

1934.

Kenya.

No. 23073.

SUBJECT

C0533/444

Magadi Soda Company, Ltd.

Previous

3200/33.

Subsequent

38060/35.

H. H. Marriott

States other foreign competitors are now in the Australian market for soda & requests that Article 15 of the Ottawa Agreement may be put into operation & secure the British preference for Japanese Soda Ash under a more permanent arrangement in the statement by the Secy of Japanese Soda Co.

Transf  
31819/11 B/34

Mr. Gamm

May we have your views on the official letter please. It may be assumed that we will wish to do all that is legally possible help in Japanese Soda Co.

*[Signature]*  
10

Mr. Freeman

Do you see any objection to this being transferred to the General file 'Tariff Relations with Australia' in which all other matters are registered? If not pl. send to R B (and) for registration.

*[Signature]*  
12/2/34

Mr. Wood

You brought this to me and we discussed. I have sent on an acknowledgment to Mr. Marriott (No 3) as we arranged, and the official letter with one copy of his personal letter can now go to the General Department for re-registration.

The other point dealt with in his private (No 2) letter seems to be purely Kenya.

W.C.S. 12.2.34

Mr. Wood

Read on  
31819/11 B/34  
General  
R. 83  
Please do as  
I let me have this  
file with the  
of records.



6 H. F. Marriott \_\_\_\_\_ 5<sup>th</sup> May 34

Trans. three copies of Report of Directors & Balance Sheet for the year ended 31<sup>st</sup> Dec 33 & Proceedings of 4<sup>th</sup> Annual General Meeting & financial statements on trade notes.

The Director does not ask at the Stage for the Cabotage & the recent Dominion Tariffs agreement which expires on the 31<sup>st</sup> October, but it will be seen from the Report of the Proceedings at the Ordinary General Meeting of the Company that the Chairman said "Negotiations will shortly be commenced for a renewal of this supplementary agreement, & we feel sure that we can rely on the sympathetic consideration of the Kenya Govt on the occasion, as in the past."

2 Copies of 6 x enclosures to Mr. Kenya for information, drawing attention to the Chairman's remarks notes above.

C. F. Marriott  
7/17/34

Note that the Company hopes to capture the E.A. market for Common Salt & Sodium Bicarbonate

Bicarbonate

As proposed  
9/5

9.5

7 To Kenya, 3/4 (1/6 3/2 correct) 15

M

Note  
Mr. H. F. Marriott office in Africa House - 41 Hill Street

8. H. F. Marriott \_\_\_\_\_ 6 June 34

Enclose a letter from the Nyagati Soda Co Ltd asking for a renewal of the Supplemental Agreement in connection with working of Nyagati Soda deposits & states has no hesitation in recommending this request.

The request for the renewal of the Supplemental Agreement is not unexpected. See Mr. Marriott's letter of the 9<sup>th</sup> Feb (102 on the file).

From the arguments advanced by the Company there seems no reason to doubt that a renewal of the Agreement on the same terms, would be to the advantage of all parties concerned.

2 Small copies of P. present to Mr. Ref. 2 [with a suggestion to that effect] & ask for an early expression of the Govt's views & tell Mr. Marriott we hearken so.  
C. F. Marriott  
7/6/34

Orms [ ]

(General Rhodes told us that if as a result of negotiations with the proposed Bamburgh Company the Salt from Nyagati was delivered at TSNVO instead of where it goes to at present, the Railway would not be the loser)

as proposed

- To Capt. F. Marriott (8 ann.) 15/6/34
- To Kenya, H.P.O. (N/C 8) Comm 16 June 1934  
1934

H.A.

11 To H. L. Marriott (D.O.) \_\_\_\_\_ Done 24  
(Draft on 2020/114)

12 Governor Byrnes Tel 181 \_\_\_\_\_ 30<sup>th</sup> July 34

Agrees both as Gov. & as H. Com. for Transp. to the extension of the supplemental deed of 1<sup>st</sup> Dec 1932 for a further period of 2 years on the same terms.

13 H. L. Marriott (Draft) \_\_\_\_\_ 25<sup>th</sup> July 34

States Majadi Soko has drawn attention to the land Commissioner's recommendation for the re-inclusion of Majadi Rhy land in Masai Reserve. States Masai are the land people & requests favourable view of an abbln. for report if resumed or adopted. Soko assumes that his position will not be altered as regards Pipeline Agreement.

No 12. Sir Joseph Byrnes, as Governor of Kenya & H.C. for Transport, has agreed to the extension of the Supplemental Deed of the 1<sup>st</sup> December 1932 for a 2 Year, on the same terms.

A copy of the Supplemental Deed will be found ~~in~~ No 64 on 18074/12 185.

Before informing the Company

\* The Crown Agents perhaps the Legal Adviser would suggest how the extension should be implemented. Presumably an endorsement on the original document would suffice.

No 13 This is obviously a matter on which we must consult the Insurance.

? Copy of Deed to Mr. Kenyon & H.C. for Transport, Short draft, for obvious, & inform Mr. Marriott what is being done

C. H. Marriott  
11/8/34

(The draft sent to H.C. Transport has been amended - In order to correct the mail I have amended it for copy of 13 to be left to H.C. Transport 5/8/34)

- Clause 1 of the Supplemental Deed provides that it may be extended by
- 1) Supplemental Deed
  - 2) Recommendation submitted thereon
  - 3) Exchange of letters between the parties (i.e. C.A. & the Company)

So we have a free hand I think exchange of letters is the simplest method and if you agree we can tell C.A. & the Co and ask them to go ahead

No 13 as proposed

The supplemental deed is incomplete in that it does not say that if an extension is agreed upon, the provisions of the deed shall cease to have effect at the end of the agreed period.

I think, however, that such would be

in proposed.

*[Signature]*  
1/8/70

Then tell C.A. & the Co. that the letter & the diploma  
for Transport have agreed to extension for a further  
two years, that the S. of G. should be supplied in by  
exchange of letters as provided for in clause 1 of the  
supplemental deed, and say to the Co. that the C.A. has been  
so informed & that they will in doubt get into work.

13 as proposed

22.6.70

18

- 14 To Magadi Soda Co. (part in 8 months)
  - 15 " B.A. (1/10/10)
  - 16 " High F. ... (1/10/10)
  - 17 " High F. ... (1/10/10)
- } 2/5/10
- 18 To Kenya, 635 (1/10/10)
  - 19 To H.C. Dept 77 (1/10/10)

20. Magadi Soda Co. Ltd. 9 Aug 10  
State that they will communicate with C.A.  
concerning the extension of the Supplemental Deed.

Let by C.A. ...  
14. 8. 10  
C.A. ...

21. Brown Agents 21 August 10

States that an extension of the Supplemental Deed  
has been effected by an exchange of letters & cons. copy of  
same. Assumes Bd. best. will be informed.

? Copy of cons. to Mr. Kenya ...  
H.C. Transport

Key 12

C.A. ...  
22/8/10

*[Signature]*

- 22 To Kenya 657 (12 Ambid)
  - 23 " H.C. Dept 77
- } 2/5/10

24. Gen. D. H. P. O'Connell 15 August 34

States that while it was not considered the appropriate  
moment to press for a revision of the Subliminal Road on a  
basis of the maximum guarantee being placed at a haulage  
of 2000 tons to the coast it is hoped on the coming of the situation  
the question of revision will be reviewed.

P. H. G.

P. H. G.

7/9 etc

H. G.

25. H. G. P. O'Connell 15 August 34

States that 100ft on either side of the centre line of the  
is all that is required between stations but at stations more  
land is required each station must be treated on its merits; a  
wayleave only is required for the pipe line with a collecting area  
& reservoir. Stationing of course will be out to Kenya coast.

This must await the reply  
from the Kenya port to the 15.

As the reply has not been received  
in the meantime.

P. H. G.  
21/10/34

P. H. G.  
21/10/34

H. G.

26. H. G. P. O'Connell (20) (1934)

States that Magadi Soda Co. are sending out an expert  
to look into the whole question of salt production who can  
give special attention to the question of developing the production  
of crude salt as distinct from the carbonate process; in process  
like that in most of Japanese & Australian developments the  
Company may be given assistance in the outfitting of salt for the  
bulk factory.

We might ask Mr. Parrott if he

has any objection to our communicating  
the latter part of this letter to Sir  
Joseph Baynes & Co.

P. H. G.  
11/10

You will find the report on the  
Magadi salt on the page 10.

J. S. & Hood  
16/10

It would be in politics we might be  
blamed for too much success

but I should be glad for anything  
that would help to help the good going  
of the Empire.

16/10/34

Mr. Parrott assures me that  
no objection to our sending the whole  
letter to Sir J. Baynes.

J. S. & Hood

P. H. G.  
17

Copy (27) to be  
attd. to Baynes  
with file - vide  
app.

