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C O.  
23227

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Recd.  
27 JUN 14

Colonial Office

d. Magada Scheme

1914

Private comm. with Magada Soda Co.

Last previous Paper.

to Rees: for the Magada

Registration for the Magada

? copy

acct

30/6/14

with the Magada

at the Magada

1/8

30/6/14

W. ~~Rees~~

Sir G. Fiddes.

Sir J. Anderson

Mr Harcourt

In a letter to Mr Harcourt dated

*Handwritten notes in left margin:*  
Copy  
23227

the 2nd of July (dealing also with various  
subjects, and there fore not attached) Sir  
Alfred Mond writes -

I have been considering your letter  
of the 25th of June and have been trying  
to draft a question on the subject to  
be put to you. I am however more than  
doubtful as to the advisability of  
giving any further publicity to this  
matter, which has probably been  
already forgotten. To mention it in  
the House of Commons would only  
stir it up again and attract more  
attention to it. If you concur in this  
view I propose to leave the matter  
alone.

Concur

Ed. B.

4-7-14

4-2-14

4/2/14

M. 6.7.14

Ed. B.

Yes

4.8.14

in reply  
letter June 25  
See attached  
4/2/14

97

W. Hancock

Letter to Sir

replied. Would you

sign it

W. H.

8.7.14

Not necessary  
have spoken to him

W. H. 8.7.14

484

Downing Street,

July, 1914.

My dear Lord,

I share the opinion which you express in your letter of the 3rd July with regard to the statements in the "Financial News" about the Magadi Soda Company, i.e. that it is better to leave the matter where it is and not to give it further publicity by asking a question in the House.

I am dealing separately with the matter referred to in the second paragraph of your letter.

Yours very sincerely,

435

June 25th 1914.

My dear Mops,

I ought sooner to have answered your letter about the lying statements in the Financial News about the Magadi Soda Company. I never write to the Press myself to contradict lies which they tell about me but if you like to get somebody to put a question to me on the subject in the House of Commons I should be very glad to deny the truth of the statements which are being made.

Or, if you prefer it, you might write me a letter and I would send you a reply and you could then publish them both.

Yours very sincerely,

(Edy) Hancock

Colonial Office,

Downing Street S.W.

June 17th 1914.

Sir J. Anderson,

Please see the attached cutting from the Financial News, sent to me by Sir Alfred Mond. I do not, as a rule, take any notice of Press slanders and I certainly do not consider this paper worthy of prosecution by the Law Officers, nor do I think an action for libel would lie. But I think it might be desirable to give a curt denial of the charges. If you agree, perhaps the attached letter might answer the purpose and could be signed either by Butler or yourself. But if it is to be sent someone should search our files carefully in order to see that nothing has been done by the Colonial Office which could give

any regard to the suspicions, which are, of course,  
in themselves wholly unfounded.

J. F.

Mr. Harcourt.

I should prefer to see the  
document made an answer to a question  
in the House.

To the Editor of the Financial News,

Sir,

The attention of the Secretary of State for the Colonies has been drawn to an article in your issue of 12th inst., on the subject of the Magadi Soda Lake Company. I am desired by Mr. Harcourt to state that there is no shadow of foundation for the allegations and charges made as to the supposed actions of the Colonial Office or His Majesty's Government in the interests of Messrs. Brunner, Mond & Co. in this matter. Mr. Harcourt hopes that you will find it convenient to give as much prominence to this denial as you have done to the original statements.

Colonial Office,  
17th June 1914.



TELEPHONE  
1051 VICTORIA  
TELEGRAMS  
120, KNIGHTS, LONDON

35, LOWNDEN SQUARE,  
S. W.

June 15th., 1914.

