



EAST AFR. PROT

4563

REC. 8 FEB 13

4568

East Afr. Synd Ltd

TRANSFER OF LEASE TO ESTATE CONTROL LTD

1913

February

Last previous Paper.

States C.O. letter will be brought before Directors States as to Capital of Estates Control Ltd. Asks for confirmation that the figures given are correctly set out in the correspondence and that the only matter on which decision is required is suggestion as to surrender of existing lease in exchange for new lease proposed.

4095

Lu. G. Fiddes

The reference to £150,000 which I put in the draft of 4095 was rather somewhat rashly, from Col. Wilbers (Chief Rep of B.C. 24). He called today & explained the position as it is set out in this letter. He agrees with the figures furnished in incl. to 40774, which are what the Gov. has accepted. He would like if possible an official letter to go to the syndicate before Thursday when there is a meeting.

The only point that is hot then is at what stage when the £30,000 cash is going to be paid to the syndicate.

Total shares	1,000,000 @ 55
Syndicated shares	250,000
	750,000
To be issued	500,000

Reserve for original shareholders to take at par if they want to } 250,000

of which £320,000 will be ~~too~~ undesirable, giving £180,000 cushion. If the remaining 180,000 shares are issued at par there will be a total of £128,000 available at once.

Hand some 12 Feb 13

W 29 907-68 1112 A.S.E.W

Last subsequent Paper

380

Here besides the £80,000 capital sum
is a product of an extra investment of £40,000
of the same in a success, and for that
£62,500
of the work of the new company
is a success. If not, the shareholders
will not escape their other & the revenue
share will of course be all back a
discount.

Confirm the figures as desired but
say that it is understood that the
£80,000 to be immediately available from
the underwritten shares will be a deposit of
£30,000 to the Company Syndicate.

10.2

It submitted for cover after consultation.

12.2

Col. Vickers

Col. Vickers called here today, after discussing
our letter with the E. A. Syndicate ^{directors} shareholders.
He pointed out that the Syndicate itself could not
guarantee what the new Company might do
and said that he was advised that additional
insurance was impossible. He fully realized
that the Govt had a right to see a definite
product of more than the minimum, but said
that there was no real fear ^{as to} this as the
Board could carry the loss through &
even if the mine fell flat, Board would see
the thing through. He suggested an undertaking
that if at the end of the year, when the
officials' nature, it should be found that
adequate capital was not available

the features

debentures should be raised to the
maximum the property would stand (The Syndicate
raised debentures
The Syndicate did, & the £50,000 cash
50
for to pay off the debentures). I told him
that I thought that if a product of a substantial
revenue in debentures comes to be held out this
would be regarded as a satisfactory arrangement
but that the S. W.'s approval (probably that
of the Govt) would have to be obtained & that
I could not give a definite answer. I declined
to suggest any sum for the debentures

As to underwriting, he thought the charge
would be "normal, say 6% a share". I
pointed out that this meant £8000 &
would reduce the maximum for development
to £42,000. He said he would look into
this.

I think the debenture proposal is the
only possible one if the deal is to go on
at all. It would all we have to do is to
guard ourselves against a possibility. I do not
think the fact that the exaggerated view
put forward in Col. Vickers' private letter (he
was rather surprised to see his exact words)
could be realized need be fatal - the new
Company could probably not spend anything
like the £150,000 in a year.

He will consult his colleagues & Mr. Dawson
Johnston of Board & they will write officially.

with

with regard to the private letter to Sir [unclear]
 which I sent, as to the Governor's suggestion
 that a new lease should be drawn up, Col
 A pointed out that it was of great importance
 to get the shares issued at once - before interest
 especially as the glamour of the Report report
 would soon wear off. I said the point
 would have to be considered and that
 we should probably have to ask the
 Govt what exactly what new conditions
 he wanted. Col. A. asked that this should
 be done by telegraph both ways at the
 Synovate's expense.

He said up to £1000
 I told him I thought
 he more he said that
 would be helped.
 Col.

Perhaps Mr. Tennyson might consider
 the possibility of this plan - i.e. a simple
 transfer of the lease & a supplementary
 agreement with between the Govt and the
 New Co. as to additional conditions - while
 lease waiting for a further letter about
 the finance.

A copy of the lease
 is in the envelope
 this file
 L.A.

W.C.S.
 13.2.13.

Mr Tennyson

In your obs on the point.

Feb. 14

There would be no legal difficulty -
 carrying out the arrangement by means of
 a transfer ^{of the supplementary} agreement but I expect
 Mr. Bellfield may want to have a new lease
 up to date ^{lease of} doubt if he ought
 to adopt ^{the} a supplementary agreement method
 without consulting him. This could be done
 in the telegram in which we ask him as
 to the new conditions. C.S. 14/12

Office with the New Company
to open to. But have done
elsewhere should to Embroider in
the form of a separate business
with the New Company, with to
submit to you to design
to this case I think it would
facilitate matters very much

if I could call & discuss any
new terms with you before they
are insisted.