27 To Sir J. Baynes. (att. cc) etc. 19/10/34

28. Eni. Deputy Secy 11/11/34  
States that land on the half mile area is covered by the Offici Agreement & its inclusion in the later lease will make no difference to the lease as it will be subject to the terms of the Offici lease. State also provision will be made in N.S.T. Order for the preservation of following rights.

Send the substance of the despatch to the Secy  
Ref. 7. C. P. G. 11/11/34

Embodiment also para 2 of 25.  
Pl. dft. comm.

The only practical change felt to be that the rent for the  $\frac{1}{2}$  mile strip along the Nagadi Railway, now to be retained to the N.S.T. Reserve, will hereafter be payable to the Local Native Council instead of to the Colonial Govt. But as the said rental amounts to only 5/- per annum, there is no need to remind Govt about it.

Send the Railway  
in 15/11/34

for record  
C. P. G. 6/11

29 To Hon'ble F. ... 8/11/34

30. A. J. G. ... 29 Nov '34.

Encls. copy of ... with ...  
which it is stated that in view of the satisfactory arrangements being made by Kenya Govt to safeguard interests of the ... no further action is necessary.

Copy ... x copy of No 29  
to Mr. Kenya Ref 18 x  
to H.C. Transport Ref. 25-  
dft. inf. C. P. G. 11/11/34

C. P. G.  
1/12/34

31 To Kenya, 100g (v/cb 29+30) A/1 }  
(28 answered)  
32 " H.C. Dept 112 ( - " - ) A/a }  
(25 answered)

5 DEC 1934

30a

Rough F. Marriott

TELEPHONE 1918 SPEEDWELL.  
TELEGRAMS OTMARI, LONDON.

"SPANIARDS FIELD."  
WILDWOOD RISE,  
N.W.11.

Your reference 23073/34 6c

(Mansfield, North End)

20th November 1934.

The Under-Secretary of State,  
Colonial Office,  
London, S. W. 1.

RECEIVED

pe

Sir,

Magadi Soda Company

ACKD. BY P.C.

No 29

Your letter of 8th November 1934. At the next Board Meeting of Magadi Soda Company, after receipt of your letter, I communicated the gist of the contents by means of a letter addressed to the Company, of which copy is enclosed. The matter was discussed at the Board Meeting and, in view of the satisfactory arrangements being made by the Government to safeguard the interests of the Company, it was decided that no further action need be taken by the Company.

I have received a letter from the Company, dated 21st November 1934, confirming this decision of the Board of Magadi Soda Company, a copy of which is enclosed.

I am,

Your obedient Servant,  
*F. Marriott*

copy to { Kenya (31) }  
          { U.C. (32) }

12th November 1934.

The Chairman,  
Magadi Soda Company,  
Millbank,  
S. W. 1.

Dear Sir,

Fps 683 and 684 of the Report of the  
Kenya Land Commission dealing with  
reinclosure of land near the Railway  
in the Native Reserve.

---

I am now able to inform you that the Governor of Kenya states that the reinclosure of this land in the native reserve will make no practical difference to the Magadi Soda Company since it will be subject to the terms of the Magadi Lease which will still be operative and provision will be made in the revised Native Land Trust Ordinance for the preservation of all existing rights (including the water piping facilities).

The General Manager of the Kenya Railways states that he only requires one hundred feet on either side of the centre line of the Railway and that each station must be considered as an individual unit in marking out the land required for Railway use. The General Manager of the Kenya Railways also considers that the pipe line requires a way-leave only

and a reservation should be made for the collecting areas and the reservoirs.

It is apparent from the above that the interests of Magadi Soda Company are carefully safeguarded in the changes proposed to be made in accordance with the report of the Kenya Land Commission.

Yours faithfully

(Signed) Hugh F. Marriott.

Mr. Grossmith. <sup>2/3</sup>  
 Mr. ~~Frederick~~ <sup>6</sup> v. ~~arrange~~  
 Mr. ~~Hood~~ <sup>7</sup> ~~to~~  
 Mr. Parkinson  
 Sir G. Thomson.  
 Sir C. ...  
 Sir J. ...  
 Perm. U.S. of S  
 Parly. U.S. of S  
 Secretary of State.

*A. M. L. W.*

C	11
R	7 NOV
D	6 4

**DRAFT.** *W. Connor*

HUGH F. MARRIOTT, ESQ.,  
 M.I.M.L., F.I.C.E.

(17)

*W.F. 5 { Kenya (31) }  
 { H.C. (32) }*

Sir,  
 I have the pleasure to acknowledge the receipt of your letter of the 11th inst. in relation to the proposed amendments to the Kenya Land Constitution. The amendments proposed in your letter are contained in the records of the Commission and are contained in paragraphs 603 and 604 of the report of the Kenya Land Commission which have now been received.

2. As regards the effect of these recommendations upon the operations of the Magadi Soda Co. Ltd., the Governor draws attention to Clause No. 15(iii) in the Company's Railway Lease, which reads as follows:-

**FURTHER ACTION**

"(iii) No land within a quarter of a mile on either side of the railway from Magadi junction to Lake Magadi shall be sold leased or otherwise disposed of by the Government to any person persons or corporation other than the Lessees without first giving to the Lessees the whole or the land so proposed to be sold leased or otherwise disposed of on the same or similar terms and conditions as those on which the Government may be willing to sell lease or otherwise dispose of the same to any other person persons or corporation and such option shall be exercisable by the Lessees within two months from and after service upon the Lessees of notice in that behalf".

*to be taken  
into account  
by the Government*

3. The Governor states that the land comprised in this half mile zone is within the area covered by the Masai Agreement of 1911 and its exclusion from the Native Reserve in the proclamation of the 13th of October, 1926 was an error. He states that the inclusion of this land in the Native Reserve will make no practical difference to the Magadi Soda Company, since it will be subject to the terms of the Magadi Lease which will still be operative, and adds that provision will be made in the revised Native Land Trust Ordinance for the preservation of all existing rights (including the water piping facilities).

4. The points raised in the letter of the 9th of August were answered

Mr.  
Mr.  
Mr.  
Mr. Parkinson  
Sir G. Tomkinson  
Sir C. Debenham  
Sir J. Sturges  
Part. U.S. of S.  
Part. U.S. of S.  
Secretary of State.

**DRAFT.**

notice of the High Commissioner for Transport, in Kenya and Uganda, who has reported that he is advised by the Acting General Manager of the Kenya and Uganda Railways and Harbours Administration that, so far as the working of the Railway is concerned, 100 feet on either side of the centre line of the Railway is all that is required, and that each station must be treated on its own merits. The Acting General Manager also considers that as regards the pipe line, a way-leave only is required, with a reservation for the collecting area and reservoirs.

I am, etc.

(Signed) J. W. FREESTON

**FORWARD ACTION.**

KENYA.  
NO. 464



GOVERNMENT HOUSE  
NAIROBI.  
KENYA

RECEIVED  
30 OCT 1944  
C. O. REGY

27<sup>th</sup> SEPTEMBER, 1934.

Sir,

Notes.

*Amended (2)*

I have the honour to refer to your despatch No. 635 of the 8th August, 1934 regarding the recommendations contained in Sections 683 and 684 of the Report of the Kenya Land Commission.

2. The relevant clause in the Magadi Soda Company's Railway Lease is no. <sup>15</sup>14(iii) and reads as follows:-

"(iii) No land within a quarter of a mile on either side of the railway from Magadi junction to Lake Magadi shall be sold leased or otherwise disposed of by the Government to any person persons or corporation other than the Lessees without first giving to the Lessees the option of acquiring from the Government the whole of the land so proposed to be sold leased or otherwise disposed of on the same or similar terms and conditions as those on which the Government may be willing to sell lease or otherwise dispose of the same to any other person persons or corporation and such option shall be exercisable by the Lessees within two months from and after service upon the Lessees of notice in that behalf."

3. The land comprised in this half-mile zone is within the area covered by the Masai Agreement of 1911 and its exclusion from the Native Reserve in the proclamation of October 19th 1933 was a matter. The inclusion of this land in the Native Reserve will make no practical difference to the Masai Company since it will be subject to the terms of the Magadi lease which will still be operative. Provision will be made in the revised Native Lands Trust Ordinance for the preservation of all existing rights (including the water piping facilities).

I have the honour to be,

Sir,

Your most obedient, humble servant

*Gov. Wade*

GOVERNOR'S DEPUTY.

C. O.

Mr. Jackson 17/10

Mr. Hood 17/10

Mr.

Mr. Parkinson

Mr G. Tomlinson

Mr C. Bottomley 17/10

Mr J. Shuckburgh

Permit U.S. of S

Party U.S. of S

Secretary of State

23073/34

Kenya

4<sup>5</sup> for Sir C. Bottomley

19 OCT 1934

~~Mr. G. Bottomley~~

**DRAFT.**

Bring out Sir J. Shuckburgh  
Genl. A.H.F. etc.

