

1929

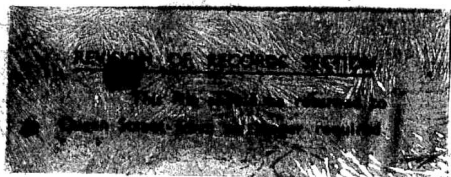
Kemupa

No. 15565

Part II

SUBJECT

Magadi Soda Co. Ltd.



CLOSED
UNTIL

CE. 533/385/15565/29

Previous

Part II

Subsequent

15978/30

Reports safe arrival of documents sent in '0.8. and requests that signed copies of the new grants may be obtained and sent out. Enclos statement by Registrar of Titles of sums due on account of stamp duties, registration and conveyancing fees. Req. that the sale and purchase agreement may be obtained and forwarded.

The Nagadi Coy. will not be too pleased at having to pay £5000, instead of £1250, on the 1919 Debenture Trust Deed; but as this deed has never paid stamp duty in the Colony I assume it is correct that it must pay at the rate in force at the date of its execution. I ran through the Burke on this point, however.

The other duties are less than anticipated by the Coy. in (D), the total being £6015.5.6 as against their figure of £3315.12.0.

I think it is more proper for the C.A. to carry out their action than the S.G.S.

2 copy dupl. enclosures to them reference No 10, ask them to communicate with the Company ^{in the sense} as derived by the Act of 1908, say that the signed copies of the leases ~~and the~~ ~~sums due in respect of duties and~~ should be sent direct to the C.A. Govt. who received. The sum due in respect of duties & fees be paid when

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6
40

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

O/Kenya 31 8.

TELEGRAMS: CROWN LONDON
TELEPHONE: 7750 VICTORIA

A. MILL BANK,
WESTMINSTER,
LONDON, S.W.1.

RECEIVED
29 OCT 1929 28th October 1929.
COL. OFFICE

Sir,

(100-2)

With reference to your letter No. 15565/29
of the 3rd September, I have the honour to transmit
the accompanying copy of a letter, with its
enclosures, which we have addressed to the Government
of Kenya on the subject of the new leases issued to
the Magadi Soda Company Ltd.,

28.10.29.
& encls.

I have the honour to be,

Sir,

Your obedient servant,

W. A. Wickham

For Crown Agents.

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

588 / 385
PUBLIC RECORD OFFICE, LONDON

O/Kaya 31 a.

28th October 1923.

REGISTERED.

Sir,

With reference to the Acting Governor's despatch to the Secretary of State, No. 477 of the 30th July, on the subject of the new leases issued to the Magadi Soda Company, Ltd., I have the honour to forward herewith, for registration purposes as desired, duplicates of the three original Leases and Surrender as follows:-

- Lake Lease dated 20th March 1920.
- Railway Lease dated 20th March 1920.
- Port Lease dated 20th March 1920.
- Surrender of Lake and Railway Leases dated 20th March 1920.

We understand that there are no duplicates of the Surrender of the Kijiji and Kajiado Leases.

As regards the collection of stamp duties and fees applied to the Company for a remittance for the sum of 26,015.5.6. but no payment has yet been made to us. For the information of the Colonial Government, a copy of the correspondence which we have had with the Company and its Solicitor showing the present position of the matter.

I have the honour to be,

Sir,

Your obedient servant,

for Crown Agents.

1.3.23.
 11.10.23.
 11.10.23.
 11.10.23.

The Colonial Secretary,
Nairobi,
Kenya.

Q/ Kenya 31 a.

28th October 1928.

REGISTERED.

Sir,

With reference to the Acting Governor's despatch to the Secretary of State, No. 477 of the 30th July, on the subject of the new leases issued to the Magadi Soda Company, Ltd., I have the honour to forward herewith, for registration purposes as desired, duplicates of the three original Leases and Surrender as follows:-

- Lake Lease dated 20th March 1928.
- Railway Lease dated 20th March 1928.
- Port Lease dated 20th March 1928.
- Surrender of Lake and Railway Leases dated 20th March 1928.

We understand that there are no duplicates of the Surrender of the Kikigini and Kajiado Leases.

As regards the collection of stamp duties and fees, as applied to the Company for a remittance for the sum of 26,015.5.6. but no payment has yet been made to us. For the information of the Colonial Government, a copy of the correspondence which we have had with the Company and its Solicitor showing the present position of the matter.

I have the honour to be,

Sir,

Your obedient servant,

for Crown Agents.

13.29.
 14.10.29
 15.10.29
 16.10.29

The Colonial Secretary,
Nairobi,
Kenya.

SOLE AGENTS TO KENYA, THE NAGANI ROPE COMPANY LIMITED.
Imperial Chemical House, Millers Lane, S.W.1.

7th September 1929

Gentlemen,

With reference to your letter of the 29th April on the subject of the new leases issued to your Company in Kenya, I have to inform you that it appears from a despatch now received from the Governor that it is necessary that the documents should be presented for registration in Kenya in executed duplicate and he has accordingly requested that the signed copies handed over to you may be obtained and sent out for the purpose. We shall therefore be glad if you will arrange to send them to us for transmission to the Colonial Office. They will be returned to you after they have been registered and stamped.

We enclose herewith the amount due to the Colonial Government on account of the registration and conveyancing fees and a statement furnished by the Registrar of Titles in accordance with the Governor's request, have to send us a remittance for the total sum of £1,100/- at your early convenience.

We understand that the amount actually due on the documents presented is considerably larger than your estimate. This, I am satisfied, is chiefly on account of the stamp duty on the Debenture Trust Deed dated the 16th May, 1928. The Governor states that on the date when this document was executed, the stamp duty in the Colony on instruments of that kind was 1% and not 1/4% as under the existing law.

4. It will be seen from the enclosed statement of the Registrar of Titles that the sale and purchase agreement, if a mere contract containing no actual assignment, is dutiable in the Colony with 1s/-4. only. The Governor requests that the document in question may be forwarded to the Colony with a view to examination and assessment of duty and we shall be

glad/

glad if you will send it to us at the same time as the other documents asked for in the first paragraph of this letter.

5. The Governor adds that if the agreement last mentioned above is merely a contract to sell, by permitting the liquidator of the old company to surrender the property and by issuing direct grants to the new company, the Kenya Government is losing stamp duty to the amount of approximately £2,000 on the consideration passing from the new company to the old Company.

I am, Gentlemen,

Your obedient servant,

(Signed) ?

for Crown Agents.

THE IMPERIAL CHEMICAL INDUSTRIES LIMITED TO GROWN AGENTS.

LEGAL DEPARTMENT

WM/JM.

MILLBANK,

LONDON, S.W.4.

Your reference O. S/2074 21A.

11th October 1923.

The Magadi Soda Company Limited.
Kenya Stamp Office.

Gentlemen,

Your letter of the 7th instant addressed to the Magadi Soda Company Limited has been passed on to me. The matter of the Stamp Duties claimed on the Leases, the Trust Deed, and the other documents set out in the Assessment enclosed with your letter of the 7th September last has been referred to me to deal with.

My Clients, the Magadi Soda Company Limited, are not prepared to accept this Assessment. They claim that under the laws governing Stamp Duties in the Colony the documents should be assessed for duty at the rates ruling at the date when the documents were executed, whereas, apparently, they have been assessed for duty at some higher rate which has come into force since the execution of the documents, that is, they have been assessed for duty at the date when presented for stamping. They have also other objections to the Assessment, and I am obtaining legal advice from the Colony on the points at issue and will communicate with you further in due course.

The original documents were sent to Kenya for stamping purposes in April of this year.

I am, Gentlemen,

Your obedient Servant,

(Signed) William Morris.

THE IMPERIAL CHEMICAL INDUSTRIES LIMITED TO GROWN AGENTS.

LEGAL DEPARTMENT

WM/JM.

MILLBANK,

LONDON, S.W.1.

Your reference O/S/1923/21A.

11th October 1923.

The Magadi Soda Company Limited.
KENYA STAMP DUTIES.

