

EAST AFR. PROT.  
No. 18993



C.F.  
18993  
Recd  
26 MAY 08

Office or Individual

(Subject)

Officers Col. C.W.

L. Magadi Soda Scheme

1908

James Samuel & Co. are prepared to put a new  
Contract for 50,000 tons of Soda ash for a term of 5  
years in Canada that put the price conditions  
specified as regards tonnage of Railway.

20 May

dit previous Paper.

(1074)

(Minutes)

10 May  
Col. Villiers understands that  
any proposals will have to be  
considered by the Commissions Com-  
mittee, but I cannot ~~understand~~  
~~the reasons for this~~  
get him to write officially. He  
says that he wants to know  
first whether his proposals are  
likely to be entertained.

It is <sup>no doubt</sup> a very important fact  
that substantial people like Mr.  
Samuel and Co. are prepared to  
engage to buy 50,000 tons of soda  
a year for 5 years; but on the  
other hand it will be seen that  
they ~~are not prepared~~ insist upon

Interdepartmental Paper.

1166  
2/38X

it that some help must be given by the Govt. in the building of the railway. Several suggestions are put forward as to the way in which this help should be given: eg. that the Govt should guarantee 3% interest on £500,000 debentures, the Company finding another £500,000.

Personally I am inclined to think that it is not worth while for the Govt. to run some risk in the attempt to turn this vote to account. ~~But~~ I am afraid that we can hardly expect the Treasury to take that view. But I think that we should put the matter to them, and, if they say that no help of any kind will be given by the Govt., we can then tell Col. Villiers and Messrs. St. James and Co. that it is useless for them to pursue the matter any further. If, however, the Treasury will consent to consider the matter, then I do suggest that they

should be asked to allow <sup>209</sup> representative to attend the meetings of the Concessions Committee when Col. Villiers's proposals are considered.

Wht. May 29

I am not desirous to agree that the facts may be put before the Treasury & I should be disposed when doing so to invite the attendance of a representative of the Concessions Committee.

This is only a preliminary matter - We are not asking for money - We only want to see whether a transaction for purchase can be formulated & take the Treasury along with us.

Col. July 18. 6.  
L. G. G.

T. O.  
29.5

A. C. Ellis

(I submit a diff. to the Treasury.)

I understand from A. C. Ellis that representatives of the F. A. Syndicate and Messrs. St. James and Co. called yesterday afternoon and have been asked to attend the meeting of the Concessions Committee on the 16<sup>th</sup> inst. at 11. a. m. (as that it is not necessary to write on that point)

Yes 7/17/56

This may prove to be of some importance,  
and it is certainly desirable that a  
Trustee representative should attend the  
concessions committee. If any difficulty  
should be made by them, which I do not  
anticipate, I will write to Sir C. after Saturday.

C  
15.11

34. Georgetown Street

W.

310

BACHELERS' CLUB,

WIGGANSVILLE, W.

My dear Mr. ...

Mr. ...

Dear Sir,

I have the pleasure to inform you

that your letter of the 10th inst.

has been received and that the

same has been forwarded

to the proper authorities for their

consideration. The same Mr. ...

has stated they are ready to

take the same for 50,000 tons

and will be pleased to see you

taken of a year as a period when  
 will give a rough & ready  
 ground to build the Railway  
 the deficit supplied during  
 the a capital of £2,000,000  
 & 3 shillings in preference shares  
 shown here in all respects of the  
 same as the Bankers, who  
 would arrange for lending in  
 Africa for £2,000,000 in a loan  
 rate of interest, provided that

into the bank & the Treasury, the  
 purpose of helping the construction  
 would be  
 a meeting of the Commission  
 by Messrs. the Bankers & L  
 the  
 arrangements would be away  
 the necessity of a Government  
 the Government being  
 may lend up in the company  
 might prefer the 5% rate

should be as indicated by the  
in touch with the loan & to form a  
working party to investigate  
the & to see what can be done  
until they are provided for.