My dear Harcourt,

I don't know whether your attention has been drawn to the enclosed article in the "Financial News" of June 12th. In case you have not I should like you to read it, as it contains some wilfully untrue and serious allegations against the Colonial Office. I have discussed the article with Sir John Brunner, and we have decided as a firm to take no notice of the thing, but it appears to me that it is high time for the Government to take proceedings against the allegations of corruption which this article implies. I don't know what methods can be adopted to bring this about, but it has been suggested to me that the Attorney General might proceed on criminal information. I notice that in the issue of the "Financial News," of June 13th. the Lagadi Soda Company and the Shell Transport Company officially repudiate any connection with the article in question. This I am not surprised at, as the statement of the Chairman of the former company at the Annual Meeting in part contradicts the statements made in the article. You know as well as I do how entirely baseless the allegations are. In fact if we have any complaint to make it is rather that the Government are rendering valuable assistance to a potential competitor

TELEPHONE  
1081 VICTORIA  
TELEGRAMS  
AGENTS FOR MESSRS. LONDON

35, LUDWIGS SQUARE,  
S. W.

at some expense to the credit of the British tax-payer, and not that they have used their position in any way to assist their friends, and in a way that we certainly never dreamt of them offering to do. I can only imagine myself that this article has been inspired purely for political purposes. If you would like to see me about this question, perhaps you would kindly let me know.

With kind regards,

Yours sincerely,



Rt. Hon. L. Harcourt, M.P.,  
Colonial Office,  
Whitehall, S.W.

THE MAGADI SODA EPISODE:  
ASTOUNDING ALLEGATIONS.

THE GOVERNMENT SAID TO HAVE  
ACTED IN THE TRADE INTERESTS  
OF ITS POLITICAL SUPPORTERS.

(From a Correspondent.)

The statements made by Mr. Samuel  
Samuel at the meeting of the Magadi Soda  
Co. in answer to Mr. John Branner, have  
marked another stage of the long war which  
has been in progress since the company's  
progressive management have in many times  
been shown their willingness to back up  
political friends and spoil their political  
enemies.

The reputation of the interest in the Anglo-  
Persian Oil Co. marks a stage in the under-  
standing of why one must go back to the time  
when the Magadi Soda Co. was in the hands  
of the East African syndicate, which had  
lengthy negotiations with the Government,  
who stated that they were quite willing to  
assist the undertaking provided the business  
were handed over to the care of their ex-  
tent business men, their friends and politi-  
cal supporters, the Government refused  
the completely. It was then suggested that  
provided an undertaking were given that  
soda ash would not be put into England to  
compete with Brunner, Mond's products, the  
Government's assistance might be  
granted.

With this in view, Mr. Winston  
Churchill sent Mr. to East Africa and  
visited the soda lake and had general talks  
with Mr. Sam. to the outlook and  
prospects. Negotiations, however, broke  
down the syndicate absolutely refusing to  
allow the Government to limit their opera-  
tions in favour of the great chemical firm.  
A grand deal of compromise was used by the  
idea that the great chemical firm's supporters  
of 1906 trade were asked to protect the  
under-undertaking.

Negotiations were opened up with  
Messrs. Samuel and Co. who in result had  
taken over and found the working of the  
plant in an unworkable state. Mining  
Over this time the company were

MAGADI SODA AND 'SHELL'  
MAKE OFFICIAL STATEMENTS.

THEY DID NOT INSPIRE OR AUTHORISE  
THE ARTICLE IN YESTERDAY'S  
'FINANCIAL NEWS.'

We published yesterday an article  
correspondent with reference to the article  
which he alleged to have been assumed by  
His Majesty's Government towards the  
Magadi Soda Co. in relation to any possible  
impression that might be made into the  
company by Messrs. Brunner, Mond and Co.  
Although our correspondent is a most respect-  
able City man, speaking with authority on his  
subject, we do not feel desirable to append the  
following note to his communication.

While we cannot be understood as neces-  
sarily associating ourselves with the views ex-  
pressed above, we think it desirable to state  
that the writer of the article speaks with  
authority and from the inside. But the  
public should not form a judgment on the  
other side has been heard.

We have now received the following letter  
from the Magadi Soda Co. itself.

Sir, your attention has been drawn to a  
paragraph appearing in your issue of 12th inst.,  
which purports to be written by a corre-  
spondent, and to which you have affixed a note  
stating that the writer of the article speaks  
with authority and from the inside.