Gentlemen,

Your letter of the 7th instant addressed to the Magadi Soda Company Limited has been passed on to me. The matter of the Stamp Duties claimed on the Leases, the Trust Deed, and the other documents as set out in the Assessment enclosed with your letter of the 7th September last has been referred to me to deal with.

My clients, the Magadi Soda Company Limited, are not prepared to accept this assessment. They claim that under the laws governing Stamp Duties in the Colony the documents should be assessed for duty at the rates ruling at the date when the documents were executed, whereas, apparently, they have been assessed for duty at some higher rate which has come into force since the execution of the documents, that is, they have been assessed for duty at the date when presented for stamping. They have also other objections to take to the Assessment, and I am obtaining legal advice from the Colony on the points at issue and will communicate with you further in due course.

The original documents were sent to Kenya for stamping purposes in April of this year.

I am, Gentlemen,

Your obedient servant,

(Signed) William Morris.

THE CROWN AGENTS TO THE SOLICITOR, IMPERIAL CHEMICAL
INDUSTRIES LTD., NILESABARI, S.W. 11

16th October 1929.

Sir,

I have to acknowledge the receipt of your letter of the 11th October (WH/JM) with reference to the registration and stamping of the new Leases and other documents concerning the Magadi Soda Co. Ltd. in Kenya.

2. As regards the second paragraph of your letter, we would point out that the duty on the Debenture Trust Deed (which represents the greater part of the duty claimed) has apparently been assessed, as desired by the Company, at the rate ruling at the date when the document was executed. The date of execution, according to our information, was the 16th May 1919 and under Ordinance No. 10 of 1919, which became operative partly on the 1st April 1919 and partly on the 1st May 1919, the duty on instruments of that kind, as stated in paragraph 3 of our letter to you of the 7th September, was 4 per cent.

3. We note that the Company has other objections to the assessment but, in view of the sums, we should be glad if a remittance could be sent to us for the sum of 26015.5.6. asked for in our letter of the 7th September, on the understanding that in the event of any modification being agreed upon an adjustment will be effected later.

I am, Sir,

Your obedient servant,

(Signed) :

for Crown Agents.

THE IMPERIAL CHEMICAL INDUSTRIES LIMITED TO ORDER AGENTS.

LEGAL DEPARTMENT,

Millbank,

London, S.W.1.

WM/JH

15th October 1929.

Your ref. O. Kenya 31/A.

Gentlemen,

The Masadi Soda Company Limited.

I beg to acknowledge receipt of your letter of the 14th instant. From that letter it would appear that the claim for duty on the Trust Deed is a claim for duty on the Trust Deed of the old Company, dated in 1919, whereas my letter of the 14th instant was written on the not unnatural assumption that the duty was claimed in respect of the Debenture Trust Deed of the new Company.

I have, so far, received only your instructions from the Company with regard to this matter. All the papers etc. however, being sent to me, and the matter shall have my further attention to the extent possible.

I note the same opinion contained in the last paragraph of your letter to which I shall take my Clients' instructions.

I am, Gentlemen,

Your obedient servant,

(Signed) William Morris.

RECORDED OFFICE, LONDON

2/20/22 31/A.

CONF.

12

THE IMPERIAL CHEMICAL INDUSTRIES LIMITED TO GROUP AGENTS.

LEGAL DEPARTMENT,

Millbank,

London, S.W.1.

WM/JM

16th October 1922.

Your ref. G. Kenya 31/A.

Gentlemen,

The Nagadi Soda Company Limited.

I beg to acknowledge receipt of your letter of the 16th instant. From that letter it would appear that the claim for duty on the Trust Deed is a claim for duty on the Trust Deed of the old Company, dated in 1912, whereas my letter of the 15th instant was written on the not unnatural assumption that the duty was claimed in respect of the Debenture Trust Deed of the new Company.

I have, so far, received only your instructions from the Company with regard to this matter. All the papers are, however, being sent to me, and the matter shall have my further attention as early as possible.

I note the suggestion contained in the last paragraph of your letter to which I shall take my Clients' instructions.

Yours, Gentlemen,

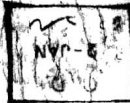
Your obedient Servant,

(Signed) William Morris.

- Mr. Strain 21/1/30
- Mr. Brooke 2/1
- Mr. Robinson 21/1/30
- Mr. E. H. B. 21/1/30
- Mr. F. Harding
- Sir J. Shuckburgh.
- Sir G. Grindle.
- Sir C. Davis.
- Sir E. Wilson.
- Mr. Ormsby-Gore.
- Lord Lovat.
- Amery.

Downing Street.

2 January, 1930.



20 on 15978/30

I have the honour to refer to

(No. 38.)

your despatch No. 149 of the 28th September, regarding the question of rates for the Magada Soda Company.

DRAFT.

Chis: W. Merritt

TRANSPORT.

KENYA-UGANDA.

No. 3

High Commissioner.

2. As regards the contention of the Company that the notice sent to them regarding the increase in the soda ash rates does not comply with clause 10(c) of the Railway Lease, I note that it is stated in your despatch that the required notice was posted on the 29th April 1929 and that a telegram was also sent on the 30th April 1929 notifying that the rate would be increased to Shgs. 20/- from the 1st November, 1929.

3. I am advised however that, having regard to the terms of clause 28 of the Lease, the notice telegram is ineffective: and, as regards the written

notice

20/1/30 15978/30

notice, I understand that it did not reach
the Lake until the 3rd May, ^{1929,} in which case it
would appear to be out of time and bad since
Clauses 10 ^(a) and 28 of the Lease ^{require that} such
notice should have been delivered or left
not less than six months before the
expiration of the then current period of
five years which ended on the 31st October,
1929.

4. I should therefore be glad if
you would inform me whether there are any
additional facts or arguments which would
rebut the statement of position given
in the foregoing paragraph and would
afford adequate ground for contending
that the notice had been validly given.

5. There are, of course, other issues
arising out of your despatch, but their
discussion would not at the moment serve
any useful purpose and I have, in
all the circumstances, refrained from making any

communication

notice. I understand that it did not reach
the Lake until the 3rd May ^{1929,} in which case, it
would appear to be out of time and bad since
Clauses 10 ^(s) and 28 ^{require that} of the Lease/such
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five years which ended on the 31st October,
1929.

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additional facts or arguments which would
rebut the statement of position given
in the foregoing paragraph and would
afford adequate ground for contending
that the notice had been validly given.

5. There are, of course, other issues
arising out of your despatch, but their
discussion would not at the moment serve
any useful purpose and I have ⁱⁿ all the
circumstances refrained from making any
communication

38a
15

Memorandum.

I attach a note showing in parallel columns the representations made by the Nagadi Soda Company in regard to railway rates on their products, and also the replies made by the High Commissioner to these representations.

The following seem to be special points on which Mr. Bushe's advice is required.

SODA ASH

Do you agree

- (a) that the notice increasing the rate was in order? The first five year period dates from the last November, 1924 - as to this, see Mr. Seel's note in Part A of Part I of this file. The rate was not possible to pass on to the Company on the same terms the statement in the High Commissioner's despatch that "the Administration cannot take into consideration the selling price of soda ash which it might do if it was making profits on the traffic", but that it might be put that "the view of the High Commissioner is that as even the increased rate involves the railway in a loss on the traffic, the question of the selling price of soda goods does not arise".
- (d) that if the answers to the above are in the affirmative, the Company should be informed generally in the sense of the High Commissioner's observations, and be left to take the matter to arbitration if they think fit.

FUEL OIL

- (a) This matter also raises the point at (b)

above

The red letter corresponds with those in the attached memo of 1/

CO

above as to the date of commencement of the first five year period.

(b) do you agree that we cannot use the argument that the Colonial Government has only recently received the agreements.

(c) as to the arrears which amount to over £31,000, it is suggested that, failing agreement, the matter should be referred to the arbitration of the Secretary of State.

(i) if, however, the point in dispute comes within the lease, must not the provisions of the arbitration clause (No. 30) apply?

