

1911

EAST AFR. PROT.

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REC'D
SEP 15 1911

DAI NIPPON STEEL COMPANY
FOR THE PURCHASE OF IRON MINES IN THE EAST AFRICAN TERRITORIES

The copy of 1911 from Tokio reports that a representative of the Coy has asked for support in obtaining the assistance of the Japanese Govt.

Dr J Anderson

The Lease & Contract relating to the Ingefa Lake concession are contained in the accompanying bound volume. Under section 27 of the Lease, at least $\frac{4}{5}$ ths of the District is to be British. The reason why the whole District could not be Br. is explained in my memo: [see (B) - section 15] attached to $\frac{O}{30686}$ 109. To all intents & purposes the enterprise is as much Br. as Brunner, based on the United Alkali Co. & I think that it should receive equal support from our representatives to Japan. J.T.O.

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subsequent Paper

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the cost of putting up with was then
a million for the construction of 110 miles
of branch line, &c, while the Govt. on their
side have undertaken to spend a sum
not exceeding £350,000 in making the
necessary improvements in their main line
& providing new rolling-stock. Owing to
the rapidly expanding traffic on the Uganda
railway, the use of the obsolete stock
for the Jinja Kakumbe & Nairade-Ishaka
lines, & the greater efficiency of the
new rolling stock, the Govt. would have been
justified in incurring a considerable portion
of their outlay in any case - so that
the bargain is likely to be an advantageous one
for the Govt. & as the Post^{al} is State-
aided, the Govt. is interested in making it
as advantageous as possible.
However Messrs. Brunner would not be entitled
to any consideration from the Govt. They had
an opportunity of taking over the
concessions from the original grantee, but
declined it - & then attempted to induce
those grantee who set to work the deposits
by offering them an annual subsidy of
a considerable sum.
Explain briefly to the F.O. the extent
to which the Govt. is interested in
this railway enterprise becoming a
success

success - point out that the Govt.
is as much interested as Messrs. Brunner
and the United Alkali Co. & say
that Mr. Harcourt thinks that it
should receive similar support from
our representatives in Japan.

H. J. R.

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Ill. 15.9

Explain

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In any further communications on this subject, please quote

No. 35742/11

and address—
The Under-Secretary of State,
Foreign Office,
London.

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SEP 15 SEP 11

The Under-Secretary of State for Foreign Affairs presents
his compliments to the Under-Secretary of State for the
Colonies and, by direction of the Secretary of
State, transmits herewith copy of the under-mentioned paper.

Foreign Office,

September 14, 1911.

Reference to previous letter:

Description of Inclosure.

Name and Date.	Subject.
<p>H.M. Ambassador at Tokio No. 324 August 26/11</p>	<p>Scheme of Magadi Soda Co. (British East Africa) to establish factory for soda products in Japan</p>

(Similar letter sent to the Board of Trade)

copy.

BRITISH EMBASSY

T O K I O.

August 26th, 1911.

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REC'D
15 SEP 11

o. 244.

55742).

Sir:-

On the 17th. August Mr. Todd, travelling representative of the Magadi Soda Company, visited Mr. Crowe's office and asked whether His Majesty's Embassy would be prepared to support him in obtaining the assistance of the Japanese Government.

The Magadi Soda Company own a large lake in British East Africa with very considerable soda deposits. They propose to export the raw soda to some country like India or Japan and having made it into the various soda products in the country where they set up their factory, they would re-export these to Canada, China, Australia etc. They wished therefore to approach the Japanese Authorities and having explained to them that they proposed to introduce a new industry

Mr Edward Grey, Bart., M.P.,
&c., &c., &c.

industry into Japan which would be of great benefit to Japanese labour, Japanese coal and Japanese limestone, to say nothing of the advantages which the consumers of soda products, such as the glass, paper, soap, and textile industries, would derive from cheaper materials, they would ask the Japanese Government to give them a drawback of the duty on soda-ash whenever they exported any soda products.

The scheme may be all that its promoters claim for it, but it appeared to me that if His Majesty's Embassy were to support it, injury might be done to the already established interests of Brunner, Mond and Company, and the United Alkali Company. These two British firms have for years past done a very large business with Japan, which amounts roughly to about £250,000 a year, and I did not feel justified without special instructions from you, in taking any steps which might prejudice their trade in favour of that of Japan.

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I have instructed Mr. Crowe therefore to inform Mr. Todd that I cannot give him any active support but that he is at liberty, if he wishes, to go to the Finance Department on the introduction of Messrs. Samuel, Samuel and Company Limited, a British firm, who are interested in the Magadi Soda Company.

I venture to hope that my action in this matter will meet with your approval.

I have &c.,

(Signed)

Claude M. MacDonald.

20 Sep 1911

DRAFT.

The Under Secretary of State
Foreign Office.

Dear Sir, I am directed by

MINUTE.

- Mr. Read 18 Sep.
- Mr.
- Mr. Fiddes.
- Mr. Just.
- Mr. Cox.
- Sir C. Lucas.
- Sir F. Hopwood.
- Col. Seely.
- Lord Crewe.

Card 35538

Mr. Secy Harcourt to ask
 the vote of 7: (12 of the
 14th of Sep: (35742/11),
 regarding the visit to
 Japan of Mr Todd, the
 travelling representative of
 the Imperial Soda Co.
 I am for request you to
 obtain from the Govt of
 the E.A.P. a concession
 to work the soda deposit

at Lake Tanganyika, ^(Lake) it
has raised a sum of
more than £1,000,000 for
the construction of a branch
line connecting the

soda deposit with to
the Uganda railway, for
the provision of a port
on the coast, & for other
purposes in connection with
the enterprise. It has
also undertaken to pay
to the Port of London
a royalty on the soda

exported & certain railway
~~charges~~ rates for the carriage
of the soda & of the
coal fuel required for
the calcining of it.

3. The Port of London, in the

side, has undertaken to
advance a sum not
exceeding £350,000 for
improving the Uganda
railway & providing all the
rolling-stock.

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It will be seen
therefore that the port
of the S.A.P. & as the
Port of London is a receipt of a
grant-in-aid from Imperial
Funds, the Port of London
also are deeply interested
in the success of this
scheme. Moreover it is
expressly stipulated in the
deed granting the concession
that ^{at least} $\frac{4}{5}$ ths of the
dividends shall be
British.

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