As soon as possible a list of the  
names of persons to be of the  
to be made in the City of London  
They should then be sent  
to the City of London  
oil & so on.

The other two are not for the  
of petroleum. They are not  
to be used in an industrial  
and of them to develop the  
London & W.

18 Grosvenor Lane  
N  
~~BACHELORS CLUB  
PICCADILLY W.~~

May 23: 08

18993

MAY 08

see the books  
I am sending you the  
document  
with have been selected by  
document a  
they have not been sent  
to reach you they  
you for the books for  
the same time. I am  
London & W.

for you probably if you think  
it necessary.

You will remember at the  
meeting of the Commission that the contract  
we have told we must have  
three things

1. That the order was right
2. That we were backed by some  
commercial people.
3. That we had obtained a price  
contract.

There have been other bids beyond  
expectation, so the thought

is now all to successfully  
obtain the contract

Yours  
Sincerely

Charles H. Williams

of 75 squares & to  
Hendersonhall Street in my  
address & will find all  
information there any other  
time this all day.

39. Governor Street

21

BACHELORS CLUB

ROXBURY W.

May. 28. 08

Dear Mr. T. W.

As I think you should have  
the full placed before you re  
Maga de Soda proposition.  
I am enclosing you a copy of the  
minutes Messrs M. Samuel are  
being to the East Africa Synd.  
I am, etc. & working the  
to be paid



The object of having the 300,000  
 1/4 shillings ordinary shares, is  
 to order that the defamed people  
 can of necessity be held responsible  
 the shareholders of the East India  
 Company & the people who put up  
 money. { There are 60,000 shares issued  
 { 1/4 share 1/2d = value 300,000

You will notice that these shares  
 do not participate in any profit

is a 8th Corporation. The dividend  
 is paid & would be the interest  
 of shareholders. In the first  
 place, the dividend is a 10 shilling per cent  
 paid.  
 There would be no water in this  
 thing as well -  
 It is most important that  
 matter should be got over  
 - possible - to be shall be

with the habits which I had  
acquired. I have in very little time  
since in the city after the 15<sup>th</sup>  
July. I had very much to do  
because the labor market is so full  
off again & the interest

is  
very

Charles G. Villiers

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My own personal could attend a meeting  
at the Colonial Office very important  
next week so left Wednesday.

18993



*10/1/08*

C. O.  
18993  
REC.  
26 MAY 08  
May 25 1908

PHONE NO 2933 AVENUE  
TELEGRAPH ADDRESS  
ADUCTIO LONDON

10, Ladbroke Street,  
London

216

Dear Mr. Antrobus,

After many weeks of negotiation with M. Samuel & Co.,  
Merchants, of Billiter Street, E.C., this firm has to-day informed  
me that they are prepared to give a firm contract for 50,000 tons  
of Soda Ash per annum over a term of five years at a price which  
will give at least 15/- a ton profit to any Company formed to work  
the soda.

There would be at least 50,000 tons of soda going down and  
50,000 tons of coal going up.

This amount at the above rates would give a revenue to the  
Railway of about £50,000 a year, and leave a profit of £37,500 to  
the Company, out of which to pay the interest on the Debentures, and  
the Company would, in addition, be able to place something to a  
Reserve fund.

This contract being one for five years would enable the  
Company to gain a footing in the soda trade, and would give it  
time to enlarge its sphere of action, in addition to which, it would  
be supported by some of the best people in the trade.

*as the organizers of the Railway know of this*  
M. Samuel & Co. is the firm of Sir Marcus Samuel, one of  
*the* wealthiest and best known in the City of London. But they are  
very strong on the point that there must be some help from the  
Government or Colony in the building of this Railway, which will

50/15

of such great service to the Colony and the Uganda Railway. They point out that by giving this large contract for ~~50,000~~ tens of Soda or Soda Ash, ~~over~~ over a long term of years, they are undertaking to pay for many hundreds or thousands of pounds worth of Soda Ash as soon as it can be carried to the coast.