You will, I think, be interested in the enclosed copy of a letter from Marriott about the prospects of Manganese Soda. The news about the probable curtailment of the Japanese and Australian markets is depressing, and the Company have every incentive to concentrate production on ~~and~~ for the bamboo pulp mill. I understand that Col. Jones & his friends will be very ready to take

26

**FURTHER ACTION**

Take copy for  
attachment to Bamboo  
Pulp J/S (in care?)  
22/10/34  
copy attached to 23073/34

their supply of salt from Nagasaki  
rather than from India or elsewhere  
as soon as Nagasaki can produce  
it at a price (c.i.f. Tsao) which  
compare favourably with other  
sources.

The bamboo pulp scheme  
goes before the Col. Development  
Advisory Committee at the end of this  
month. If it meets with the  
success for which the promoters  
hope, it will indeed be a  
good thing, both for the Colony  
& the Railway.

Yours sincerely

(Signed) W. C. BOTTOMLEY.

Original no 23,201 for Mungwa

18  
26

10th October 1934.

Sir Cecil Bottomley, K.C.M.G., C.B.,  
Colonial Office,  
Downing Street,  
S. W. 1.

Magadi Soda Company Ltd.

I have followed up the question of supply of salt from Magadi for the pulp factory and find that it is quite likely that the Magadi Company may be able to revise their figures of cost of salt production considerably below the estimates that were given to the pulp people some time ago.

The reason for this is that their figures were based on salt which had passed through the complete process of refining whereas I now gather that crude salt would be quite suitable for the purposes connected with the pulp, and the crude salt does not require so large an outlay of capital expenditure nor entail so high a cost of production owing to the process being curtailed to eliminate the final process of refining.

As I informed you yesterday, the Magadi people are sending out an expert to look into the whole question of salt production

Copy to Sir J. Hume 12

Original at 23.201 for Kenya

18  
21

6/11

10th October 1934.

Sir Cecil Bottomley, K.C.M.G., C.B.,  
Colonial Office,  
Downing Street,  
S. W. 1.

My dear Sir,

cc: 1

Magadi Soda Company Ltd.

I have followed up the question of supply of salt from Magadi for the pulp factory and find that it is quite likely that the Magadi Company may be able to revise their figures of cost of salt production considerably below the estimates that were given to the pulp people some time ago.

The reason for this is that their figures were based on salt which had passed through the complete process of refining whereas I now gather that crude salt would be quite suitable for the purposes connected with the pulp, and the crude salt does not require so large an outlay of capital expenditure nor entail so high a cost of production owing to the process being curtailed to eliminate the final process of refining.

As I informed you yesterday, the Magadi people are sending out an expert to look into the whole question of salt production

Copy to Sir J. Agnew (27)

Original at 23.201 for Messrs

18  
26

Colly

10th October 1934.

Sir Cecil Bottomley, K.C.M.G., C.B.,  
Colonial Office,  
Downing Street,  
S. W. 1.

Wm

My dear Bottomley,

Magadi Soda Company Ltd.

I have followed up the question of supply of salt from Magadi for the pulp factory and find that it is quite likely that the Magadi Company may be able to revise their figures of cost of salt production considerably below the estimates that were given to the pulp people some time ago.

The reason for this is that their figures were based on salt which had passed through the complete process of refining whereas I now gather that crude salt would be quite suitable for the purposes connected with the pulp, and the crude salt does not require so large an outlay of capital expenditure nor entail so high a cost of production owing to the process being curtailed to eliminate the final process of refining.

As I informed you previously, the Magadi people are sending out an expert to look into the whole question of salt production

(27)  
copy to R. J. Rogers

and this man can, when at the Lake, give special attention to the question of developing the production of crude salt as distinct from the complete process.

When this investigation has been completed, the Magadi people will be in a better position to see how they stand as regards capability of supplies in the bulk required.

A development of this nature would come in very opportunely for Magadi as their future in the soda business is likely to be even more precarious than at present.

The I.C.I. Australian Company, at the suggestion of the Australian Government, has decided to erect a soda works in that country which is considered necessary for protection against foreign dumping and this will naturally reduce Magadi's share of supplies to that country.

I now hear that one of the large Japanese consumers has decided to erect their own works in Japan. This move has been before us for some time and now appears to be becoming a reality so you see it is very important that every assistance shall be given to Magadi to "get a lock in" on the pulp salt supplies if they can, if the production can be brought within reasonable figures and the Magadi Company is not handicapped by specially favourable rates being granted to the Pulp Company to import salt from overseas.

I sincerely trust that a way will be found to enable





OFFICE OF THE HIGH COMMISSIONER FOR TRANSPORT,  
GOVERNMENT HOUSE

NAIROBI  
KENYA

TRANSPORT

KENYA UGANDA

NO. 73

Sir,

I have the honour to acknowledge your despatch  
Transport Kenya, dated the 27th August 1946  
enclosing a letter from Mr. H. F. Marriott of the Magadi  
Soda Company.

1. I am advised by the Acting General Manager of  
the Kenya and Uganda Railways and Harbours Administration  
that, so far as the working of the railway is concerned,  
100 feet of pipe is available for use on the railway,  
18 inches in diameter, in sections of 10 feet length,  
more than enough to enable the pipe to be used  
on its own merits.

The Acting General Manager has advised that  
as regards the pipe line, he is prepared to supply the pipe  
with a reservation for the use of the railway.

4. I have given instructions for the  
correspondence to be dealt with by the  
are dealing with the matter, and the  
Commission report.

HIGH COMMISSIONER

THE RIGHT HONOURABLE  
MAJOR SIR PHILIP CUNLIFFE-LISTER, G.C.B., M.C., A.P.C.  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET, S.W.1.

24  
72



GOVERNMENT HOUSE,  
NAIROBI,  
KENYA

KENYA  
No. 115.

RECEIVED  
- S -  
O. O. REGD

17<sup>th</sup> AUGUST, 1934.

Sir,

No 10  
No 12.

No 44  
18074/32.

With reference to your despatch No. 470 of 16th June, 1934, and Sir Joseph Byrne's telegram No. 181 of the 30th July, 1934, in reply on the subject of the extension of the Supplemental Deed regarding the minimum tonnage arrangements of Messrs. the Magadi Soda Company Limited, I have the honour to refer to your Confidential telegram No. 182 of 14th September, 1932, and to inform you that, while this Government did not consider the moment opportune to press for a revision of the deed on the basis of the minimum guarantee being placed at a haulage of 40,000 tons to the Coast, it is hoped that, on the expiry of the present extension, the question of the revision on the lines suggested will be carefully reviewed.

I have the honour to be,

Sir,

Your most obedient, humble servant,

GOVERNMENT DEPUTY.

THE RIGHT HONOURABLE  
MAJOR SIR PHILIP GUNLIFFE-LISTER, P.C., G.B.E., M.C., M.P.,  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET,  
LONDON S.W.1.

*Auth available*



13  
21

ALL COMMUNICATIONS  
TO BE ADDRESSED TO THE  
CROWN AGENTS FOR THE COLONIES.  
THE FOLLOWING REFERENCE AND THE  
DATE OF THIS LETTER BEING QUOTED.

O/Kaya 51a

TELEGRAMS: "CROWN, LONDON."  
TELEPHONE: VICTORIA 7724.

RECEIVED  
22 AUG 1934  
C. O. REGY

4, MILLBANK,  
LONDON, S.W.1  
21st August, 1934.

*bc*

Sir,

No 15

In reply to your letter of the 8th August No. 23073/34,  
regarding the Supplemental Deed of the 1st December 1932  
between the Magadi Soda Co. Ltd. and ourselves, I have the  
honour to inform you that an extension for a period of 2 years  
expiring on the 31st October 1936 has been effected by an  
exchange of letters as provided under Clause 4.

A copy of the correspondence is enclosed for your  
information and we assume that you will report the matter to the  
Colonial Government.

I have the honour to be,

Sir,

Your obedient servant,

*J. H. [Signature]*

Crown Agents.

18.8.34  
17.8.34

*25/8/34  
Ment (23)  
H. C. 344 (23)*

Secretary of State,  
Colonial Office,  
S.W. 1.

0/1000 310

14

COPY OF LETTER FROM THE MAGADI SODA COMPANY LIMITED TO  
CROWN AGENTS.

Imperial Chemical House,  
MILBANE,  
LONDON, S.W.1.

15th August, 1934.

Gentlemen,

No15

I have received a communication from the Under Secretary of State, Colonial Office, dated 8th August, 1934, informing me that the Governor of Kenya and the High Commissioner for Transport, Kenya-Uganda, have agreed to the extension for a further period of two years of the Supplemental Deed dated 1st December, 1932, which varies the covenants in the Magadi Lease and the Railway Lease - both dated 20th March, 1928 - in respect of the lease years 1932/33 and 1933/34.

The Under Secretary of State adds that Sir Philip Cunliffe-Lister considers that the simplest method of effecting the extension will probably be by an exchange of letters as provided in Clause 1 of the Supplemental Deed, and that you have been so informed.

