

20517

EAST AFR. PROT  
20517

Magadi Soda Co.  
Lps.

Date:  
1912

July

previous Paper.

70/2087  
35/2087

Magadi Scheme

Works at Calcutta for manufacture of Soda products

Asks for Co support to Co's petition to India Office for Customs facilities for Soda Ash imported into India from East Africa & re-exported when manufactured to foreign markets

Copy comes for int. Conf. 20 July 1912

Mr. G. Fiddler in proposed case of paper to be added to the last sentence of the minute.  
In T. boldness of the I.O.  
I spoke to me about this a few days ago. The I.O. do not share the views of the Indians but we are anxious that the Govt should be encouraged to establish their works near Calcutta as they think that it will be of advantage to India to have a big enterprise of this kind established there. The I.O. will therefore be glad if we will send a note to the result of a conversation between Sir J. H. & Capt. Potter, one of the directors of the Govt with a strong

subsequent Paper:

26346

T. O.

recommend? as it will strengthen their  
hands in their attempt to get the India  
jobs to secure their decision - copy  
to J. D. accordingly, writing to the  
Secy of our Lt. to the F.O. on  
30/35/11 - + w/ the Co. that we have  
commended their appl: to the favourable  
action of the India Office - a copy  
of concept<sup>ce</sup> w/ply to the O.A.S.  
for w/ply 277?

H. J. R.

Very narrow minded policy  
on the part of India  
as proposed

5/11  
P. 6

U 67

Agree  
E. S. W.

Yes write strongly

This is ridiculous on the part  
of the Ind. Govt.

H. 87.12

# THE MAGADI SODA COMPANY, LIMITED.

M. SAMUEL & CO. MANAGERS

65

INCORPORATED IN ENGLAND  
SODAGADI LONDON  
LONDON WALL 1883

*11th Nov*  
*24th Nov*  
*Westminster*  
*London* 1st Dec 1912

The Secretary of State for the Colonies,  
Downing Street, S.W.

Sir,

To assure a large and regular output of Magadi Soda it will be necessary to transform part of this material into various Soda products, as for instance Caustic Soda, Bicarbonate of Soda, Soda Crystals. For several reasons, amongst which we may mention climatic conditions, and the high price of coal and other fuel in the Protectorate, it is unfortunately not possible to carry out these chemical processes in East Africa.

We have, therefore, carefully studied the conditions of other countries with the view of ascertaining where subsidiary Works could be most advantageously put up, and we have come to the conclusion that it would be highly desirable to erect such Works near Calcutta. In consequence we approached the Government of India and asked that the right to manufacture in bond for export should be granted to us, so that the import duty paid on all such Soda Ash which would be used in making other Soda products for re-export should be refunded to us. Unfortunately our petition has been refused by the Indian Government, for what reason we do not know. This is a very serious matter for us, as the duty on Soda Ash imported into India is 5% on the value of the wholesale market price including all local expenses, and would amount to 8/- for each ton of Caustic Soda made in India.

We have now appealed to the India Office, and we hope to obtain for our re-exports from India the benefit of the clause of the Indian Tariff Act under which a drawback of 7/8ths of the import duty paid is refunded.

We have the honour, therefore, to submit that it would be in the interest of the British East Africa Protectorate that our petition should be supported by His Majesty's Colonial Government, as in the event of such petition being successful our Company would be enabled to introduce Magadi Soda products into such markets as Australasia, the Dutch East Indies, South Africa, Italy South America, in which countries we fear we should not be able to compete, were the necessary facilities for carrying out the proposed manufacture in India not granted to us. We feel that unless we obtain these facilities the export of Magadi Soda will be materially curtailed, and that it will not be possible to increase it to the extent for which we are hoping in the interest not only of our Company but also of the whole Protectorate

We have the honour to be,

Sir,

Your obedient servants

FOR AND ON BEHALF OF  
THE MAGADI SODA COMPANY, LTD.

*Edmund G. G. G.*  
MANAGERS.

M. J. E. A. P.  
25.7

B. 12 JUL  
D. 15

*[Handwritten signature]*  
*[Handwritten signature]*

Dowring Street,

16 July, 1912.

DRAFT.

*Adk. 26/3/12*

*[Handwritten signature]*

THE HAGADI SODA COMPANY, Ltd.

Gentlemen,

I am directed by Mr. Secretary

MINUTE.

- Mr. Barker *July 10*
- Mr. Read *10*
- Str. C. Piddes *12*
- Sir H. Just.
- Sir J. Anderson
- Lord Emmott.
- Mr. Harcourt.

Harcourt to acknowledge the receipt of your letter of the 1st of July, and to inform you that he has commended to the favourable consideration of the India Office your application to be allowed to manufacture soda products in bond for export at the works which you desire to establish in India, and to be granted on your reexports from India the benefit of the clause of the Indian Tariff Act under which a drawback of import duty is allowed.

I am, &c.

*Copy for Cont 23 July 12*

*[Handwritten notes]*

*[Handwritten notes]*

*[Handwritten notes]*  
2 d/s

obtained from the Government of the East Africa Protectorate in concession to work the soda deposits at Lake Magadi, and that it has raised a sum of more than £2,000,000 for the construction of a branch line from the soda deposits to the Uganda railway, for the provision of a port on the coast, and for other purposes in connexion with the enterprise. It has also undertaken to pay to the Protectorate Government a royalty on the soda exported and certain railway rates for the carriage of the soda and of the fuel required for the calcining of it.

3. *His Majesty's Govt*  
The Protectorate Government, on the other side, has undertaken to, expend a sum not exceeding £500,000 in improving the Uganda railway and providing additional rolling stock for the carriage of the soda.

*[In view of our struggle with the Treasury on the year's estimates it is perhaps desirable to say here that the P. Govt. has B.]*

4. It will be seen, therefore, that the Government of the East Africa Protectorate and, as the Protectorate is in receipt of a grant-in-aid from Imperial Funds, the British Government also are deeply interested in the success of this scheme. Moreover it is expressly stipulated in the deed granting the concession that at least 4/5ths of the directorate shall be British. It would also appear <sup>to be beyond question</sup> that it is to the interest of India <sup>in India</sup> to encourage the establishment of a large manufacturing enterprise such as the Company will be in a position to ~~constitute~~ <sup>constitute</sup>.

5. In these circumstances, Mr. Harcourt considers that the Company is deserving of all the support that can legitimately be given to it, and he earnestly trusts that the Indian Government will see their way to accede to the Company's request in the matter of manufacturing in bond for export and the drawback of duty on reexports.

I am, &c.

H. J. READ