That in the case of the Government guaranteeing the Debentures, the Government will be practically secure against ever being called upon, as if the trade is once established for five years, it is unlikely to be interfered with.

That the Government will make a clear minimum profit during the five years of £25,000 per annum to the Railway and in addition, there will be the Government Royalty.

Further, there would be the profit from the large influx of white men and people into the country, and the establishment of a large industry.

I may add that we have in addition, two other firms willing to take large quantities for India as soon as it can be supplied.

I suggest that the Government help should take the following forms-

1.- That they should build and own the first half of the Railway, as this opens up a fine agricultural country.

2.- That we should lend the Government £250,000 at 3% and that the Government should lend this back for the purpose of building

the Line at the same rate, taking a mortgage on the whole line,  
property and works. The Company ~~guaranteeing to put up a further~~  
*disposing of a further*  
*part of its will be applied to the building & fuel & other work.*  
£300,000 ~~for the Railway and works.~~

3.- That the Government should guarantee 3% on £300,000  
Debentures, the Company finding a further £300,000.

Yours very truly, J. C.

*Charles W. Allen*

*This letter is authorized by Messrs. M. S. & Co.*

*100.*

18993

**SAMUEL & CO**

TELEGRAPHIC ADDRESS  
LEVMAS LONDON  
PHONE NO. 430, AVENUE  
4362

MUEL SAMUEL & CO  
HAMBURG & SAN  
FRANCISCO  
LONDON & SA  
AGENCY

TELEGRAPHIC CODES USED  
Sears 6<sup>th</sup> Ed. 1885 & 9<sup>th</sup> Ed. 1896. At Workins.  
Engineering, etc. to a Supplement, 2<sup>nd</sup> Ed. 1894, L. Ebers, Western Union, M. Neill's Code  
Standard Shipping Code, Registrar Code, Morse & M. Luchena's Code

*1124 Brompton Street,  
London*  
May 28<sup>th</sup> 1908.

Colonel Villiers,  
London.

Dear Sir,

We have pleasure in enclosing herewith a draft of a letter which we propose to ask you to submit to your Board in reference to their granting us an option upon the Soda Deposit at Lake Magadi in the East African Protectorate. As far as these negotiations are concerned, we think it is of the highest importance that they should be pushed forward as quickly as possible, in order that some definite arrangement may be arrived at before the incidence of the Whitsun holiday.

We remain, Y<sup>rs</sup>

Yours truly,  
*Samuel*

The Secretary,

The East Africa Syndicate Limited.

Dear Sir,

Referring to the several interviews we have had with Colonel Villiers on the subject of dealing with the Magadi Soda, we are now disposed to go further into the business than we indicated in our recent letters to you, and suggest, for your consideration, the following proposal:

That you grant us an option exercisable at any time during twelve months, carrying the right to acquire the property on the following terms -

A Company to be formed with a capital of £315,000, of which £300,000 shall be 6% Cum. Preference shares, and £15,000 shall be 300,000 Ordinary shares of 1s. each.

A Debenture loan of £300,000 to be raised, or, failing such issue of debentures, the capital of the Company to be increased so as to provide in all £600,000 working capital.

After payment of the interest on the debentures, provision of a sinking fund therefor and a 6% dividend on the Preference shares, the surplus profits to be divided as to 60% to the Ordinary shares and as to 40% to the Preference shares.

The consideration to the East Africa Syndicate for the transfer of the lease and all rights thereunder to be £7,000, payable by the allotment of 150,000 fully paid up Ordinary shares.

In the event of the Company being formed on the above lines, we, for our part, are prepared to place orders for not less than 50,000 tons of soda per annum for not less than five years, at a price <sup>on the conditions</sup> which we will determine with Colonel Villiers and Mr Edmund Davis, two of your Directors, and which at the moment need not be set out.