(ii) in any case, is arbitration by the Secretary of State possible or desirable? would it not, in fact, be a case of leaving the final decision to the Secretary of State and not arbitration at all?

(iii) do you consider that, having regard to all the circumstances, there is any case for relieving the Company of some of the arrears?

COAL.

This does not seem to raise any point on which it is necessary to trouble Mr. Bushe.

14 cont:

stock, railway stock only being used when the Company's stock is under repair. On this score alone the Company considers that it is entitled to a special rate.

14 cont:

it is suggested that it should be subject to negotiation.

C. GENERAL.

15. The present output is roughly equivalent to the maximum of about 65,000 tons which it is possible to sell. Hence, what is to happen when the output of 100,000 tons stipulated in the Lease becomes obligatory. The only solution is the output of a pure product. This is already in hand at a considerable cost *which*, so long as the Railway rates are uncertain, the Company are reluctant to embark upon further capital cost. *There is already a strong feeling in Kenya and Uganda that the Company is, and has been, receiving undue financial assistance.*

15. The Company brings a direct benefit to the Colony, but the only direct benefit to the Railway is the carriage of the Company's imports which by no means meets the loss on the soda ash of over £160,000 in the last eleven years, and though there are doubtless other indirect advantages the Railway should not continue to subsidise the Company to the same extent as in the past.

16. The increase of the oil rate will hasten the abandonment of oil in favour of coal. The main objection to the change is that it would involve increased capital expenditure, but the uncertainty as to the coal rate is also detrimental.

16. The Railway has found the use of oil at present price is far from economical, and it has reduced its use to a minimum, and the Company find it advisable to replace oil by coal. The Railway will favour the change since the same rolling stock can to some extent be used for both coal and soda ash, thus avoiding some of the empty haulage at present unavoidable.

17. Enquires the intentions of the Railway administration in regard to coal rates.

17. The present rate is a maximum one of 20/- per ton. This is a very cheap rate, and no alteration is contemplated at present though it is impossible to give an undertaking at any rate, that it will be permanently retained. The Company can be assured however that it is the custom of the Railway in considering rate changes to review carefully their effect upon the industries likely to be affected.



28
21

HIGH COMMISSIONER
FOR TRANSPORT.

OFFICE OF THE HIGH COMMISSIONER FOR TRANSPORT,
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

1029

RECEIVED
21 OCT 1929
COL. OFFICE

28th September, 1929

My Lord,

No. 35

And. No. 34 - 2/1/30

I have the honour to refer to my telegram No. 29 of the 16th of September, and previous correspondence, dealing with the question of rates for the Magadi Soda Company, and to state that the question was fully considered by the Railway Council at its meeting held in Nairobi on September 20th, 21st and 22nd, when, after considerable discussion, the following resolution was passed:-

"Resolved that Council advises the Railway Administration should maintain the attitude now adopted in respect of the increase of the soda ash rate to Shgs. 20/- per ton, and the payment of the rate on fuel oil at that imposed for public traffic; further, that the question of the claim in respect of the fuel oil rate being made retrospective may form the subject of negotiation or be referred to arbitration".

Subsequently, when the Council discussed what further rate reductions could be introduced on the Railway with a view to assisting the general development of the Colony the following resolution was passed:-

"Whereas...

THE RIGHT HONOURABLE
LORD PASSFIELD,
SECRETARY OF STATE FOR THE COLONIES,
10, WHITE STREET,
LONDON, S.W.1.

period of five years shall not exceed the following:-

<u>Total weight carried.</u>	<u>Rate per ton for each ton carried in lots of not less than 10 tons.</u>
Not exceeding 150,000 tons	Shgs. 20/-
Exceeding 150,000 tons	" 18/-

Provided that whenever in any year the total weight of soda goods carried shall be greater than 150,000 tons the amount payable in respect of freight shall not be less than the amount which would be payable on 150,000 tons.

And provided further that in any year till the total weight of 150,000 tons has been exceeded the amount charged and payable in respect of freight shall be at the rate of Shgs. 20/- per ton and if and when this weight is exceeded the High Commissioner for Transport shall credit the Company with the difference between Shgs. 20/- and Shgs. 18/-.

- (b) That the General Manager shall give the Company not less than six months' notice in writing, to expire at the end of the then current period of five years, of any intention to increase the rate.
- (c) That the General Manager shall not give notice of any such increase unless he considers such increase is reasonable, having regard to the prevailing and probable cost of working the traffic and the selling price of the soda goods or any of them.

(d)....

- (d) That the General Manager shall as soon as convenient after serving such notice furnish the Company with a statement of the cost of working the traffic of the soda goods during the period of the first six months of the last year of the then current period of five years.
- (e) That the Company may within one month after receipt of such statements notify its intention of referring the proposed increase to arbitration, in accordance with the provisions of the agreement.

(Note - The Agreement provides that in the case of any question which requires to be referred to arbitration on the demand in writing of either party it shall be referred to the arbitration and award of an umpire if the parties can agree to an umpire, and in case they cannot so agree than of two arbitrators, one to be appointed by each party to the reference, and an umpire to be appointed by the two arbitrators or if such two arbitrators fail for one month after their appointment to appoint an umpire by His Majesty's Secretary of State for the Colonies for the time being).

4. The position with regard to these provisions is that the first period of five years expires on 31st October, 1929. As the Railway Administration was losing money on the carriage of soda at the rate of Shgs. 17/- per ton chargeable under Clause 10 (b) of the Agreement for the carriage of soda goods exceeding 50,000 tons but not exceeding 150,000 tons in force up to April of this year, a letter was addressed to the Company on the 29th of April stating that the rate would be revised from the 1st of November, 1929, and to

ensure.....

CO. 533 / 385
PUBLIC RECORD OFFICE, LONDON

(d) That the General Manager shall as soon as convenient after serving such notice furnish the Company with a statement of the cost of working the traffic of the soda goods during the period of the first six months of the last year of the then current period of five years.

(e) That the Company may within one month after receipt of such statements notify its intention of referring the proposed increase to arbitration, in accordance with the provisions of the agreement.

(Note - The Agreement provides that in the case of any question which requires to be referred to arbitration on the demand in writing of either party it shall be referred to the arbitration and award of an umpire if the parties can agree to an umpire, and in case they cannot so agree than of two arbitrators, one to be appointed by each party to the reference, and an umpire to be appointed by the two arbitrators or if such two arbitrators fail for one month after their appointment to appoint an umpire by His Majesty's Secretary of State for the Colonies for the time being).

4. The position with regard to these provisions is that the first period of five years expires on 31st October, 1929. As the Railway Administration was losing money on the carriage of soda at the rate of Shgs. 17/- per ton chargeable under Clause 10 (b) of the Agreement for the carriage of soda goods exceeding 50,000 tons but not exceeding 150,000 tons in force up to April of this year, a letter was addressed to the Company on the 29th of April stating that the rate would be revised from the 1st of November, 1929, and to ensure.....

ensure that the Company received sufficient notice within the terms of the Agreement a telegram was addressed to the Company by the Acting General Manager on the 30th of April in the following terms:-

"Take notice High Commissioner intends increasing rate on soda from 1st November next to Shgs. 20/- per ton subject to provisions of Clause 10(c)(1) of lease. Writing".

5. In accordance with Clause 10(C)(iv) of the Agreement a statement has been prepared by the Chief Accountant of the Administration showing the cost of working the Company's traffic during the first six months of this year and copies of this statement are forwarded herewith. (Appendix I). Copies of this statement are also being forwarded by the Acting General Manager of the Railway to the local manager of the Company. From this, it is apparent that the average cost per freight ton mile of working traffic from Magadi to Kilindini is Cents 5.925 per ton mile, which equals Shgs. 22/80 per ton. In these circumstances it appears that even at the rate of Shgs. 20/- per ton, which is the maximum rate the Administration can charge for the present amount of traffic under the Agreement, the Administration will be losing Shgs. 2/80 for every ton of traffic and that this is a sufficient proof of the justification of the proposal of the Administration to raise the rate to Shgs. 20/- from the 1st of November, 1929, in accordance with the Agreement.