We beg to inform you that we entirely dis-  
associate ourselves from the article and the state-  
ments contained therein, that we have no  
knowledge of its authorship, and that it has  
not appeared with our authority or cognizance.

We are, Sir, with obedient regards, for and  
on behalf of the Magadi Soda Co. Ltd.,  
M. SAMUEL and Co., Managers,  
Shell House, 25 Bishopsgate, London, E.C. 4,  
June 12, 1914.

As the correspondence alluding in the article  
to the Shell Transport and Trading Co. Ltd.  
which is associated with the well-known  
group, the secretary of that enterprise has  
been asked to the following letter.

THE SECRETARY OF THE FINANCIAL NEWS.  
Sir, your attention has been called to an  
article in your issue of 12th inst. headed "The  
Magadi Soda Episode," and containing certain  
allegations of our company. In view of the fact  
that you speak of it with authority, and  
from the inside, we desire to state that we  
do not know of any connection with the al-  
legations contained therein, that we  
have no knowledge of the personality of your  
correspondent, and that the article in ques-  
tion had neither our cognizance nor our ap-  
proval. We remain, yours faithfully,  
The Secretary of the Shell Transport and Trading  
Co. Ltd.,  
E. A. SMITH, Secretary,  
Shell House, 25 Bishopsgate, London,  
E.C. 4, June 12, 1914.

A communication has reached us from  
the Messrs. Mining and Investment Corpora-  
tion Ltd. thus:-

TO THE EDITOR OF THE FINANCIAL NEWS.

Sir, with reference to the article headed  
"The Magadi Soda Episode: Astounding  
Allegations" in your issue of today, I am  
instructed by my directors to say that Messrs.  
M. Samuel and Co. have been good enough to  
communicate to you the contents of their  
letter to you of recent date, with which they  
entirely agree and with which they desire to  
associate themselves in every detail.—Yours  
faithfully,  
A. B. BURN, Secretary,  
June 12, 1914.

These letters are written under a slight mis-  
apprehension. There was no intention what-  
ever of suggesting that the article was  
"official" in its inspiration or origin. It is,  
we believe, a recognised fact in the City that  
"inside" information is by no means neces-  
sarily "official" information. Occasionally  
"inside" information is better than official  
knowledge, and at other times the official in-  
formation holds the superior position. In the  
present instance the writer of the communica-  
tion maintains that the statements which he  
has made are in strict accordance with the  
facts. It will be observed that the letters  
above contain no denial of his allegations, but  
merely state all occurrences of and responsi-

...these matters very severely the intrusion into  
their domain of the great oil companies  
of America, and in a position to sell to us  
the oil of their own fields, and to sell to us  
already organized.

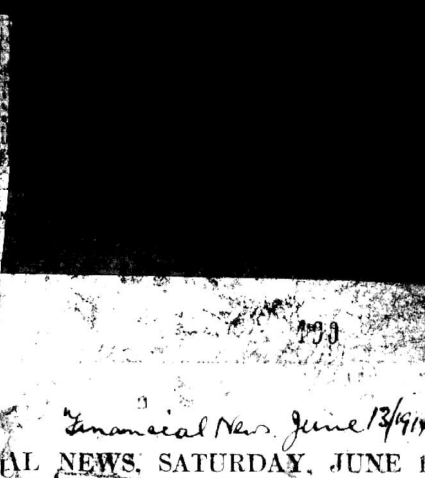
...being thus defeated  
...their friends will  
...the country, so far as  
...of all its work, or least with  
out any particular assistance, although it was  
obvious, from the economic point of view, that  
it was most desirable that this industry  
should be developed. It was desirable, also,  
in view of India, which is a  
great market for oil, and which  
ought, with the competition engendered by  
the development of this lake, to receive the  
article at a much lower price than hitherto.

