock required, but
 that they cannot undertake to
 hold existing stock standing to
 meet the possible maximum
 requirements; the Uganda
 Ry must be worked as an
 integral portion of the Uganda
 Ry.
 5. He adds that the receipt of

If the contract should be
submitted to him for final
approval.

§. In addition, Jan 5th 1854
that the S. W. considers it
of importance that the views of
the shareholders - at present only
shareholders - should
on the proposed terms of reconstruction
should be fully elicited. They should
be free to raise any points
which they consider themselves
prejudicial in relation to other
parties concerned, and their views
will influence the final decision
of the S. W.

§. In addition, it is necessary that
any liabilities of the Bank & Company
of the sort of the - a, whether a
liability of property, equity, or
otherwise, should be cleared off
before the time of the
formation of the new Company.

§. On hearing that the proposed
reconstruction is supported by the

Shareholders & by the other
parties concerned, and on
receiving such information as will
enable him to satisfy the Gov.
as regards the present value of
the Bank & Company's stock, the
S. W. will be prepared to
arrange for the necessary
instrument to be prepared, in
connection with the Bill
of the parties, with a view to
its being referred to the Government for
approval.

DRAFT.

MINUTE.

Mr.

Mr.

Mr.

Mr. Davis.

Sir G. Grindle.

Sir H. Read.

Sir J. Masterton Smith.

Mr. Ormsby-Gore.

Duke of Devonshire.

(Signed) H. J. READ