6. Turning now to the remarks of the Magadi Soda Company on the question of soda ash rates.

The Company suggest that the notice sent to them regarding the increase does not comply with Clause 10 (c) of the agreement in respect of:-

(a).....

ensure that the Company received sufficient notice within the terms of the Agreement a telegram was addressed to the Company by the Acting General Manager on the 30th of April in the following terms:-

"Take notice High Commissioner intends increasing rate on soda from 1st November next to Shgs. 20/- per ton subject to provisions of Clause 10(c)(1) of lease. Writing".

5. In accordance with Clause 10(C)(iv) of the Agreement a statement has been prepared by the Chief Accountant of the Administration showing the cost of working the Company's traffic during the first six months of this year and copies of this statement are forwarded herewith. (Appendix I). Copies of this statement are also being forwarded by the Acting General Manager of the Railway to the local manager of the Company. From this, it is apparent that the average cost per freight ton mile of working traffic from Magadi to Kilindini is Cents 5.985 per ton mile, which equals Shgs. 22/80 per ton. In these circumstances it appears that even at the rate of Shgs. 20/- per ton, which is the maximum rate the Administration can charge for the present amount of traffic under the Agreement, the Administration will be losing Shgs. 2/80 for every ton of traffic and that this is a sufficient proof of the justification of the proposal of the Administration to raise the rate to Shgs. 20/- from the 1st of November, 1929, in accordance with the Agreement.

6. Turning now to the remarks of the Magadi Soda Company on the question of soda ash rates.

The Company suggest that the notice sent to them regarding the increase does not comply with Clause 10 (c) of the agreement in respect of:-

(a).....

26

- (a) period of notice;
- (b) that the notice shall only be given if considered reasonable in view of cost of working the traffic and the selling price of soda ash;
- (c) the submission of statement of traffic costs for the preceding six months;
- (d) arbitration.

As regards (a), the required notice was posted on the 29th of April, and a telegram was also sent on the 30th of April notifying that the rate would be increased to Shgs. 20/- from the 1st of November, 1929.

As regards (b), from the point of view of the Railway Administration the notice is fully justified in that even at the new rate the Railway will suffer a loss of Shgs. 2/80 on every ton carried, and in view of this the Administration cannot take into consideration the selling price of soda ash which it might do if it was making profits on the traffic.

As regards (c), the statement of traffic costs has been prepared and is forwarded herewith; (Appendix 1).. This shows the details of traffic costs required in (b) above.

As regards (d), the Railway Administration are quite ready that the whole case should be referred to arbitration should the Company desire to take this step.

7. The Company also make some additional remarks as regards the working costs of the Railway:-

- (a) that the 90 miles of the Magadi Branch was constructed at no capital cost to the Railway;
- (b) every effort has been made by the Company to help the Railway as regards rolling stock;

(c)....

- (c) a water supply had been made available at no cost to the Railway;
- (d) Railway employees have been housed at no cost to Railway.

In reply to these remarks it is pointed out that as regards (a), allowance has been made for the fact that 90 miles have been constructed at no capital cost to the Administration, and accordingly in the statement no interest charges on capital amounts so involved have been included.

As regards (b), it is agreed that the Company have helped in every way to facilitate the movement of their traffic. On the other hand, although by the Agreement the Administration are not called upon to give the Company any preference in regard to rolling stock, this has frequently been done when there have been difficulties in this respect, and as a result there have been considerable complaints from other shippers who have had to suffer as a result of this preference.

As regards (c), as in (a) above interest charges for these services have not been included in the statement of costs.

As regards (d), interest charges in the statement of costs have not been included in respect of the houses provided by the Company, but as the Railway Administration is responsible for depreciation on these and other assets on the Magadi line and on the rolling stock employed for conveyance of the Company's traffic a suitable figure has been included on this account.

8. In case it may be considered that the Railway costs are at present high or that the Railway Administration has in the...

- (c) a water supply has been made available at no cost to the Railway;
- (d) Railway employees have been housed at no cost to Railway.

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3. In case it may be considered that the Railway costs are at present high or that the Railway Administration has in the....

29

10. (Turning now to the question of the fuel oil rate - (B) of paragraph 2: in accordance with Clause 11 of the Agreement the rate for fuel oil to be charged to the Company should be that generally in force on the Kenya and Uganda Railway. The public rate for fuel oil from Shimanzi to Magadi is made up of Shgs. 62/05 per ton from Kilindini to Magadi plus siding charges at the rate of Shgs. 12/- per bogie vehicle from Shimanzi to Kilindini, not 59/7d as stated by the Company in their letter of the 12th of July. There is no question of an arbitrary increase in the rate on fuel oil as suggested by the Company, as the increased rate of Shgs. 62/05 per ton plus siding charges which had been charged from the 1st of July and has now been withheld without prejudice to reconsideration and a possible payment by the Company, in accordance with Your Lordship's telegram of the 15th of September, is the ordinary public rate. The old rate of Shgs. 17/86 per ton for fuel oil charged to the Magadi Company was a relic from the original 1911 Agreement, and should have been raised on the 1st of November, 1924, to Shgs. 59/59 per ton plus sidings charges up to 31st March, 1928, and to Shgs. 62/05 per ton plus sidings charges from 1st April, 1928; it is, however, only recently that the complete copies of the new 1924 Agreement have become available in this country, and the whole situation vis-a-vis the Company been re-examined.

11. The present Agreement has effect from the 1st of November, 1924, and accordingly under a strict interpretation of Clause 11 payment of the arrears of the oil fuel rates caused by the difference between the old rate....

29

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11. The present Agreement has effect from the 1st of November, 1924, and accordingly under a strict interpretation of Clause 11 payment of the arrears of the oil fuel rates caused by the difference between the old rate....

rate of Shgs. 17/86 per ton and the public rates in force from time to time can be claimed. The total amount of this claim from the 1st of November, 1924, to the 30th of June, 1929, when the rate of Shgs. 62/05 per ton plus sidings charges was first levied, is £27,181/19/64 cts., and the detail of this is given in Appendix II.

In addition there is the question of the difference between the rate of Shgs. 17/86 per ton and the ordinary public rate of Shgs. 62/05 per ton plus sidings charges with effect from 18th instant since in accordance with the terms of my telegram No. 29 of the 16th of September the rate of Shgs. 17/86 was reverted to with effect from 18th instant, without prejudice to a reconsideration.

The statement by the Company that it provides its own rolling stock for the transport of fuel oil is correct and to that extent some such rebate might be allowed, but such rebate would only be of small amount, and may well form the subject of negotiation between the Administration and the Company.

12. Turning now to the question of the rates on coal the present rate is a maximum one of Shgs. 20/- per ton; this is a very cheap rate and there is at present no proposal to consider any alteration of this rate, but it is naturally impossible to give an undertaking that any rate will be permanently retained. The Company can be assured, however, that it is the custom of the Administration when considering changes in rates to review carefully the effect of any proposed change upon the various industries likely to be affected.

In connection with the question of the use of coal it may be of interest to the Company to know that the Railway Administration has found that the use of oil in Kenya...