I am accordingly instructed by my Board to apply to you for your formal consent to an extension of the provisions contained in the Supplemental Deed until the 31st October, 1936, and should be obliged if you would signify your consent by letter, so that the correspondence can be annexed to our copy of the Supplemental Deed, which I take it is all that will be required.

Yours faithfully,  
For THE MAGADI SODA COMPANY LIMITED  
Secretary.

PUN

COPY OF LETTER FROM CROWN AGENTS TO THE MAGADI BODA COMPANY LIMITED.

17th August, 1934.

Gentlemen,

I have to acknowledge receipt of your letter, reference JDE/CB of the 15th August, regarding the extension of the Supplemental Deed dated 1st December 1932.

In this connection I have to inform you that we consent to an extension of the provisions contained in the Deed for a period of two years, expiring on the 31st October 1936, and that the extension is effected by this exchange of letters as provided in Clause 1 of the Supplemental Deed.

I am, Gentlemen,

Your obedient servant,

(signed)

for Crown Agents

TELEPHONE: VICTORIA 4444  
TELEGRAM: MAGADISA LONDON

W. & A. MAGADISA LONDON

# The Magadi Soda Company Limited.

DIRECTORS  
J. B. NICHOLSON (Chairman)  
P. F. FLEVORER  
W. F. LUTYENS  
W. F. MARRIDYTT  
D. MARSH  
C. G. BAUNDERS  
A. E. GAWLER

YOUR REFERENCE J.S.B./1.  
YOUR REFERENCE BRUN/1.

Imperial Chemical House  
Millbank

London W.C.

11th August, 1934.

The Under Secretary of State,  
Colonial Office,  
Whitehall, London W.C.

Sir,

For acknowledgment your letter of 1st

No 117

August, and am instructed to inform you that my Directors are pleased to note that the Governor of Kenya and the Chief Commissioner for Transport, Kenya-Uganda, are willing to grant an extension of the supplemental Trust deed dated 1st August 1932, for a further period of two years.

As suggested in the second paragraph of my letter, I shall communicate with the Crown Agents for the Colonies in connection with this matter.

Yours faithfully,  
For THE MAGADI SODA COMPANY LIMITED

*J. Paulans*  
Secretary.

Mr. Green Smith, <sup>44</sup>  
 Mr. Flood <sup>3/4</sup>  
 Mr.   
 Mr. Parkinson.  
 Sir G. Tomlinson  
 Sir C. Tomlinson.  
 Sir J. Shackburgh  
 Permt. U.S. of S.  
 Parly. U.S. of S.  
 Secretary of State.

Annex No 28

STREET.

8 August, 1934.

ST

DRAFT.

REPLY.

635-

REPLY.

20/7/34 (S)  
 27/7/34 in  
 original.

Sir,

I have, etc. to transmit to you  
 a copy of a letter from Mr. <sup>H.F.</sup> Marriott, ~~the~~  
 of the Magadi Soda Company, Limited,  
 Government Director on the Board of the  
 Magadi Soda Company, Limited, regarding  
 the recommendations contained in paras.  
 683 and 684 of the Report of the Kenya  
 Land Commission.

2. I shall be glad to receive, in  
 due course, your observations on the  
 points raised in Mr. Marriott's letter.

I have, Etc.,

(Sgd.) P. OUNLIFFE-LISTON

FURTHER ACTION.

*[Handwritten notes and signatures in a box]*

21073, 14

Mr. Grossmith. *JF*Mr. *Flood* *JF*

Mr.

Mr. Parkinson

Sir C. Tomlinson

Sir C. Bottomley

Sir J. Stubbburgh

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State

D. WING STREET.

August, 1914.

**DRAFT.**

HUGH F. MARRIOTT, ESQ.

H. Inst. M.E., N.E.C. &amp;c.

Sir,

I am, etc. to acknowledge the receipt of your letter of the 11th of July regarding the recommendations contained in paras. 683 and 684 of the Report of the Kenya Land Commission, and to inform you that a copy of your letter <sup>with</sup> ~~and~~ the ~~printed~~ map ~~showing the relative positions of the Mogozi Railway and the pipe line~~ are being sent to the Governor of Kenya for his observations. A further communication will be sent to you on receipt of the Governor's reply.

I am, Etc.,

(Signed) J. E. W. FLOOD

FURTHER ACTION.

A.P.

C. O.

23073/34

19

Mr. Grosmith. *3p*  
Mr. *Flood 3p*  
Mr.

Mr. Parkinson.  
Sir G. Tomlinson  
Sir C. Bottomley  
Sir J. Shuckburgh  
Permt. U.S. of S.  
Parly. U.S. of S.  
Secretary of State.

DOWNING STREET.

8 August, 1934.

**DRAFTS**

HUGH F. MARRIOTT, ESQ.  
*M. Inst. M. M., M. I. C. E., etc.*

*(No. 1)*

*orig draft*

Sir,

I am, etc. to refer to the letter from this <sup>Office</sup> ~~Department~~ of the 15th of June and to transmit to you for your information, a copy of letter which is being sent to the Secretary of the Magadi Soda Company Limited regarding the <sup>extension</sup> ~~expansion~~ of the Supplemental Deed dated the 1st of December, 1932.

I am,

J. E. W. FLOOD

**FURTHER ACTION.**

C. O.

23073/34

- Mr. ~~Grossmith~~ <sup>3/8</sup>
- Mr. ~~Flood~~ <sup>js</sup>
- Mr. ~~Parkinson~~
- Sir G. Tomlinson
- Sir C. Bottomley
- Sir J. Shackburgh
- Permt. U.S. of S
- Parly. U.S. of S.
- Secretary of State

*Answered by No 21*

DOWNING STREET.

8 August, 1934.

**DRAFT**

**THE CROWN AGENTS  
FOR THE COLONIES.**

Gentlemen,

I am, etc. to refer to your letter of the 20th of December, 1932, (Reference O/Kenya 31a) transmitting copies of the Supplemental Deed dated the 1st of December, 1932, between the Crown Agents and the Magadi Soda Company, Limited, and to inform you that the Governor of Kenya and the High Commissioner for Transport, Kenya-Uganda, at the request of the Company, have agreed to <sup>extend the</sup> ~~renew~~ of the Deed referred to, for a further period of two years on the same terms.

*64  
18074/32  
PC*

*To Messrs. L. G. U  
adv. draft*

**FURTHER ACTION.**

2. Sir Philip Cunliffe-Lister considers that the simplest method of effecting the extension is by an



have been so informed  
and you will no doubt  
communicate with them  
in the matter.

I am, Etc.,

(Signed) J. E. W. FLOOD

Hugh F. Marriott, ASSISTANT SECRETARY FOR THE EAST AFRICAN STATES

13/2

TELEPHONE 1915 BEECHWELL.  
TELEGRAMS OTHARI, LONDON.

"SPANIARDS FIELD,"  
WILDWOOD RISE,  
N.W.11.

RECEIVED  
27 JUL 1934  
C. O. REGY

(Hampstead, North End)

27th July 1934.

25

and (7)

The Under-Secretary of State,  
Colonial Office,  
London, S.W.1.

Sir,

Magadi Soda Company Ltd.

My attention has been drawn by the Magadi Soda Company Ltd. to the Report of the Kenya Land Commission of September 1933, issued in May 1934. The extract commented on is as follows :-

"Page 196

MASAI PROVINCE

Problems and Recommendations

Masai  
Claim  
to 4  
Mile  
Zone.

683. Under the boundary gasettement of 1926, the Magadi Railway, together with all land extending a quarter of a mile from the centre line thereof on both sides, was excluded from the Masai Reserve.

684. This area was included in the Agreement boundaries, and its re-inclusion in the reserve was approved by His Excellency the Governor in Council in 1930, and merely awaits provision of the necessary legal machinery. We recommend that the area be gasetted as native reserve. The area is approximately 38 square miles.

-000-

copy of map in orig. to Kempt (18)  
copy to B. C. S. Dept. (19)

- 2 -

The Company points out to me that they have had no notification of the proposal, as announced in Paragraph 604, to reinclude in the Reserve the half mile strip enclosing the Railway which forms part of the Railway Agreement.

They wish to fall in, as far as possible, with any arrangements that may be found advisable for the utilisation of the ground in question, and they would point out that the Masai at present use the ground freely in common with their own surrounding territory.

If it should be decided to reinclude this land in the reserve, the Company trusts, should at any future time any portion of the land be required by them or the Railway administration for the purposes of the Railway, that the Government will give favourable consideration to an application for a regrant of the same.

In considering any alteration of the present position of tenure, there is however one important point which I suggest should be taken into account. The Company is dependent for the purposes of the Railway and for fresh water at Magadi on the supply obtained from the Ngong Hills. This is piped from Ngong through the Masai Reserve to the Railway and the pipes run for the majority of the distance along near the Railway towards Magadi within the reserved ground. In some places however the line cuts out Railway bends and follows a more

direct route.

It is, of course, necessary for the Company to retain all the rights they at present possess under the Pipe Line Agreement and for them to have at all times the control they now hold for the purposes of protection and upkeep of the pipe. The Company asks to be assured that their position in this respect will not be altered.

