

EAST AFR. PROT.

C. O.
10741

REC'D
26 MAR 08

N^o. 10741

Office or Individual:

Mrs. Ck

1908

28 March

Last previous Paper:

10268

(Subject)

Lake Nagadi Soda Scheme

Lines particulars of unfriendly attitude
taken up by those in soda trade with regard to
development of deposit and especially by Assoc.
Brunner-Mond

(Memo) 1808095

Mr. Contador

There is nothing surprising
in this - in anything more than
we had already surmised.
It merely shows (1) that Messrs
Brunner Mond will do their
utmost to oppose this scheme
which will deprive them of a
monopoly from which they make
40 a 50% profit; & that they
will not help it if they see
that otherwise it will be cancelled
though without their help
(2) That Messrs B. & M. are
a good deal more than a
donor for Major V. in 2

sent privately 25 Feb
Copy attached to Treas 9 June 18993

18993

in a letter of instruction

The letter has been asked & no
further action is necessary.

11/26/3

There is practically nothing
in this beyond what we knew
already for Major Villiers
has from time to time told
us that he knows what was
going on.

See minutes on 8074, 8095,
8943, and 10268 — who
really 8095

W.H. Ingh. 28

File 203

TELEGRAPHIC ADDRESS
EMERALD, LONDON
KORSE PAULING

Left with me today by Lt. Villiers. He is also in comm. with Victoria Mansions, 26 Victoria St. and hopes soon to be able to put forward a definite proposal officially.

COLONEL C.H. VILLIERS,

Westminster, SW. 184
7th May, 1908
100/11

Dear Colonel Villiers,

Magadi Railway.

I have had an opportunity of thoroughly discussing this matter with my friends in the City, and the only proposal to be submitted to the Government, which we think would ensure the necessary money being found to build the Railway, will be somewhat as follows:-

The Government to Guarantee a Debenture issue of 2 1/2 per cent on £500,000; a Sinking fund to be provided to wipe out this Guarantee in about 25 years by setting aside the first 2 1/2 per cent of any net profits made by the Soda Lake and Railway Company, the next 10 per cent of the net profits to be paid to the Share-holders of the Soda Lake and Railway Company, and any remaining profit to be set aside to form a Reserve to be applied from time to time in wiping out the Debentures.

I think it would be fair if the Government were to then take 25 per cent, and the Company 75 per cent of any future profits in the undertaking.

If the above Guarantee were given by the Government, I think £100,000 Working Capital could be raised for dealing with the Soda and for that Capital and the East Africa Syndicate's interest in the Soda, they ought to receive £200,000 in shares, because in addition to the cash which the Government Debentures would fetch, a considerable amount of cash would have to be provided to make up the sum necessary to build the Railway.

with

This would mean a Company being formed ~~that~~ a total Share Capital of £300,000, - £100,000 would be working Capital, about £75,000 shares would be required to provide money to complete the Railway in addition to the Government Guarantee, which would only produce about £425,000 in cash, and the remaining £125,000 shares would be the property of the Soda Lake and Railway Company.

Yours faithfully,

Geo. Stanley

ack'd with thanks
C 25/3

16 copies

C. O.
10741
REC'D
MAR 26 1908

38, Grosvenor Street,
London, W. 23rd.

Rt. Hon. Winston Churchill, M.P.,
Under-Secretary of State,
Colonial Office,
LONDON, S.W.

186

R

Dear Churchill,

After the discussion which was held at the Colonial Office relative to Lake Magadi, and the evidence which the East Africa Syndicate have sent in concerning the value of this deposit and East Africa.

I think it right that Lord Elgin and yourself should know of the unfriendly attitude which has been taken up by those in the Soda trade with regard to this development of the deposit and especially by Messrs Brunner Mond.

When the Soda was first brought over to this country and Messrs Chance & Hunt decided to help us in proving its value, they stipulated that their name in connection with this matter must not be mentioned, as if Messrs Brunner Mond heard they were taking an active part it would do their business harm. (I understand that Messrs Brunner Mond supply Messrs Chance & Hunt with certain by-products for their works).