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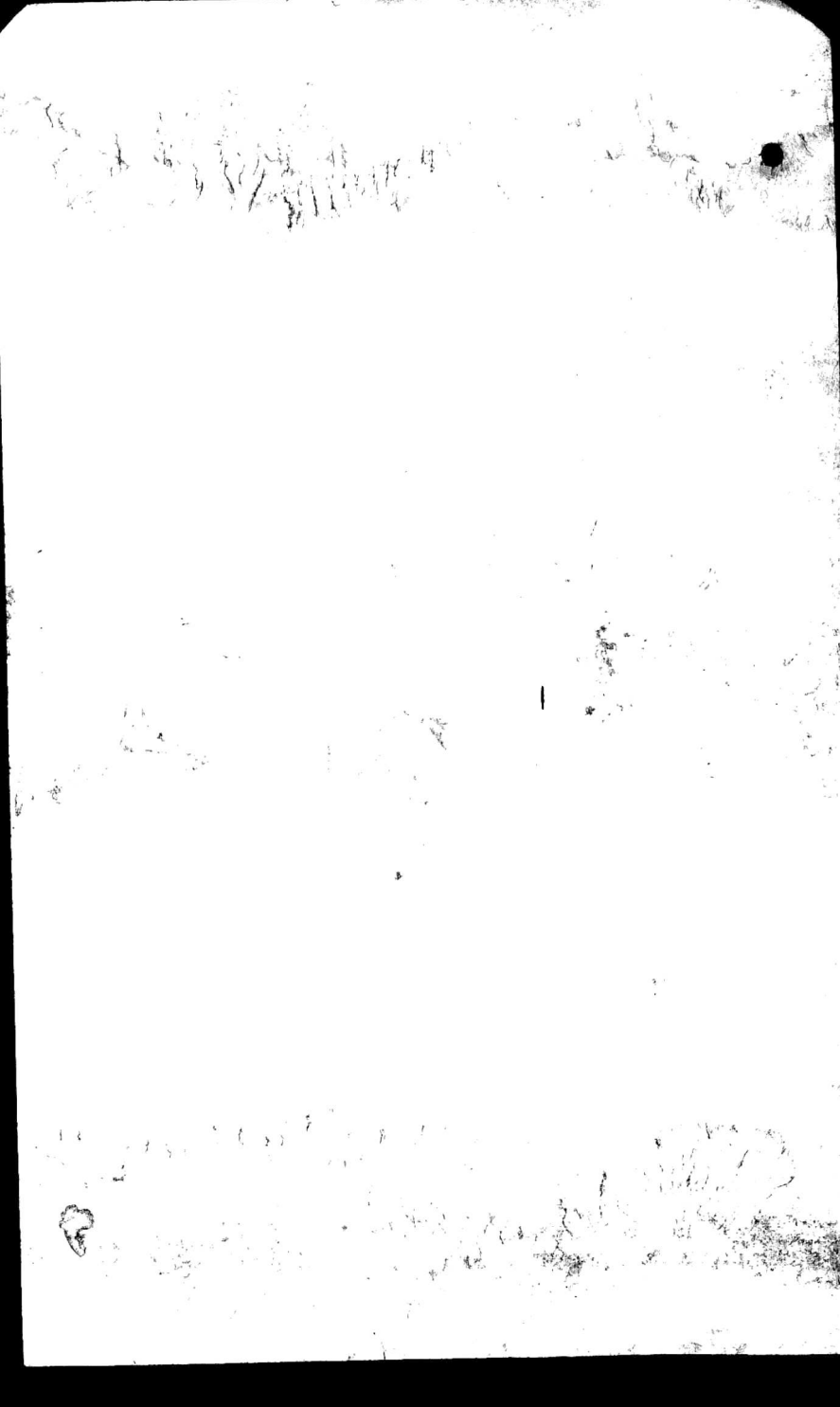
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In connection with the question of the use of coal it may be of interest to the Company to know that the Railway Administration has found that the use of oil in

Kenya and Uganda at present prices is far from economical, and the Administration has accordingly reduced its use of oil to a minimum. Should the Company at a later date similarly find it advisable to replace oil by coal the Railway Administration would view the change with favour since the same rolling stock could to some extent be used for both coal and soda ash, thus avoiding some of the empty haulage at present unavoidable.

13. I have given very careful consideration to the whole of this question as it is naturally of general benefit to the development both of the Railway and the Colony that companies such as the Magadi Soda Company should extend their works and start new industries in these colonies. To the Colony of Kenya the presence of the Magadi Soda Company brings in a direct benefit in the way of general business and development of the Colony, and also from the 1st of November next a small royalty. To the Railway Administration the only direct benefit is the carriage of the Company's imports which by no means meets the loss on the soda ash traffic of over £160,000 in the last eleven years, and though there are doubtless indirect advantages to the Railway Administration by the presence and activities of the Company I do not think that the Railway Administration should continue to subsidise the Company to the extent that it has in the past. There is already a strong feeling in this Colony and in Uganda to the effect that the Magadi Soda Company is, and has been, receiving undue financial assistance, and this is hardly surprising in view of the losses of the Railway in the carrying of their traffic already mentioned.

14. In view of all the circumstances of the case I am of opinion:-



- (1) that the rate for soda ash from the 1st of November next should be Shgs. 80/- a ton;
- (2) That the rate for oil fuel for the company should be the public rate, which from the 1st of October, 1929, in view of the Resolution of the Railway Council quoted in paragraph 1 above, will be Shgs. 44/80 per ton plus sidings charges from Shimani to Magadi. In connection with this rate I would invite Your Lordship's attention to the fact that it will be considerably lower than the oil fuel rate in South Africa where the rate for oil fuel for a similar distance is Shgs. 56/-;
- (3) that the question of the difference in oil fuel rates between Shgs. 17/86 per ton and the rate of Shgs. 59/59 plus sidings charges from the 1st of November, 1924, up to the 31st of March, 1928, and Shgs. 62/05 plus sidings charges from 1st April 1928 to 30th September 1929 after which the new rate of Shgs. 44/80 comes into force, should be the subject of negotiation between the Railway Administration and the Magadi Soda Company, and failing agreement that it should be referred to your arbitration.

I have the honour to be,

My Lord,

Your Lordship's most obedient,

humble servant,

Edward Gigg

HIGH COMMISSIONER.

- 32
- (1) that the rate for soda ash from the 1st of November next should be Shgs. 20/- a ton:
- (2) That the rate for oil fuel for the company should be the public rate, which from the 1st of October, 1929, in view of the Resolution of the Railway Council quoted in paragraph 1 above, will be Shgs. 44/80 per ton plus sidings charges from Shimansi to Magadi. In connection with this rate I would invite Your Lordship's attention to the fact that it will be considerably lower than the oil fuel rate in South Africa where the rate for oil fuel for a similar distance is Shgs. 56/-;
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My Lord,

Your Lordship's most obedient,

humble servant,

Edward Gigg

HIGH COMMISSIONER.

FOR SIX MONTHS TERMINATING 31ST MARCH, 1928, IN APRIL, 1928, AND FOR THE YEAR ENDING 31ST MARCH, 1928

Expenditure		£	
Abstract A.	...	...	11,000
" B.	...	...	...
" C.	...	...	...
" D.	...	...	...
" E.	...	...	...
" F. (Railway)	...	...	...
Total	...	...	...
Less Telegraph	...	...	1,212
" Miscellaneous	...	...	2,728
Total Telegraph & Miscellaneous	...	...	3,940
Total ordinary Working Expenses Plus Depreciation on R.S.	...	...	...
" L.C. & R.S.	...	...	...
" Depreciation on Nagadi L.	...	...	...
Total Inclusive Depreciation and L.C.	...	...	...

Expenditure		£	
...
...
Total	...	...	...

Total Freight Ton Miles (Railway)

...

Total Expenditure 2895,382

x Coaching Train Miles	224,197
x Goods train Miles	1,112,123
x Total Public Train Miles	1,336,320

Total Freight Ton Miles.

Goods Expenditure 2554,807

Rs. 10,000,000 + 170,712,000

Expenditure

= Coaching	120,512
= Goods	234,807
= Total	355,319

Average

Cost per Freight Ton Miles (Cents)

...

During the years November, 1926 - October, 1927, and November, 1927 - October, 1928, the Nagadi L. & S. Company Limited paid freight on goods at the rate of Rs. 17/- per ton.

...

...

FOR SIX MONTHS TERMINATING, 30 APRIL, 1934, IN THE ACCOUNTS OF THE COMPANY IN RELATION TO THE RAILWAY STOCK AND MANGALU L.I.C.