When anxious by the matter
arranged & the new Company
set before Easter.

Yours
Sincerely
Charles Williams

TELEGRAMS, MENTON
STATION, FALDIR, BEL

ROYDON HALL
TORBRIDGE.

Feb. 14. 15.

Dear Mr Reed.

I am understanding by the
lawyer what to look in the
agreements etc. in the transfer
of the East African land grant
to the Company to be formed by the
Estates Contract.

Yours truly
Messrs Messrs Williams & Co. the lawyers

With East Africa syndicate suggest
that instead of a new lease being
drawn up - it will facilitate

Matters if the old East Africa syndicate
case is simply transferred to the
New Company.

and that if there are any extra
clauses or terms in the Colonial

Office with the New Company
to agree to. That these new
clauses should be embodied in
the form of a separate document
in which the New Company could be
asked to agree to & sign -

In this case I think it would
facilitate matters very much

10, SE SWITHIN'S LANE
LONDON, E.C.

4568
REC'D
FEB 8 1913

EAST AFRICA SYNDICATE LIMITED.

4090/1913.

7th February, 1913.

Sir,

W. J. Cook

I have the honour to acknowledge receipt of your letter of the 25th instant, which I am bringing before my Directors.

As regards the amount of £150,000 to be available for the purposes of the contemplated new Company to which you refer, I desire to draw your attention to the copy of my letter of the 23rd December last to the Estates Control Limited, which was enclosed in my letter to you of the same date, by which you will see that of the 750,000 shares of £200 each (£187,500) set aside for subscription, £80,000 is the minimum amount to be immediately available, though this may at the time of issue be increased to £125,000, and the balance of £62,500 is to be provided when the remaining shares are issued.

Perhaps you will be good enough to confirm that this is correctly set out in the correspondence before you, so that the only matter in which my Directors' decision is required is the suggestion of the error as to the surrender of the existing lease in exchange for the grant of the new lease proposed.

I have ^{etc} the honour to be, Sir,

Your obedient servant,

For EAST AFRICA SYNDICATE LIMITED.

J. Colburn
Secretary.

The Under-Secretary of State,
Colonial Office,
Whitehall,
S. W.

* N. 21095
+ No

- 19948 20

4508 FEB 2 1915



Feb. 1915

Sir,

I am directed by the
Secy: Harcourt to
ack. the rec. of your
letter of the 7th of February
on the subject of the
proposed transfer of the
E. Ap. Syndicate's lease
of land in the E. A.P. to
a new company.

2. I am to express his regret
that the sum of £150,000,
which had been mentioned in
unofficial correspondence as
the amount which would
be spent in the stocking and
development of the property
as a commencement, should
by inadvertence have been
referred to in the official
letter sent to you on the 6th

DRAFT

Re Secy:

The East Africa Syndicate
Ltd

MINUTE

Mr. Bodley 12/2

Mr.

X Sir G. Pidgeon 12

Sir H. Just.

X Sir J. Anderson. 12/2

Lord Emmott.

Mr. Harcourt.

For answer

Recd 5380

* N 4568

(1994) 20

*
of which ~~is~~ ^{is} the
amount available to
be immediately available. The
figures actually proposed
in your letter of the 23rd
of December and are the
same as those mentioned
in your letter under
acknowledgment in which,
however, no reference is
made to the payment of
£50,000 cash to the
Executive.

3. Having regard to this
cash payment, the minimum
amount to be immediately
available would appear
to be only £50,000, though
this may at the time come
to be increased to £95,000
and the balance of £62,500
(making £157,500 in all)
is to be provided when the
relevant accounts are
issued.

4. In view of the unavoidable

* No
+ No

uncertainty which must
result from the
existence of the original
amount and the amount
to be realized from the
reserve fund, it is
necessary for the Harcourt
to draw attention to the
fact that the Governor
is in agreement to the arrangement
is given subject to the
provision that the proposed
expenditure under expert
management is actually
incurred. The Governor
probably refers to the
Collyer ~~and~~ ^{and} ~~and~~ ^{and}
sale of £150,000 ~~which would~~ ^{which would}
~~be made~~ ^{be made}
The unofficial ~~amount~~
~~is~~ ^{is} the amount of
the proposed expenditure,
~~and~~ ^{and} ~~and~~ ^{and}
and as it may be necessary
to communicate with the
Governor again, the Harcourt
will be glad to be informed
~~that~~ ^{that} any expenditure
in addition to
the minimum of £50,000
can be guaranteed.