It seems evident, from Sir Marcus Samuel's  
criticisms of the Anglo-Persian deal, that he  
imagines that this operation is intended to be  
a hit at his combine. Doubtless it will prove  
a factor in the Government's favour in nego-  
tiating prices in its oil contracts. But if we  
probe a little deeper, we shall see that there  
is no need for amazement that the Govern-  
ment has gone outside all British territory to  
find its oil supplies, when we examine the  
finds of the lands of drovers and sheep  
holders, and see how many of them are con-  
nected with powerful British groups. This,  
again, is an instance of the Government stand-  
ing by its political friends, and being against  
the political enemies, and being against  
Samuels sit on the side of the Opposition.

All this might seem whimsical and very im-  
probable. We do know that in the past  
of the world the same thing has happened quite  
recently. The Government, in the  
British Isles, and in the New  
Brunswick, has been the subject of a  
quaint proposal, which at the time was  
decried, but which was actually carried out.  
The Government, in the New Brunswick,  
development of the oil resources of a British  
colony, they have been put into the hands of  
their friends, the Germans. As a matter of  
fact, it has not done so, and is unlikely to do  
so, although great efforts are being made to  
bring this about. In default of capital being  
found in England, it is probable that these  
deposits—far richer than Persian shales, both  
in oil and in ammonium—will pass under the  
control of another German syndicate, who  
will finance them for the benefit of the Ger-  
man mercantile marine, and thus be able to  
strike a direct blow at our trade with Canada  
and the U.S.A.

While we must not be understood as neces-  
sarily associating ourselves with the views ex-  
pressed above, we think it desirable to say  
that the writer of the article speaks with  
authority; and from the "inside." But the  
public should not form a judgment until the  
other side has been heard.

SOUTHERN CLERICALS



Financial News, June 13/1914  
FINANCIAL NEWS, SATURDAY, JUNE 13

correspondent, and that the article in ques-  
tion had neither our cognizance nor our ap-  
proval. We remain, yours faithfully, for and  
on behalf of the Shell Transport and Trading  
Co., Ltd., F. A. SMYTH-BROWNE, Secretary,  
Shell House, 25-27 Bishopsgate, London,  
E.C., June 12, 1914.

A third communication has reached us from  
the Central Mining and Investments Corpora-  
tion Ltd, this +

THE EDITOR OF THE FINANCIAL NEWS.  
Sir,—With reference to the article headed  
"The Magadi Soda Episode: Astonishing  
Allegations" in your issue of today, I am  
instructed by my directors to say that Messrs.  
M. Samuel and Co. have been good enough to  
communicate to them the contents of their  
letter of your own date, with which they  
entirely agree and with which they desire to  
associate themselves in every detail.—Yours  
faithfully,  
JULIE 12, 1914. L. BLOWE, Secretary.

The letters are written under a slight mis-  
apprehension. There are no intention what-  
ever of suggesting that the article was  
inspired in its inspiration or origin. It is  
a matter of fact that the information is by no means neces-  
sarily official information. Occasionally  
official information is better than official  
knowledge, and at other times the official in-  
formation holds the superior position. In the  
present instance the writer of the communica-  
tion maintains that the statements which he  
has made are in strict accordance with the  
facts. It will be observed that the letters  
above contain no denial of his allegations, but  
only repudiate all cognizance of, and responsi-  
bility for, their publication. It is, of course,  
perfectly true, as the above letters indicate,  
that the article was in no way inspired by, or  
published with the knowledge and authority  
of the Shell Transport Co. or the Magadi  
Soda Co. or Messrs. M. Samuel and Co. or  
the Central Mining Corporation. There was no  
reason to say in the most emphatic and direct  
factual terms.

Finally, we think we should again remind  
the public of the closing words of the warn-  
ing note appended to the original article  
terribly. We repeat that no judgment should be  
formed upon the original statements until  
there has been an opportunity for denial or  
explanation to be given from the other side.  
That is the judicial frame of mind. Its  
assumption is the more necessary because the  
writer of the article, though not in the  
highest degree officially connected with the  
Magadi Soda Co. or the Shell, is, in his  
attitude, well disposed towards the group with  
which those enterprises are associated.