This arrangement was adhered to for many months, but in the meantime it became necessary to interest many expert people in this project in addition to Messrs Chance & Hunt, and among them Mr. Gordon Salamon a leading chemist sometimes employed by Messrs Brunner Mond & Co.

Mr. Gordon Salamon without consulting anyone gave Mr. F. Mond a detailed account of the deposit and warned Mr. Mond that it was in the hands of people who would

sooner or later get the money for the Railway, in which case this deposit when developed must revolutionise the Soda trade.

I use Mr. Salamon's own words - "We had an hour's conversation, and Mr. Mond listened to me most attentively".

The next day Mr. Emil Mond rang up Mr. Gordon Salamon on the telephone and said - "Salamon you have given me a sleepless night, can I come and see you." Mr. Mond called at Mr. Salamon's office at 5 o'clock that evening and asked if he would go into all the figures and details, and this he did with Mr. Salamon, acknowledging that if we could put the Soda into the Thames at even 65/- they could not compete with us.

Mr. Mond then said - "Mr. Salamon you have told me all this in confidence, can you give me leave to place the whole matter before Dr. Mond and the firm".

At this point Mr. Salamon asked me to call and see him. I called the following day when he related to me what I have written above, and asked if I could give my consent to Messrs Brunner Mond ^{seeing} to see all our figures and details. After consulting my co-Directors I consented. Messrs Brunner Mond took three months looking into every detail and this unnecessary delay prevented our getting the money for the Railway in the summer of 1906. Messrs Brunner Mond made every sort of excuse for the delay such as that Dr. Ludwig Mond was ill etc. etc.

They wrote certain letters through Mr. Gordon Salamon asking certain questions etc. as to Railway rates etc. etc. which we were able to answer satisfactorily.

At the end of July 1906, three months after they first started looking into the matter, Mr. Gordon Salamon asked me to go and see him and said - "I have had a long discussion with the Mond's and I think I can bring you together." Mr. Alfred Mond says that if you and Mr. Edmund

Davis care to discuss the project with him on the basis of shutting the deposit down for ten years, then he will be willing to talk but that he is not willing to discuss it on any other terms." I was anxious to get Mr. Mond in writing and therefore after consultation with Mr. Edmund Davis, I wrote from the East Africa Syndicate a letter, which I can produce, intended to draw an answer in writing.

This answer came through Mr. Salomon in writing that Mr. Alfred Mond withdrew his offer as Mr. Sir J. Brunner, their Chairman, did not wish to entertain the proposition.

Shortly afterwards I found out that during the three months Messrs Brunner Mond were examining all the details of this proposition. They had gone out of their way to tell three important business men who were contemplating putting up money for the Railway, not to touch it. I at once complained to Mr. Gordon Salomon re their action of Messrs Brunner Mond, and he wrote me a letter saying that if I found that they were endeavouring to prevent people from helping in the development of the proposition, I should be justified in making known Mr. Alfred Mond's proposal. I understand Mr. Mond now says the proposition was offered to them and they refused it. This is of course untrue.

I may add that I personally was present at Messrs Chance & Hunt's works at Birmingham and saw the natural Soda converted into Soda Crystals by the simple process of calcination first and secondly crystallisation in open water tanks, a process which ^{is quite simple} ~~is quite simple~~ and secondly I obtained leave from Messrs Chance & Hunt for my brother, who is an expert and an Engineer on the permanent staff of the London & North Western Railway, to spend a month at their works and study the whole question re furnaces, crystallisation and the making of Caustic Soda in order that we might

have drawings of the furnaces and all details for the construction of works in East Africa.

Yours truly,

Charles H. Allen

P. S.

The above full account of the action of Messrs Brunner Mond in this matter is sent because I feel that they might be consulted upon this matter, and that their opinion is absolutely biased and unreliable. If the Colonial Office should consider there is any doubt on this subject, I venture to suggest that the different experts and people in the trade whom we have employed should be asked to attend the Colonial Office and explain the whole position.