I attach a print of a map which has been handed to me by the Company which shows the relative positions of the Railway and the Pipe Line.

I am,

Your Obedient Servant,

Hugh F. Marriott

COPY FOR REGISTRATION

12<sup>35</sup>

RECEIVED  
30 JUL 1934  
C. O. Y

Telegram from the Governor of Kenya to the Secretary of State for the Colonies.

Dated 30th July, 1934.

Received 11.49.a.m.30th July.

No.181

Amwood (22)

No 10

Your despatch No.470 of July 16th.  
Jwaglu-Company I agree both as Governor and as High Commissioner for Transport to extension of supplemental dead of December 1st 1932 period 2 years on the same terms.

6/4 D. J. ... 11/36  
Downing Street,

12 June, 1934.

Dear Harriett,

Many thanks for your letter of the 18th June, which clears up the position of Magadi in relation to the bamboo pulp scheme. You may care to have on record the following extract from a recent official letter from Mr. Charles U'Call, who holds the bamboo concession:-

"With regard to co-operation with the Magadi Soda Company, Limited I can only confirm and repeat what was said to Mr. Harriett at the interview on the 18th instant at the Colonial Office, namely that the most economic process for my Company's purpose is what is known as the Chlorine Process. This process requires a large quantity of salt, and the Company will be only too pleased to take all the salt it can obtain from the Magadi Soda Company up to the

maximum

H. L. HARRIETT, Esq.

maximum required on a competitive basis, and I  
regret that my colleagues and I are anxious to  
work very closely with this Company".

Yours sincerely,

Handwritten notes at the top left, including the word "Person".

Handwritten notes at the top center, including the number "26".

Handwritten notes in a box at the top right, including the letter "U".

DRAFT.

Handwritten scribble or signature in the middle left area.

Handwritten initials "A.V." in the middle left area.

Main body of faint, mostly illegible text on the right side of the page.

C. O.

Mr. Grossmith. *12/13/34*Mr. *Justin* *13/12*

Mr.

Mr. Parkenson

Mr. G. Tomlinson

Mr. Bottemley

Mr. J. Shuckburgh

Permit U.S. of S.

Party U.S. of S.

Secretary of State

**DRAFT.**

HUGH P. MARRIOTT, RSC.

**FURTHER ACTION.**

15 June, 1934.

I am, etc., to acknowledge the receipt of your letter of the 6th of June on the subject of the request of the Magadi Soda Company Ltd. for an extension of the supplemental Deed of the 1st of December, 1931, regarding the minimum tonnage arrangements, for a further period of two years on the same terms.

2. ~~I am to inform you that~~

Copies of your letter and of the letter from the Magadi Soda Company, dated the 4th June, are being sent to the Governor of Kenya, and ~~that~~ the Governor is being asked to furnish the Secretary of State with an early expression of his views. A further communication will be sent to you on receipt of the Governor's reply.

I am, etc.,  
(Signed) L. B. FREESTON

High Commissioner

845

RECEIVED

17 June 1944

Answer 19

The Under Secretary of State,  
Colonial Office,  
Downing Street,  
S. W. 1.

Sir,

I have the pleasure to enclose herewith a letter dated 4th June addressed to you by the Magadi Soda Company Ltd. asking for a renewal of the Supplemental Agreement which has been in force for the past two years in connection with the workings of the Magadi Soda deposits.

The Magadi Soda Company and the Imperial Chemical Industries Ltd. have during the period of the present Supplemental Agreement, as previously, done all that is in their power to extract and obtain a sale for the soda products from the Magadi Lake and the Supplemental Agreement has assisted materially in the arrangements that have been made to this end.

I therefore have no hesitation in recommending the request contained in the enclosed letter for the

Copy to Kenya (10) Sent

● extension of the Agreement for a further period of two years on the same terms as at present to your favourable consideration.

I am,

Your obedient Servant,

*Hugh F. Marriott*

Hugh F. Marriott.

# The Magadi Soda Company Limited.

DIRECTORS

J. G. NICHOLSON (Chairman)  
P. F. FLETCHER  
W. R. LUTYENS  
H. F. HARRIOTT  
D. MARSH  
C. G. BAURDESS  
A. E. SAWLER

OUR REFERENCE JDE/CB.

YOUR REFERENCE

Imperial Chemical House  
Millbank

London SW1

4th June, 1934.

The Under-Secretary of State for the Colonies,  
Colonial Office, LONDON, S.W.1.

Sir,

I am instructed by my Directors to refer you  
to the Supplemental Deed dated 1st December, 1932, varying the  
terms of the Magadi main leases for the two years ending 31st  
October, 1934, and respectfully to request the extension of this  
Deed as provided in Clause I thereof, to cover a further period  
of two years, i.e. from November 1st, 1934, to October 31st,  
1936, inclusive.

In our letter of September 28th, 1932, an  
estimate was given of the sales prospects upon which our proposal  
for a minimum freight charge of £57,000 over two years, was based.  
As matters have turned out, the forecast which was then made has  
been considerably exceeded, and our shipments of Soda Ash for the  
two years ending 31st October next are estimated to amount to  
approximately 70,000 tons. This increase has been due mainly to

No 111

18074/32

No 51

18074/32

110 000 tons

LAP

the fact that notwithstanding the doubtful prospects in Japan, we have nevertheless been able to make sales in that market amounting to approximately 39,000 tons over the period in question.

In this connection, it is of interest to observe that although in the meanwhile Japanese Alkali production has increased very considerably, consumption in that market has likewise risen owing to the demand created among other Japanese industries through the steady increase in Japanese exports of all kinds of merchandise, notably textiles. In addition, the Japanese have attempted to create export markets for themselves in Alkali products quite irrespective of home requirements, and this has further enhanced the shortage of Alkali in the Japanese market, thus still necessitating a certain amount of imports.

The rate of increase of Japanese local production of Alkali shows no sign of diminution, and with the widespread movement in other countries to restrict imports of manufactured goods from Japan, it seems inevitable that before long there must be some reduction in internal consumption of alkali, leaving a considerable excess of Alkali production capacity in existence. Consequently, the excess tonnage which we expect to realize from the two years ending 31st October next, over and above the estimate originally made, is largely fortuitous, and the suggestion that it would be unsafe to place future sales of Magadi Soda Ash at more than 15,000/20,000 tons per annum still holds good.

Since our previous estimate was made, we have

proceeded to develop the manufacture of Salt, and this may lead to new business amounting to a few thousand tons yearly; but the economic possibilities of our Salt process are not yet sufficiently established to enable us to look forward with certainty to any substantially increased tonnage on this account, at least for the next year or two, so that the quantities which are likely to be moved cannot at present be predicted.

In consequence of the foregoing, therefore, and as we believe that the existing Supplemental Agreement has operated satisfactorily so far as the Colony and the Kenya/Uganda Railway are concerned, we respectfully request that the conditions should be unaltered in respect of the next two years, and the Supplemental Deed renewed on this basis.

Yours faithfully,  
For THE MAGADI SODA COMPANY LIMITED

*J. Barlow*  
Secretary.

C. O.

- Mr. Grossmith.
- Mr. ~~Heaton~~
- Mr.
- Mr. Parkinson.
- Mr. Tomlinson.
- Sir C. Baskinley.
- Sir J. Stubbburgh.
- Perm. U.S. of S.
- Parly. U.S. of S.
- Secretary of State.

4/13/34  
P.

C  
MAY 14  
D

7

15

(No. 2 on 3200/33)

**DRAFT.**

KENYA

No. 374

Gov.

3rd May 1934  
 (6) 2 copies of each encl.  
 (12) Report of the Director  
 which includes the  
 balance sheet.  
 Proceedings of the  
 first general meeting } copies

**FURTHER ACTION.**

I have, etc., the pleasure  
 to acknowledge the receipt of  
 your letter of the 21st inst.  
 in relation to the above  
 subject. I have, in reply,  
 advised the Government Director  
 of the above subject and  
 the Manager of the Company  
 and together with copies of the  
 Report of the Directors and the Balance  
 Sheet for the year ended 31st  
 December 1932 and the Report of the  
 Proceedings of the Ninth Ordinary  
 Annual General meeting of the  
 Company.

(12) It will be observed from the  
 Report of the Proceedings of the  
 Annual General Meeting that the  
 Company propose to commence  
 negotiations shortly for the renewal

of the terms of the Supplemental Deed of the 1st  
December 1932 with regard to the minimum  
tonnage arrangements.

I have, etc.,

(Sgd) P. CUNNINGHAM

*Hugh F. Marriott* H. F. MARRIOTT (PRINTED) H. F. MARRIOTT, C.E., A.R.S.M., A.R.C.S.M.

64

TELEPHONE HOLBORN 3648-7

AFRICA HOUSE,  
KINGSWAY,  
LONDON, W.C.2.

3rd May 1934.

The Under-Secretary of State for the Colonies,  
Colonial Office,  
Downing Street,  
S. W. 1.