It is understood that this offer is subject to Government assistance in some form acceptable to ourselves being forthcoming.

If these terms are acceptable to you, and you will submit a ~~draft~~ of an option agreement, we will give it our prompt attention.



We would also suggest that some such clauses following be embodied in the Agreement:-

neither The East African Syndicate nor any subsidiary Company thereof shall at any time during the life of the new Company either directly or indirectly or as Manager or Agent in any other company, body, or person carry on or be engaged or concerned or interested in the Soda trade, meaning thereby the production, refining, distribution or sale of Soda or any of its various products in any part of the world, except through the new Company.

So far as The East African Syndicate can procure the Director of The East African Syndicate or any subsidiary Company thereof shall at any time during the life of the new Company either directly or indirectly or as Manager or Agent in any other company, body, or person carry on or be engaged or concerned or interested in the Soda trade, meaning thereby the production, refining, distribution or sale of Soda or any of its various products in any part of the world, except as a shareholder in the new Company or The East Africa Syndicate, except in so far as any such Director shall as an officer or Agent of the new Company be employed in the business of either of such company, nor shall any such Director acquire or hold specially any share or any interest in any shares in any company other than the new Company or The East Africa Syndicate beyond his holding or interest at the date hereof, without the consent of the Board of the new Company, and such consent shall not be unreasonably withheld.

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East Africa Prot.

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~~18993~~  
9 June 1908

DRAFT

For the Secretary  
to the Treasury

Sir,

I am directed by the  
Earl of Cromer to request  
you to lay before the Lords  
Commissioners of the Treasury  
the following facts with  
regard to a proposed finan-  
cial assistance shall  
be given by the Earl of the  
East Africa Protectorate to  
the East African Syndicate  
so as to ensure the effectual  
working of the soda  
deposits in Lake Nagadi  
which is situated not far  
from the Somalia boundary

MINUTE

Mr. Gifford

Mr. Edin

Mr. Just

Mr. Andrews

Mr. Cox

Mr. Lucas

X Sir F. Hopwood

X Col. G. G. G.

X Mr. Gifford

X The Earl of

18993  
E. O. T.

Handwritten notes and dates:  
15 Jan 1908 (1899)  
6 March (1896)  
6 April (1895)  
25 Aug 1899  
28 Aug 1899  
18993

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of the Protectorate, in regard to which the British already hold a lease granted by them by the Sultan of the Sultan in 1904.

2. The history of this proposal is briefly as follows. On the 15<sup>th</sup> of August 1904 the East Africa Syndicate obtained a lease of the Lake from the Sultan of the East Africa Protectorate. The lease is printed on pp. 20 and 21 of the Foreign Office Print "Part LXXXI - Further Correspondence respecting East Africa." The lease is for 21 years, with an option for a further period of 20 years at the end of the first period. There is

[This form is from A. Reade's minute on 29/10/07]

[I assume that the Treasury have a copy of this volume, but in any case they will hardly need it for dealing with this letter.]

no lease rent but only provision for the payment of a yearly rent or royalty of 5% of the profits earned by the lessee for the works of the said demised premises during each year; and the last clause contains a provision to the following effect:- "Provided always, and it is hereby declared, that if and whenever the said yearly rent, or any part thereof, shall be in arrear for the space of thirty days next after any of the days whereon the same ought to be paid

as aforesaid..... it shall  
be lawful for the lessor at  
any time hereafter to  
re-enter..... Unfortunately  
there is no stipulation  
in the lease that the deposit  
is to be worked except  
in so far as it might be  
implied in the clause just  
quoted; nor is there any  
stipulation of a sufficiently  
binding character in the  
correspondence to which  
reference is made between the Foreign  
Office and the Syndicate  
previous to the signing  
of the agreement of the  
lease.  
Action of the Govt in Nigeria

DRAFT

MINUTE.

