

1924

KENYA

378. 467  
19807  
26 APR 24

WILLIERS, COL C.H.  
(SHAW LOEBL AND CO)

Date  
25th April 1924.

CIRCULATION:—

Mr. *Bottomley*

MAGADI SODA. LIQUIDATION.

Asst. U.S. of S.

States as to conversation with Official Receiver and Messrs Cull and Co expressing preference for Brunner Mond scheme. Now forwards copy of letter to Official Receiver on subject, setting forth proposals for the amalgamation of the opposing schemes. Present proposals would ensure property being worked, would do away with useless competition, and would be advantageous to Colony.

Perm. U.S. of S.

Part. U.S. of S.

Secretary of State

Previous Paper:

MINUTES

60  
19488

As Messrs B.M. will not look at cooperation, I fear there is not of much use, but you might wish  
and thank. J.H.  
10. 26

*same as by 2*

This has no doubt been in "circ" with the bundle, but I did not see it till 8th Oct of yesterday. Col. Villiers then called & said he had not wanted a copy. He has heard a good deal of what was passed in the last three weeks, but not all, as is shown by his suggesting "Shewers of"

Subsequent Paper

W/21635

MINUTES.

MINUTES NOT TO BE WRITTEN  
ON THIS SIDE.

influence" (i.e. partition  
of assets) as the  
solution. Without going  
into details I would think  
that the time for that  
was past. I do not think it  
was ever practicable  
~~to do~~.

See on C/

Publy WMS.

10/5/24  
WMS

Shaw, Loeb & Co.

at Shaw, Loeb & Co. | F. Bromelle Esq. B.B.S.  
Capt. | H. Langland Esq.  
Messrs. Loeb | Gordon R. Page

Stock & Share Brokers

Telegraphic Address  
Shaw, Loeb & Co. London

Telephone No.  
657 | London Wall  
689

Pinner's Hall,  
Austin Friars,

(and Stock Exchange)

London.  
E.C.2.

25th April 1924.

W.C. Bottomley Esq. O.B.E.,  
East Africa Department,  
Colonial Office,  
Downing Street, S.W.

Dear Mr. Bottomley,

re Magadi Soda.

At the beginning of last week I received a message from one of the Shareholders' Committee, asking me to go with him to see the Senior Official Receiver.

The rival schemes were discussed and I found Mr. Burgess very much in favour of the Brunner Mond scheme as against the scheme of Messrs. Cull & Co. particularly on the question of competition in the future, and the proposal to assess the shareholders to the extent of 3/6d. per share.

I therefore put forward a scheme by which the shareholders would not be assessed and volunteered to see Messrs. Cull & Co. re the putting forward of a fresh scheme on the lines I had suggested. Messrs. Cull & Co. immediately fell in with my suggestion and went with me the following day to see the Official Receiver and have, I understand, since sent in their new proposals.

The Official Receiver informed me that Messrs. Brunner Mond & Co. were also about to put forward fresh proposals and that he was to see them yesterday, Thursday, the 24th instant.

W.C. Pittman Esq. C.B.E.

I therefore put forward a further suggestion which, if adopted, would make a certainty of the property being worked, would do away with the useless competition in Foreign Markets, and there would, I think, be no question of the Magadi proposition being under the control of any one interest to the disadvantage of the Colony.

I called upon you on Wednesday and saw your assistant, who suggested that I should send you a copy of my letter to the Official Receiver on the subject of the amalgamation of interests.

Yours sincerely,

Charles K. Villiers

Marlborough Club,  
Pall Mall,  
S.W.1.

23rd April 1924.

To the Senior Official Receiver,  
25, Carey Street,  
W.C.

Dear Sir,

With reference to my call upon you today, I now send you in writing, as promised, the scheme which I suggest for the amalgamation of the proposed opposing schemes - so far as I know these schemes.

(1) That there should be 7 Directors. One to be appointed by the Kenya Government or Colonial Office preferably as Chairman, 3 (three) by the Shareholders and Underwriters, 3 (three) by Messrs. Brunner Mond & Co.

(2) That taking Messrs. Cull & Co's last scheme as a basis, Messrs. Brunner Mond & Co. should have the opportunity of underwriting half the Working Capital Shares.

(3) That for the first five years the Magadi output should not exceed 300,000 (three hundred thousand) tons per annum.

(4) That the markets for this output should be carefully selected so as to interfere as little as possible with the present output and markets of the Soda Trade.

It is probable on the above lines that it will take nearly five years for the Magadi Co. to produce and carry to the coast 300,000 tons per annum. This can only be reached very gradually, and with reasonable give and take it ought to be possible to work the Magadi deposit in the interest of all concerned, without making a present of cheap soda to Foreigners in Foreign Markets.

-2-

Messrs. Brunner Mond & Co. should take note of the fact that in the Transvaal it is possible for one single mine to mine and treat 150,000 tons per month at a cost of 17/- a ton and in some cases less.

And this being a fact, with a surface deposit like Magadi, there is every possibility that in time the working costs, with an output of nearly 300,000 tons per annum, will be reduced so that Soda Ash will be delivered F.O.B. Kilindini at about £2 per ton.

Yours faithfully,