RECEIVED  
- 5 MAY 1934  
C. O. REGY

30

Sir,

Magadi Soda Co. Ltd.

I have the honour to enclose for your information three copies of the Report of the Directors and the Balance Sheet for the year ended 31st December 1933 and three copies of the Proceedings at the Ninth Ordinary Annual General Meeting of the Company held on 20th April 1934. The chief items of interest for the year are that :-

Shipments of Soda Ash, amounted to 44,652 tons.

Japan was, as it apparently always will be, the doubtful factor, but orders from that country, larger than were expected, swelled the figure of output to the satisfactory dimensions noted. The usual word of caution was mentioned by the Chairman concerning the orders from Japan for the current year, but I am happy to inform you that the total of 14,000 tons has already been booked this year for Japan, so that the output figures that are now accumulating for next years results will be fair to be moderately satisfactory in that respect.

copy of 2 copies sent under 6-Kanya (A)

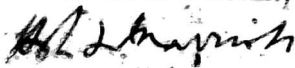
The Company has strengthened its financial position very considerably in the past year. Although the Balance Sheet again shows a loss, this loss is reduced to £1,433. On the other hand, the trading profit stands at £20,000, after providing for Debenture interest £17,000 and also providing for obsolescence of plant to the amount of £16,000 all of which shows that the Company is regaining a decidedly healthy position. This has been due to the economic improvements effected by the Management at the Lake and by the results of the close co-operation of the Imperial Chemical Industries in the matters of sales of soda.

Research has been carried on to develop the economic production of common salt and other chemical by-products from crude soda of the Lake. The plant for the production of salt is well-advanced and appears likely to be able to supply, in due course, the needs of East Africa in this respect.

I am happy to report that the increased satisfactory results now being obtained fully justify the generous support accorded to the company by the Government of Kenya.

I am,

Your Obedient Servant,



Hugh F. Marriott.

# THE MAGADI SODA COMPANY LIMITED.

## Directors

- J. NICHOLSON, Chairman,  
R. F. DE BEER,  
R. J. DE BEER,  
A. F. COYNE,  
R. G. MARSHALL,  
R. J. MARSH,  
R. G. SMITHERS.

## Secretary

L. D. FARLAM.

## REPORT OF THE DIRECTORS

The Directors present herewith the Balance Sheet and Profit and Loss Account for the year ending 31st December 1933, together with the Report thereon and Profit and Loss Statement for the year ending 31st December 1933.

After providing for Obsolescence, and after making provision for the year of £1,433 19s. 4d., and the Directors are of opinion that the Balance Sheet is a true and correct statement of the assets and liabilities of the Company as at the date of the review.

£16,368 12s. 7d. has been charged during the year in respect of Obsolescence, and the total reserve on this account as at the last year's Balance Sheet was £10,943 10s. 10d.

Debt interest for the year has been provided for in accordance with the moratorium scheme approved by the Government, and a provision has been inserted on the face of the Balance Sheet drawing attention to the fact that an account of debt interest and redemption payments resumed under the moratorium.

The Company's obligations to the Kenya Government and the Kenya Highlands Railway in the matter of Soda despatches have been met.

A considerable amount of work has been carried out during the year on new developments, and in all £5,261 7s. 8d. has been spent on the same. The work is still proceeding, and it is not proposed to capitalise any portion of the outlay for the present. The expenditure up to the end of 1933 has accordingly been charged to a Development Account and is shown as such in the Balance Sheet.

Additions to the Fixed Assets Accounts during 1933 amounted to £1,58 16s. 2d., and the Obsolescence Reserve has been charged with £3,940 7s. 4d. in respect of buildings and plant written off.



THE MAGADI SODA COMPANY  
LIMITED.

PROCEEDINGS

AT THE

NINTH ORDINARY  
GENERAL MEETING

of the Company held at  
CAXTON HALL, WESTMINSTER,  
S.W.1.

*On Friday, 20th April, 1934.*

J. G. NICHOLSON BSO

THE MAGADI SODA  
COMPANY, LIMITED.

INCORPORATED IN ENGLAND  
MILLBANE, LONDON, S.W.1.

REPORT OF THE DIRECTORS

AND

Balance Sheet

AND

Accounts

For the year ended 31st December, 1933

## THE MAGADI SODA COMPANY LIMITED

The Ninth Ordinary General Meeting of The Magadi Soda Company Limited was held on Friday, April 20th, 1934, at the Caxton Hall, Westminster, London, S.W. 1, the Chairman, Mr. J. G. NICHOLSON, presiding.

The Secretary having read the notice convening the meeting and the Auditors' Report, THE CHAIRMAN addressed the meeting and said:

Ladies and Gentlemen. The Report and Accounts have been in your hands for some days, and I presume that it is your pleasure that they be taken as read.

I will accordingly proceed to deal with such features of the Accounts as are of special interest, and in the course of my remarks will endeavour to give you a review of your Company's activities during the past year, without, however, attempting to relate the position to the general economic situation in the world to-day.

As regards the Balance Sheet, you will first observe that the Company's position has improved materially since our last Annual Meeting.

On the assets side you will see that capital expenditure has been low, additions to the fixed assets amounting to only £168, and that certain of the old buildings and plant no longer in use have been written off, and the cost of these items—£3,940—charged to Obsolescence Reserve.

An item which has been introduced for the first time is Development Expenditure, amounting to £5,267. This is accounted for by the work done on the production of Salt and other chemicals, to which I will refer more fully later. The bulk of the expenditure is represented by tangible assets in the form of manufacturing plant, only some £150 having been included on account of experimental and research work, but until the cost of the plant permanently required for the work is known, your Directors have thought it prudent not to increase the value of the fixed assets, and to show the actual expenditure incurred as a separate item.

## THE MAGADI SODA COMPANY LIMITED

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I will accordingly proceed to deal with such features of the Accounts as are of special interest, and in the course of my remarks will endeavour to give you a review of your Company's activities during the past year, without, however, attempting to relate the position to the general economic situation in the world to-day.

As regards the Balance Sheet, you will first observe that the Company's position has improved materially since our last Annual Meeting.

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An item which has been introduced for the first time is Development Expenditure, amounting to £5,261. This is accounted for by the work done on the production of Salt and other chemicals, to which I will refer more fully later. The bulk of the expenditure is represented by tangible assets in the form of manufacturing plant, only some £150 having been included on account of experimental and research work, but until the cost of the plant permanently required for the work is known, your Directors have thought it prudent not to increase the value of the fixed assets, and to show the actual expenditure incurred as a separate item.

Of the floating assets, Sundry Debtors—all of which are considered good—have increased by some £27,000, due almost entirely to a large shipment leaving Mombasa at the end of December, for which payment was not received until 1934.

Investments and Cash show an increase of about £24,000. Your Directors considered it advisable to continue the policy of investing surplus funds in gilt-edged securities, bearing a rate of interest considerably higher than deposit rates. The securities purchased consisted solely of British Government funds or of stock guaranteed by the British Government. Of the total shown in the Balance Sheet, £2,000 of Treasury Bonds has since been redeemed by drawing, and additional securities of a nominal value of £13,500 have been purchased. The book value of our Investments to-day is £70,614, and the market value this morning £71,971, thus showing an increase of £1,357 over the book value.

Stocks of Soda Ash and general stores show a drop of £24,368 as compared with the 1932 valuation, owing mainly to a reduction in the stock of finished products.

On the liabilities side of the Balance Sheet, the Obsolescence Reserve has been further increased by £16,368, which amount has been calculated according to previous practice, and after charging £3,940 on account of fixed assets written off, to which I have already referred, the Reserve now stands at £93,006, which your Directors consider satisfactory in view of the fact that all our operating plants are kept in a good state of repair out of revenue.

The only other liability item to which your attention might be directed is the amount outstanding in respect of calls in arrear, which has been reduced by half since the corresponding date in the previous year. Every effort continues to be made to recover these unpaid calls, but as they now consist mainly of small individual items, the expense and difficulty of collection have to be considered.

The Profit and Loss Account shows a loss for the year of £1,434 compared with a loss of £19,505 in 1932. The improvement is accounted for by increased sales of Soda Ash at a somewhat higher average price, thus increasing the trading profit by £14,517, but in addition you will see that Investment revenue brings in a further £1,200.

On the debit side there has been a reduction in "Head Office Salaries and Audit" of almost £2,000. This saving has resulted from the cessation of compensation payments to staff retrenched in previous years and a further reduction in the number of salaried staff.

In considering the improved results, however, it must not be overlooked that (as mentioned in footnote 2) there is an accrued charge on account of deferred Debenture interest in respect of 1932 and 1933, which amounts to about £17,000. This, as well as a considerable sum which the Company owes by the terms of its Trust Deed to apply to the redemption of Debentures but which is also suspended under the moratorium scheme, as was explained to you at our last meeting, must be paid to the Debenture-holders before any profits become available for distribution to Shareholders.