Expenditure				\$
Abstract	A.	...	...	130,000
"	B.	...	...	100,000
"	C.	...	...	100,000
"	D.	...	...	100,000
"	E.	...	...	100,000
"	F.	...	...	100,000
Total				600,000
Less Telegraph				1,000
" Miscellaneous				50,000
Total Telegraph & Miscellaneous				51,000
Total ordinary Working Expenses				549,000
Plus Depreciation on R.S.				20,000
" L.C. on R.S.				20,000
" Depreciation on Mangal L.				4,000
Total Inclusive Depreciation and L.C.				603,000

			Public Train Miles.
Coaching	...	...	200,000
Goods	...	...	1,100,000
Total			1,300,000

Total Freight Tax Miles (Railway)
178,718,000

Total Expenditure 2095,366
Goods Expenditure 2334,807

x Coaching Train Miles 200,000
x Goods train Miles 1,100,000
x Total Public Train Miles 1,300,000
Total Freight Tax Miles.
Shs. 10,000,000 + 178,718,000

Expenditure.
Coaching 100,000
Goods 234,807
Total 334,807
Average Cost per Freight Tax Miles (Cents)
1.88

During the years September, 1932 - October, 1933, and November, 1933 - October, 1934, the Mangal L.I.C. Company Limited paid freight on goods at the rate of 1.88/- per ton.

Receipts per ton mile.
Cents 1.88

STATEMENT SHOWING THE TONNAGE OF RUBBER CONVEYED FOR THE MAGADI SOGA CO. LTD., AT THE SPECIAL RATE OF CHARGE PER TON FREIGHT FROM
KILINDINI (HIMANZI) TO MAGADI FOR THE PERIOD 1ST NOVEMBER 1924 TO 30TH JUNE 1925.
FREIGHT CHARGES PAID BY THE COMPANY AND FREIGHT CHARGES AT PUBLIC RATES

ETC..

Years.	Tonnage.	Rate paid per ton 361 miles. Shs.Cts.	Freight amount paid. Shs. ts.	Public Rate per ton 378 miles. Shs. ts.	Freight amount at Public Rates. Shs.Cts.	No. of Trucks.	Siding charges per truck. Public Rate.	Siding Charges amount Public Rates. Shs. Cts.	Total freight amount at Public Rates. Shs.Cts.	Difference between Freight at Public Rate and amount paid. Shs.Cts.
1924.										
31.12.24.	517.5	27.00	14,074.50	59.50	30,837.83	25	Shs.12/-	300.00	31,147.83	21,895.28
1925.										
1.3.25.	3,891.6	17.86	69,501.98	59.50	231,900.45	188	" 12/-	2,256.00	234,156.45	164,652.47
1926.										
1.4.26.	1,469.7	17.86	26,241.84	59.50	87,579.42	71	" 12/-	852.00	88,431.42	62,189.58
1927.										
1.4.27.	4,284.9	17.86	76,521.31	59.50	255,337.19	207	" 12/-	2,484.00	257,821.19	181,292.88
1928.										
1.3.28.	972.9	17.86	17,376.00	59.50	57,976.11	47	" 12/-	564.00	58,539.11	41,163.11
1929.										
1.12.29.	4,160.56	17.86	74,309.60	62.05	258,162.75	202	" 12/-	2,412.00	260,574.75	186,267.15
1929.										
1.6.29.	1,925.1	17.86	34,382.29	62.05	119,452.46	93	" 12/-	1,116.00	120,568.46	86,186.17
TOTAL	17,222.26		307,589.57		1,041,245.21	832		9,984.00	1,051,229.21	743,639.64

SUMMARY :-

Total amount at Public Rates	-	Shs. 1,051,229.21	-	£. s. ds. 52,561 - 9 - 21
Paid	-	307,589.57	-	15,379 - 9 - 97
Difference	-	743,639.64	-	37,181 - 19 - 64

36

15565/29 Kenya.

Mr. Allen.

20/9

Mr.

Mr.

Downing Street,

35

X Mr. Bottomley.

24/9

ST 2

28 September, 1929.

Sir E. Harding.

Sir J. Shackburgh.

Sir G. Grindale.

For Mr. Bottomley's signature.

Sir C. Davis.

Sir S. Wilson.

Mr. Ormsby-Gore.

Lord Loath.

Mr. Amery

D.
20 SEP
1929

When I saw you last

DRAFT.

*custodian
minck*

H.F. MARRIOTT, ESQ.,

Jack
M. J. M.M.

1, Broad Street Place,

E. C. 2.

week I promised that enquiry should be made of the High Commissioner for Transport by telegram if no reply had been received to the representations of the Magadi Soda Company as to the Kenya and Uganda Railway rates on soda ash and fuel oil.

A telegram was accordingly sent to the High Commissioner, who has now replied that he realises the urgency of this matter, and is expediting as much as possible, and that a statement by the Railway authorities was ready for consideration

by

36

15565/29 Kenya.

35

Mr. Allen. 20/9

Mr.

Mr.

X Mr. Bottomley. 24/9

Downing Street,

28 September, 1929.

Sir E. Harding.

Sir J. Shuckburgh.

Sir G. Grindle.

Sir C. Davis.

Sir S. Wilson.

Mr. Ormsby-Gore.

Lord Lovat.

Mr. Amery

For Mr. Bottomley's signature.

RECEIVED
D 20 SEP
D 21

When I saw you last

DRAFT.

Copy to Mr. M. J. M. M.

H. F. MARRIOTT, ESQ.,

M. J. M. M.

1, Broad Street Place,

E. C. 2.

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by

by the Railway Council at the end of the present week, after which full details would be forwarded. The High Commissioner also states that oil fuel rates had been levied since the 1st July at the ordinary public rates in accordance with the terms of the agreement, as the postponement of claims for the increased rate suggested in the Secretary of State's telegram of the 7th August had been understood to refer to claims for arrears which had not yet been forwarded. The High Commissioner adds that he is now arranging for oil rates payable by the Company to be charged at the old rates for the present

on the understanding that this is without prejudice to the consideration of the case, and possible refund of difference.

~~between the old and the increased rates~~

*Substance of which
(the terms of which
have been advised at
the rate with
reference to the
6 Aug)*

*See minute
10/10*

STANLEY.

by the Railway Council at the end of the present week, after which full details would be forwarded. The High Commissioner also states that oil fuel rates had been levied since the 1st July at the ordinary public rates in accordance with the terms of the agreement, as the postponement of claims for the increased rate suggested in the Secretary of State's telegram of the 7th August had been understood to refer to claims for arrears which had not yet been forwarded. The High Commissioner adds that he is now arranging for oil rates payable by the Company to be charged at the old rates for the present on the understanding that this is without prejudice to the consideration of the case, and possible refund of difference.

(The terms of which have been covered at your talk with Mr. ... on the 6 Aug)

~~between the ...~~

See minute 10/10

STONLEY

V
17 SEP 1929

COL. OFFICE

10545/10
35 36

TELEGRAM from the High Commissioner for Transport, Kenya, Uganda, to the Secretary of State for the Colonies.
(Dated 16th September Received Colonial Office 2.45.p.m. 16th September, 1929.)

No. 29. 16th September.

Handwritten: 7/3/29
Your telegram 11th September Magadi Soda Company. I realise the urgency of the matter and I am expediting as much as possible. Railway statement now ready and being considered by the Railway Council end of this week after which full details will be forwarded. Oil fuel rates since 1st July have been levied at ordinary public rates in accordance with the terms of agreement as your telegram of 7th August was understood to refer to claim for arrears of rates due to difference which has not yet been forwarded. In view of your telegram 11th September I am arranging that oil rates to the Company will be charged at the old rates for the present on the understanding that this is without prejudice to the consideration of the case and possible refund of difference.

Handwritten: 2/3/29

C.O. 538 / 385
PUBLIC RECORD OFFICE, LONDON

V
17 SEP 1929

COL. OFFICE

35 36

TELEGRAM from the High Commissioner for Transport, Kenya
Uganda, to the Secretary of State for the Colonies.
(Dated 16th September Received Colonial Office 2.45.p.m.
16th September, 1929.)

No. 29. 16th September.