- Mr.
- Mr.
- Mr. Just
- Mr. Austrobin
- Mr. Cox.
- Mr. Lucas.
- Sir F. Hopwood
- Mr. Churchill.
- The Earl of Elgin

under the present lease,  
to its power, of requiring that  
the work shall be worked  
by the syndicate is shown  
in the report of the Law  
Officers dated the 15<sup>th</sup>  
of January last of which  
a copy is enclosed.

3. At a meeting of the  
newly formed Concessions  
Committee at the Office  
on the 25<sup>th</sup> of February, 1937,  
Mr. Churchill presided over by Mr.  
Churchill, Colonel  
Villiers,  
Mr. Wilson, and Mr. Parkington  
attended on behalf of the  
East Africa Syndicate.  
Mr. Churchill pointed out  
to them that since the  
August 1904 practically

nothing had been done to  
work the soda and that  
it was very unsatisfactory  
that a valuable commercial  
part of the Protectorate  
should thus remain un-  
developed. The representatives  
of the Syndicate contended  
on their side that <sup>the</sup> experience  
gained during the three  
years since 1904 had  
shown them that it  
would be practically im-  
possible to work the  
soda profitably without  
the construction of a branch  
line of railway from the

existing line and a railway to  
the lake; and that they  
could not build this  
railway without some assis-  
tance from the Government  
in some form or other.  
Mr Churchill explained that  
this being the case, it lay  
with the Syndicate to make  
some definite proposals to  
the Gov<sup>t</sup>, including naturally  
a larger share of the profits  
than that provided by the  
original lease of the 15<sup>th</sup> of  
August 1904, which might  
induce the latter to  
consider the question of  
affording the assistance desired.

In pursuance of his suggestion the following papers and proposals on the subject have been received by this Dept., viz:-

(a) Letter from the Syndicate to the Colonial Office of the same date containing an account of the deposits actually existing in the bank.

(b) Letter from the Syndicate to the Colonial Office of the same date containing proposals as to the construction of the railway.

(c) Letter from Col. Villiers of the 2<sup>nd</sup> of May on the same subject.

(d) Letter from Col. Villiers to Mr. Anstons glass-blower, and a further letter of the same date acknowledged by him "A. Samuel and Co. relating to the support which the latter firm are prepared to give to the undertaking).

(e) Another letter from Col. Villiers.

1894. 7 1895. 10741. 11 1893. 7 1894.

to Mr. Anstons of the 20<sup>th</sup> of May, and accompanying correspondence relating to further negotiations with Messrs. A. Samuel and Co.

It does not appear to Lord Cross that matters have as yet reached the stage at which

he could ask the Lords Commissioners (of the Treasury) whether they would be willing to concur in assistance being given by the Govt to the Syndicate for the working of the soda deposits, but his Lordship proposes that a meeting of the Commissioners

DRAFT

MINUTE

- Mr.
- Mr.
- Mr. Just.
- Mr. Anstons.
- Mr. Coe.
- Sir C. Lucas
- Sir F. Hopwood
- Mr. Churchil
- The Earl of Elgin.

and I am accordingly to enquire  
whether this can be arranged.

(Signed, C. P. LUCAS.

Committee shall be held  
at his office on Tuesday  
the 18<sup>th</sup> instant at  
11.0 A.M. at which  
representatives of the  
Syndicate will be invited  
to attend, in order that  
the matter may be discussed  
and that it may be seen  
whether the Syndicate are  
able to formulate a  
businesslike proposition  
for the consideration of  
Lord Crewe and their  
Cousins. It ~~is~~ <sup>would, in Lord</sup> ~~is~~ <sup>an</sup> ~~according~~  
to ~~opinion~~ <sup>opinion</sup>, be a material  
~~to enquire whether~~  
advantage of a  
member of the Treasury  
could be present at the  
meeting on the 18<sup>th</sup> instant.