Having now dealt with the outstanding features of the Accounts, I propose to devote a few minutes to a general survey of our activities during the period under review.

Production at Lake Magadi amounted to 37,143 tons, as compared with 43,642 tons in 1932. This reduction is accounted for by the fact that at the end of 1932 stocks were larger than usual, owing to the output having been increased to provide stocks against heavy shipments going forward early in the following year, whereas by the end of 1933 stocks were reduced to a more normal level by the large December shipment, to which I have already referred.

Shipments of Soda Ash in 1933 amounted to 44,652 tons, an increase of nearly 4,000 tons over the corresponding figure for 1932, mainly due to larger sales in Japan and South Africa.

In the case of Japan it was possible also to obtain slightly higher prices, which I regret have not since been maintained. This temporary improvement is satisfactory in view of the fears previously expressed that the increasing local production in that country would at any moment result in the entire exclusion of imported Soda. That danger still remains, however, and indeed the position in other markets to which the Japanese are now exporting is a matter for serious concern.

It is therefore impossible to regard the Soda Ash position as satisfactory or even reasonably safe, so far as your Company is concerned, and it is impossible to foresee any likelihood of decisive increases such as would enable your Company to rely on its Soda Ash business alone. This fact has, I know, already been pointed out to you both by my predecessors and myself at every meeting for the past few years, but I make no apology for mentioning it again, because the danger to continue imported Soda Ash must diminish in many markets owing to the growth of local manufacture.

The joint selling arrangement with Imperial Chemical Industries Limited, of which you were apprised last year, has operated satisfactorily, and was largely instrumental in making possible the comparatively good trading results which have been obtained. ●

It only remains to be added that the considerable reduction in manufacturing costs achieved in 1932 made it unlikely that any further substantial improvement could be expected in 1933, but the excellent figures previously reached have been maintained in spite of a lower output.

Before leaving the question of production and sales, I should not omit to mention that during 1933 our output was much higher than had been anticipated when the supplemental agreement was reached with the Kenya Government reducing the minimum output for the two years ending October 31st next. It is, however, satisfactory to record that the minimum tonnage of Soda goods which we then agreed to despatch during that period will certainly be well exceeded. Negotiations will shortly be commenced for a renewal of this supplemental agreement, and we feel sure that we can rely on the sympathetic consideration of the Kenya Government on this occasion, as in the past.

Last year mention was made of the possibility of Salt production at Lake Magadi, and I am pleased to report that a practicable process appears to have been devised, which should result in the near future in our placing substantial quantities on the local market. We believe that there will be a ready sale for Magadi Salt up to the limited requirements of East Africa, and that we may anticipate a satisfactory return on any capital which has been, and may in future be, expended in this connection.

The manufacture of other products is still engaging our attention, but of these the only one which justifies special mention is Bicarbonate of Soda, which we hope shortly to be able to produce in sufficient quantities to meet the local requirements.

Concurrently with other investigations, our technical staff at the Works and our home advisers have been conducting an intensive study of the possibility of using cheaper fuels at Magadi. The results so far obtained are definitely promising, and if eventually found satisfactory, should lead to useful economies on all products.

Although, therefore, we have done much better in 1933 than in the years immediately preceding, it is impossible to predict an early return to a dividend-earning basis. If, as we hope, the Salt proposition prospers and we are enabled to develop even limited markets for a

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range of other products, the position brought about by reduced Soda Ash sales will be mitigated, but can hardly in present circumstances lead to substantially improved trading results. There can, however, be no question that it is an advantage to develop other materials, thus broadening our base, so that we may not be entirely dependent upon the world situation in one product only.

I should like to tender a special word of thanks to Mr. Marriott, representing the Kenya Government, and to Mr. Fletcher, representing the Debenture-holders, for their valuable co-operation and for the very great assistance which they have rendered to the Company in their respective spheres.

I also think that the General Manager and staff at Lake Magadi and at home deserve an expression of appreciation from this meeting for the very excellent way in which they have carried out their duties during the past year.

In conclusion, I think it is safe to say that, although our future prospects are still obscure, there are signs that our results for the present year should not show a deterioration on those obtained in 1933.

THE CHAIRMAN then moved the adoption of the Report and Accounts. This resolution was seconded by Mr. P. F. Fletcher, and, there being no questions by Shareholders, was put to the meeting and carried unanimously.

The re-election of Mr. W. F. LUTYENS and Mr. C. G. SAUNDERS as Directors of the Company was proposed by the Chairman and seconded by Mr. H. F. Marriott and carried unanimously.

Messrs. Price, Waterhouse & Co. were re-appointed Auditors.

# THE MAGADI SODA COMPANY, LIMITED.

## Directors :

J. G. NICHOLSON (Chairman).

P. F. FLETCHER.

A. E. CAWLER.

W. F. LUTYENS.

H. F. MARRIOTT.

D. MARSH.

C. G. SAUNDERS.

## Secretary :

J. D. EARLAM.

## REPORT OF THE DIRECTORS.

The Directors present herewith the Balance Sheet as at 31st December, 1933, together with the Auditors' Report thereon, and Profit and Loss Account for the year ended 31st December, 1933.

After providing for Obsolescence and Debenture Interest, the Profit and Loss Account shows a loss for the year of £1,433 19s. 4d., and the Directors therefore regret that no dividends can be paid for the year under review.

£16,366 12s. 7d. has been charged during the year on account of obsolescence on buildings and plant, and the total reserve on this account as at the date of the Balance Sheet amounted to £93,006 19s. 8d.

Debenture interest for the year has been paid and charged in the accounts at the rate of 4 per cent. in accordance with the moratorium scheme approved by the debenture-holders on July 8th, 1932, and a short note has been inserted on the face of the Balance Sheet drawing attention to the accrued liability on account of debenture interest and redemption payments remitted under the scheme.

The Company's obligations to the Kenya Government and the Kenya and Uganda Railway in the matter of Soda despatches have been met.

A considerable amount of work has been carried out during the year on new developments, and in all £5,261 7s. 6d. has been spent on this account. This work is still proceeding, and it is not proposed to capitalise any portion of the outlay for the present. The expenditure up to the end of 1933 has accordingly been charged to a Development Account and is shown as such in the Balance Sheet.

Additions to the Fixed Assets Accounts during 1933 amounted to £168 16s. 2d., and the Obsolescence Reserve has been charged with £3,940 7s. 4d. in respect of buildings and plant written off.

The liquid resources of the Company have improved, and investments valued at £39,484 (Pn. 34, at 31st December, 1933). These investments are in securities of or guaranteed by the British Government: the market values of these securities exceeded the book values at the Balance Sheet date.

Under the Articles of Association Mr. Lupton and Mr. Saunders retire from the Board, and, being eligible, offer themselves for re-election.

The Auditors, Messrs. Price Waterhouse and Co., retire, and, being eligible, offer themselves for re-election.

By order of the Board,

J. D. EARLAM,

Secretary.

IMPERIAL CHEMICAL HOUSE,  
MILLBANK,  
WESTMINSTER, S.W.1

12th April, 1934.

## THE MAGADI SODA COMPANY LIMITED

NOTICE IS HEREBY GIVEN OF THE NINTH ORDINARY  
GENERAL MEETING of the Company which will be held at Caxton Hall,  
Caxton Street, Westminster, London, S.W. 1, on Friday, the 20th day  
of April, 1934, at 12 o'clock noon, to receive the Report of the Directors,  
to elect Auditors and to transact the other ordinary business of the Company.

By Order of the Board,

J. D. EARLAM,

Secretary.

12th April, 1934.

# THE MAGADI SODA COMPANY, LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31st December, 1933

To Head Office Salaries and Audit	£	854	0	3
.. Rent and Office Charges	1,000	0	0	
.. General Charges	752	9	2	
.. Directors' Fees	2,100	0	0	
.. Royalty on Soda Ash	2,787	18	4	
.. Trustees' Fees	106	0	0	
.. Debenture Interest	11,029	0	0	
	<b>£34,727</b>			

By Trading Profit for year	£	20,041	14	0
Miscellaneous Receipts including Receipts	1,054	18	0	
Investment Revenue	2,245	0	11	
Interest	44	15	0	
Transfer Fees	29	17	6	
Balance being lost for the year	433	19	4	
	<b>£34,727</b>			