7/3/29
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much as possible. Railway statement now ready and being
considered by the Railway Council end of this week after
which full details will be forwarded. Oil fuel rates
since 1st July have been levied at ordinary public rates
in accordance with the terms of agreement as your telegram
of 7th August was understood to refer to claim for arrears
of rates due to difference which has not yet been forwarded.
2/3/29
In view of your telegram 11th September I am arranging
that oil rates to the Company will be charged at the old
rates for the present on the understanding that this is
without prejudice to the consideration of the case and
possible refund of difference.

X. 15065. 29

Janca

34

37

Mr. Wallace "19

Amid 35

Codes & Sent
8-30 pm
11-9-29
(C)

R 12 SEP.
17-4

Mr.

Mr.

Mr. Bottomley

11-9-29 Janca

Sir E. Harding

Sir J. Shackburgh

Sir E. Grindley

Sir C. Davis

Sir S. Wilson

Mr. Ormsby-Gore

Lord Lovat

Mr. Amery

gc

11 September Confidential

(No 26)

DRAFT. Fee Codes

High come

~~Janca~~

Naive

copy: v. minute

~~Room F~~

When way, I expect ref
to my dispatch 18 July
to 86 Magdali o 34
not due shortly shared
to glad to receive
short brief summary
by telegraph since
matter of serious
& immediate importance
and is holding up
~~the~~ having regard to
important
developmental work
contemplated by the
Company o Am
informing that closing
based on increased

oil rate have been made
since date of my (no 30)

last tel 7 August 0

~~by the discussion~~

~~of the discussion~~

Is this correct? In

absence of ref 6

my tel 7 Aug substance

of which was known to

Lat Director it was

reasonable to assume

that postponement had

been arranged as there

suggested and in the

circumstances I should be glad to

it is possible for

Cambridge could be used
to

without prejudice that

payment of increase

~~will be~~ will not be

pressed at present.

Telegraph ref.

(See Mr. St. John's
memo in the 33)

oil rate have been made
since date of my
let of 7 August 0
If the ~~provision~~
provision ~~is~~
is this correct? In
absence of reply to
my let of 7 Aug. substance
of which was known to
Lat Director it was
reasonable to assume
that postponement had
been arranged as these
matters and in the
cases I should be glad to
it is possible for
Cumbey cases to be dealt
without prejudice that
payment of increase
may be ~~not~~ will not be
pressed at present.
Telegraph reply.

(No 30)

(See Mr. Parkin's
memo to No 33)

X 15565/1929 Kenya
File No. 2)

38
32

- Mr. Allen
- Mr.
- Mr.
- Mr. Bottomley.
- Sir E. Harding.
- Sir J. Shuckburgh.
- Sir G. Grindle.
- Sir C. Davis.
- Sir S. Wilson.
- Mr. Ormsby-Core.
- Lord Lovat.
- Mr. Amery.

D. MAG
Downing Street.

3 SEP 1929
August 1929.

Gentlemen,

with reference to the
letter from this Dept. of the
17th of April last, I am etc. to
transmit to you the accompanying
copy of a despatch from the C.A.G.
of Kenya on the subject of the new
Leases issued to the Magadi Soda
Company, Ltd., and to request you
to communicate with the Company in
the sense desired by the C.A.G.

DRAFT.
THE CROWN AGENTS
FOR THE COLONIES.

Fr. A/ Gov. No. 477 30th July
(with encl.)

refd to in para 4
of the despatch

Copy of this to Gov. 11 ref. No. 31.

2. The signed copies of the
Leases together with the sale and
purchase agreement should be sent
direct to the Government of Kenya
when received, and the amounts
claimed in respect of duties and
fees should be paid when collected
from the company to the credit of

your

(Noted)
9 SEP 1929
Copy to Gov (700)

C.O. 533 / 385

oil rate have been made
since date of my

(No 30)

of the 7 August 0

~~It has been ascertained~~

~~that the rate is~~

Is this correct? In

absence of any

of any substance

which was known to

the Director it was

reasonable to assume

that postponement had

been arranged as there

was no and in the

cases I should be glad to

it is possible for

to be made

without prejudice that

payment of increase

will not be

pressed at present.

Telegraph ref.

(See Mr. Atkinson's
minutes in No 30)

X. 15565/1929 Kenya
(File No. 2)

38
32

- Mr. Allen
- Mr.
- Mr.
- Mr. Bottomley.
- Sir E. Harding.
- Sir J. Shuckburgh.
- Sir G. Grindale.
- Sir C. Davis.
- Sir S. Wilson.
- Mr. Ormsby-Gore.
- Lord Lovat.
- Mr. Amery.

Downing Street.

3 SEP 1929
August 1929.

Gentlemen,

With reference to the letter from this Dept. of the 17th of April last, I am etc. to transmit to you the accompanying copy of a despatch from the C.A.G. of Kenya on the subject of the new Leases issued to the Magadi Soda Company, Ltd., and to request you to communicate with the Company in the sense desired by the C.A.G.

DRAFT.
THE CROWN AGENTS
FOR THE COLONIES.

Fr. A/ Gov. No. 477 30th July
(with encl.)

(Note)
9 SEP 1929
Copy to Gov. (700)

refd to in para 4
of the despatch

Copy of this to Gov. if ref. No. 31.

2. The signed copies of the Leases together with the sale and purchase agreement should be sent direct to the Government of Kenya when received, and the amounts claimed in respect of duties and fees should be paid when collected from the company to the credit

your

your account with the Colonial Govt.

3. A copy of this letter is
being sent to the Governor of Kenya
for his information.

I am, etc.,

SECRET

39
31



KENYA.

No. 477

GOVERNMENT HOUSE,
NAIROBI,
KENYA

RECEIVED
19 AUG 1929
COL. OFFICE

July, 1929.

My Lord,

With reference to Mr. Amery's Despatch No. 299 of the 17th. April last, on the subject of new leases issued to the Magadi Soda Company Limited, I have the honour to inform Your Lordship that the documents therein mentioned have safely arrived.

2. The new grants have been received in original only but, as it is necessary that they be presented for registration in executed duplicate, I shall be glad if the signed copies, which have presumably been handed over to the Company's representatives in London, may be obtained and forwarded. They will be returned to the Company after they have been registered and stamped.

3. On the question of sums due to this Government on account of stamp duties, registration and conveyancing fees, I enclose a statement supplied by the Registrar of Titles and shall be glad if the amount indicated therein may be collected from the Company at an early date.

It will be observed that the amount actually due on the documents presented is considerably larger than the estimate of the Company as shewn by enclosure

"B".....

THE RIGHT HONOURABLE LORD PASSFIELD, P.C.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W.

"B" to the Magadi Soda Company's letter of the 30th. January, 1929, a copy of which was forwarded under Mr. Amery's despatch No. 120 of the 20th. February, 1929. This is chiefly on account of the stamp duty on the Debenture Trust Deed dated the 10th. May, 1919. On the date when this document was executed the stamp duty in this Colony on instruments of this kind was 1% and not $\frac{1}{2}$ % as under existing law.


4. It will be seen from the statement of the Registrar of Titles that the sale and purchase agreement if a mere contract containing no actual assignment, is dutiable in this Colony with one shilling only. I shall be glad if the document in question can be obtained and forwarded with a view to examination and assessment of duty.

If this Agreement is merely a contract to sell, the attention of the Company might be drawn to the fact that, by permitting the liquidator of the old Company to surrender the property and by issuing direct grants to the new Company (in accordance with the procedure specified in the memorandum enclosed with Colonial Office letter No. 25792/1924 of the 30th. May 1924), this Government is losing stamp duty to the amount of approximately £200 on the consideration passing from the new Company to the old Company.

I have the honour to be,

My Lord,

Your Lordship's most obedient
humble servant


ACTING GOVERNOR.

COPY/

MAGADI SODA COMPANY LIMITED.

STATEMENT OF FEES PAYABLE IN CONNECTION
WITH THE SURRENDER OF MAIN INTERESTS
AND ISSUE OF NEW GRANTS.

Railway Contract and Agreement to Lease Shs.
dated 13th. April, 1911.

Stamp Duty (chargeable under Art. 25
(iv) of the Indian Stamp
Act as applied to the Colony
by Art. 11(d) E.A. Order-in-
Council dated 25.5.1899 on
the annual rent of Shs. 2/-) 1.

Registra- (Item 1 Govt. Notice No. 102
tion Fee of 1911 2nd. Schedule) 0.

NOTE: A lease in pursuance of the
agreement contained in the contract
was executed but not registered. It
is therefore proposed to dispense
with its registration in this Colony
and accordingly no duties or fees
will be payable in connection with
this document.

Deporture Trust Deed dated 10th. May, 1917.

Stamp Duty (chargeable under Art. 40(b)
of the Indian Stamp Act as
applied by Art. 11(d) E.A.
Order-in-Council dated
25.5.1899 and amended by
Order. No. 10 of 1911 - 1% on
2500,00 the total value of
the deportures secured) 100,000

Registra- (Four titles - Port, Railway,
tion Fee. Lake and Magadi Residential
Plot) Shs. 14/- on first and
Shs. 0/- each title after.

Order of Court dated 8th. April, 1924.

Not chargeable with Stamp
Duty.
(Four titles at Shs. 0/- each)

Registra-
on Fee

Carried forward 100,003

Brought Forward.....

Shs. 100,067.

Order of Court dated 20th. December, 1924.

	not chargeable with Stamp Duty.	
<u>Registration Fee.</u>	(four titles)	24.

surrender dated 20th. December, 1928 of Railway Lease and Lake Lease.

<u>Stamp Duty</u>	(chargeable under Art. 90 (b) of the Stamp Ordinance (Cap. 97 of the Revised Edition).	20.
<u>Registration Fee</u>	(two titles at Shs. 6/- each)	12.
<u>Conveyancing Fee</u>	(Govt. notice No. 109 of 1927 - item 7)	100.

Lease grant of Railway.

Stamp Duty (chargeable under Art. 90 (iii) and Section 26 of the Stamp Ordinance (Cap. 97 of the Revised Edition)).

Chargeable on minimum freight charges payable under Clauses 4, (iv)(A) and 10 of the Lease -

7 years @ 50,000 tons
per annum @ Shs. 10/-
per ton = Shs. 4,000,000
74 years @
100,000 tons
p.a. @ Shs. 10/-
per ton = Shs. 1,000,000
Shs. 102,300,000

Average annual
payment = Shs. 1,093,000
plus rent " "
Shs. 1,000,000
to ad valorem.....

10,000

<u>Registration Fee</u>	(item 2, 2nd. Schedule A. 1.0. (Cap. 142 of the revised Edition)).	20
<u>Conveyancing Fee</u>		200

Carried forward.... 117, 159.

Brought forward.....

Shs.
100,063.

Order of Court dated 20th. December, 1924.

Not chargeable with Stamp Duty. <u>Registration Fee.</u> (Four titles)	24.
---	-----

Surrender dated 20th. December, 1928 of Railway Lease and Lake Lease.

<u>Stamp Duty</u> (chargeable under Art. 90 (b) of the Stamp Ordinance Cap. 97 of the Revised Edition.	20.
--	-----

<u>Registration Fee</u> (Two titles at Shs. 6/- each)	12.
---	-----

<u>Conveyancing Fee</u> (Govt. notice No. 109 of 1917 - Item 7)	100.
---	------

New grant of railway.

Stamp Duty (chargeable under Art. 90 (iii) and Section 26 of the Stamp Ordinance (Cap. 97 of the Revised Edition)).

Chargeable on minimum freight charges payable under Clauses 4(iv)(A) and 10 of the Lease -

2 years @ 50,000 tons per annum @ Shs. 10/- per ton = Shs. 4,000,000
 24 years @ 100,000 tons p.a. @ Shs. 17/- per ton = Shs. 172,000,000
 Shs. 176,000,000

Average annual payment = Shs. 1,099,999
 Plus rent " " Shs. 1,099,000
 1% ad valorem..... 10,600

<u>Registration Fee</u> (Item 2, 2nd. Schedule R.L.O. (Cap. 142 of the Revised Edition)).	20
<u>Conveyancing Fee</u>	100

Carried forward.... 117, 199.

C.O. 533 / 385
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Shs.

Brought forward 117,139.

New Grant of Lake.

Stamp Duty (chargeable under Art. 33 (iii) and Section 28 of the Stamp Ordinance (Cap. 97 of the Revised Edition) on average annual royalty; Clauses 4 and 5(v)(A) of the lease.
 5 years - Nil.
 2 years 50,000 tons @ Shs. 2/- per ton = Shs. 200,000
 92 years 100,000 tons @ Shs. 2/- per ton = 18,400,000
 Shs. 18,600,000

Average annual royalty over 99 years = Shs. 187,878
 Plus annual rent 20 Shs. 187,898

1% ad valorem..... 1,880

Registration Fee 20

Conveyancing Fee 300

Surrender dated 20th. march, 1926 of Port.

Stamp Duty 1

Registration Fee 6

Conveyancing fee 100

New Grant of Port.

Survey Fees 272/50

Stamp Duty (chargeable on premium of Shs. 0,422/42 - Art. 21 of Stamp Ordinance (Cap. 97 of the Revised Edition)).
 2% ad valorem..... Shs. 140
 Plus lease duty on annual rent of pepper-corn..... "

141

Registration fee 20

Conveyancing fee 300

Carried forward... 120,179/50

Shs.

Brought forward 117,139

New Grant of Lake.

Stamp Duty (chargeable under Art.33 (iii) and Section 28 of the Stamp Ordinance (Cap.27 of the Revised Edition) on average annual royalty; Clauses 4 and 5(v)(A) of the lease.

5 years - Nil.
 2 years 50,000 tons @ Shs.2/- per ton = Shs.200,000
 92 years 100,000 tons @ Shs.2/- per ton = 18,400,000
 Shs. 18,600,000

Average annual royalty over 99 years = Shs. 187,078
 Plus annual rent 20
 Shs. 187,898

1/2 ad valorem..... 1,680

Registration Fee 20

Conveyancing Fee 300

Surrender dated 20th. march, 1928 of Port.

Stamp Duty 1

Registration Fee 0

Conveyancing fee 100

New Grant of Port.

Survey Fees 272/

Stamp Duty (chargeable on premium of Shs.6,422/42 - Art.22 of Stamp ordinance (Cap.27 of the Revised Edition)). 2/ ad valorem.....Shs.140
 Plus lease duty on annual rent of pepper-corn..... 1

Registration fee 20

Conveyancing fee 300

Carried forward... 120,179

44
END

Sns.

Brought forward 120,179/50

Surrender of Residential Site at Kajiddo.

<u>Stamp Duty</u>	20
<u>Registration fee</u>	6
<u>Conveyancing fee</u>	100
	<hr/>
Sns.	120,305/50

- NOTE: (a) The statement of fees submitted by the Company shows an item of £1,956.10.0 as stamp duty payable on a Sale and Purchase agreement. This document has not been received but if it constitutes a mere contract for sale and purchase and contains no actual assignment it is dutiable in this Colony with Sns.1/- only. In this event registration is not necessary.
- (b) No Survey fees are payable in respect of the Railway and Lake Leases as no new surveys have been made.

(Sgd.) G.J.ROBBINS.

REGISTRAR OF TITLES.

COG / 1111
REGISTRATION DEPARTMENT
HONG KONG

44
END

Sns.

Brought forward 120,179/50

Surrender of Residential Site at Kajlado.

<u>Stamp Duty</u>	20
<u>Registration Fee</u>	6
<u>Conveyancing fee</u>	100
	<hr/>
Sns.	<u>120,205/50</u>

NOTE: (a) The statement of fees submitted by the Company shows an item of £1,956.10.0 as stamp duty payable on a Sale and Purchase agreement. This document has not been received but if it constitutes a mere contract for sale and purchase and contains no actual assignment it is dutiable in this Colony with Sns.1/- only. In this event registration is not necessary.

(b) No Survey fees are payable in respect of the Railway and Lake Leases as no new surveys have been made.

(Sgd.) G.J.ROBBINS.

REGISTRAR OF TITLES.