## BALANCE SHEET as at 31st December, 1933

LIABILITIES		ASSETS		
	£	s	d	
<b>AUTHORIZED CAPITAL</b> —				
250,000 6% First Cumulative Preference Shares of £1 each	250,000	0	0	
1,320,000 6% Second Cumulative Preference Shares of 5s each	330,000	0	0	
600,000 12½% Preferred Ordinary Shares of 5s each	150,000	0	0	
100,000 Ordinary Shares of £1 each	100,000	0	0	
	<b>£830,000</b>	<b>0</b>	<b>0</b>	
<b>ISSUED CAPITAL</b>				
219,094 6% First Cumulative Preference Shares of £1 each fully paid	219,094	0	0	
1,312,190 6% Second Cumulative Preference Shares of 5s each, fully paid	328,047	4	0	
228 12½% Preferred Ordinary Shares of 5s each, fully paid	57	0	0	
599,315 12½% Preferred Ordinary Shares of 5s each, so-called	89,897	5	0	
100,000 Ordinary Shares of £1 each, fully paid	100,000	0	0	
	397,006	15	0	
Deduct—Calls in arrear in respect of 12½% Preferred Ordinary Shares	1,198	1	4	
		395,807	13	6
6% MORTGAGE DEBENTURES REDEEMABLE 1st JANUARY 1944 at 105% (Secured on all assets) as at 1st January 1933	425,700	0	0	
SEMI-ANNUAL INTEREST AND PROVISION FOR TAXATION AND CONTINGENCIES		37,800	5	4
UNREDEEMED DEBENTURE INTEREST AND DIVIDEND WARRANTS		4,534	18	6
PROVISIONS				
OSOLESCENCE RESERVE as at 1st January, 1933	80,578	14	5	
Add amount provided during 1933	16,368	12	7	
	96,947	7	0	
Less amounts written off during 1933	2,940	7	4	
		93,006	19	8
		<b>£1,206,048</b>	<b>17</b>	<b>2</b>

Fixed Assets—				
Land and Buildings in East Africa				
As at 1st January, 1933, at cost less amounts written off	296,144	16	2	
Additions during the year at cost	104,166	0	0	
	400,310	16	2	
Less amounts written off during the year	4,215	0	0	
	396,095	16	2	
Plant and Machinery in East Africa				
As at 1st January, 1933, at cost less amounts written off	1,002	12	3	
Additions during the year at cost	415	16	0	
	1,417	28	3	
Less amounts written off during the year	5,261	7	8	
	1,171	16	5	
Stocks of Manufactured Products, Repairs and Constructional Materials as valued by the company's officials	63,045	5	4	
DEBENTURE INTEREST RESERVE	65,888	7	0	
RESERVE FOR UNREDEEMED DEBENTURE INTEREST AND DIVIDEND WARRANTS	59,484	19	5	
RESERVE FOR UNREDEEMED DEBENTURE INTEREST AND DIVIDEND WARRANTS	8,181	2	11	
PRELIMINARY EXPENSES	6,000	0	0	
At cost less amounts written off	12,383	14	0	
STAMP DUTIES ON EAST AFRICAN LEASES AT COST				
PROFIT AND LOSS ACCOUNT—				
Debit balance as at 31st December, 1932, brought forward	11,304	18	1	
Loss for year to 31st December, 1933	4,433	19	4	
		72,638	17	5
		<b>£1,206,048</b>	<b>17</b>	<b>2</b>

J. G. NICHOLSON,  
FEVERIL F. FLETCHER, } Directors.

### AUDITORS' REPORT

To the Members of THE MAGADI SODA COMPANY, LIMITED.  
We report that we have examined the above Balance Sheet with the books of the Company in England and with the audited Returns received from East Africa and that we have obtained all the information and explanations we have required. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1933, according to the best of our information and the explanations given to us and as shown by the books of the Company in England and the audited Returns from East Africa.

1, FREDERICK'S PLACE,  
OLD SWINAY, LONDON, E.C.1. 4th April, 1934.

PRICE, WATERHOUSE & Co  
Chartered Accountants, Auditors.

**THE MAGADI SODA  
COMPANY, LIMITED.**

IMPERIAL CHEMICAL HOUSE,  
MILBANK, LONDON, S.W.1.

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**REPORT OF THE DIRECTORS**

AND

**Balance Sheet**

AND

**Accounts**

For the year ended 31st December, 1933.

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C. O.

Mr. Davies.

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Mr. Freeman

19

Semi-official for Sir C. Bottomley's signature.

Mr. Hand. 19

Downing Street,

Mr. Parkinson.

Mr. Tomlinson.

20 February, 1934.

X Sir C. Bottomley 19.2 f

Sir J. Shuckburgh.

My dear Marriott,

Perm. U.S. of S.

Party. U.S. of S.

Secretary of State.

I am now able to write

(1)

further in reply to your letter of the 9th of February about Magadi.

**DRAFT.**

H.F. MARRIOTT, ESQ.

We all fully share your gratification at the <sup>last year's</sup> result of the 1933 working, which certainly seems to have <sup>had</sup> <sup>results</sup> been satisfactory, and we shall await with interest the <sup>outcome</sup> results of the forthcoming Annual Meeting.

Any formal request which

Company may put up to us after the  
meeting in regard to the ~~tenure~~  
arrangements to be made for the period  
after the 31st of October this year  
would have, of course, to be referred  
out to the Govt. of Kenya, but I think  
I can safely say that, so far as <sup>we</sup> can be  
~~seen to~~ <sup>see</sup> there should be ~~no~~ <sup>little</sup> difficulty  
over getting an extension.

Yours sincerely

W. O. BOTTOMLEY.

358  
DOWNING STREET,

12th February, 1934.

My dear Marriott,

I have your letter of the 9th of February about Nagadi, and I have seen your official letter on the matter of the preference in Australia.

The official letter <sup>would</sup> I find, have to be dealt with in connection with our general papers regarding tariff relations with Australia, but I do not expect for a moment that this will lead to any delay in dealing with the matter.

As regards the other points in your personal letter I will send you a reply as soon as I can.

Yours sincerely,

*W.F.*

W.F. MARRIOTT, ESQ.

Hugh F. Marriott, Esq.

(Copy recd. on 3/8/19/11<sup>9</sup>/311 General.) 59

Holloway 12, 6/6

TELEPHONE 1818 SPOONWELL.

TELEGRAMS OTHMAN, LONDON

"SPANIARDS FIELD,"  
WILDWOOD RISE,  
N.W.11.

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(Champs Elysees, West End.)

9th February, 1934

Sir Cecil Bottomley, V  
Colonial Office,  
Downing Street, S.W.1.

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My dear Bottomley,

By the same post as this letter is sent you will receive an official letter from me to the Under-Secretary of State for the Colonies on the subject of importation of Magadi Soda Ash into Australia. I trust that this letter will receive the favourable consideration asked for as the continuance of shipment to Australia on the scale at present being carried out is vital to the assurance of continued success of the Company's operations.

1 am  
3/8/19/11/311  
[initials]

In anticipation of the Magadi Annual Report I would like to let you know the result of the past year's work.

44,000 tons of Soda have been delivered; a most gratifying figure reflecting credit on all concerned. The attainment of this total is the result of the continued co-operation of the Imperial Chemical Industries and their various companies abroad and the agreement

Magadi came to with I.C.I. as to sharing certain of the world's markets after the Government at Tokyo had acquiesced in reducing the minimum output demanded to the point at which it now stands. This concession to the Company allowed a freer hand in dealing with other problems and contributed to the success of the year's work.

In the 44,000 tons is included 11,000 tons from Australia, who you see is thus a large consumer of the Company's product. The Company is indeed at the present time dependent on Australia and Japan combined for the disposal of the main bulk of the output.

Japan, contrary to the possibility that had to be taken into account at the commencement of the year, absorbed 24,000 tons or more than half the total output. Japan is and is likely to remain a very important factor in the Company's business and it is because of the measure due to the efforts of Imperial Chemical Industries that Magadi is able to continue to supply the Japanese market to this large extent.

The Chairman of I.C.I. was in Japan recently and I understand his efforts were towards the continuance of the arrangement in favour of Magadi. His negotiations, of course, include reciprocal arrangements made between the Japanese and I.C.I. as Magadi has nothing to offer in this respect.

You will see, therefore, how closely our interests

are bound up with the goodwill of the Government and to nothing that will in any way affect the very close and friendly relationship which exists.

I point this out to you particularly at the present time as, due to the policy that has been pursued in the broad and far-sighted view taken by the Kenya Government when asked to give further concessions to enable Malawi to tide over the bad times, it might be that the favourable Balance Sheet to be produced at the next Annual Meeting would call for comment and perhaps an effort to tighten up some of the terms under which the loan is being withdrawn. It is, however, to be disastrous as the Government will be able to do so that are only deferred under the present arrangement. The only work within the times that will be done, if possible should the beautiful days come that we hope for, is half the total for the year.

I would therefore be glad to see the Government's policy I have prosecuted with considerable success in the past few years and the kind of advice that the Government will do, towards the end of the present year to ask for the present minimum 20,000 tons agreement to be acceded to.

The results of last year's agreement show the continuance of fixing the minimum at 20,000 tons.

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*You very sincerely  
H. L. ...*

**PUBLIC RECORD OFFICE**

**END**

**TOTAL EXPOSURES →**

# PUBLIC RECORD OFFICE

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ORDER NO.       ⇨ FN/E474  
CAMERA NO.      ⇨ 19  
OPERATOR.       ⇨ EM  
REDUCTION.      ⇨ 12  
EMULSION NO.   ⇨ 341081  
DATE.           ⇨ 14/6/72

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