

1924

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C. O.
34104

18 JUL 24

Maclean,
Hall, M.P.

DATE

9th July 1924

REGULATION

Magadi Soda Coy.

Reconstruction

U.S. of S.

See H. K. ...
21 JUL 24

U.S. of S.

U.S. of S.

Secretary of State.

Refers to position of Messrs. Doolittle & Watson under the terms of agreement with Messrs. Brunner Mond & Co., & trusts that the interests of small firms who have been means of Magadi soda in the past will be safeguarded.

Previous Paper

B. 31576

MINUTES

The importance of the manufacture of soda crystals from Magadi soda was brought out in the parallel statement annexed to 14037, and in the record of the Meeting of March 18th, attached to that paper, it is stated that Mr. Chester Beatty mentioned that "experiments had shown that soda crystals

could be produced from Magadi soda; it was mentioned in confidence that they hoped to instal a plant for the purpose in this country

On the other hand, the position of present manufacturers of soda crystals from Magadi soda ash has not been specially considered. It is evident from Mr. Chester Beatty's statement, just quoted, that the matter had not come up at that date. At

some the same date Mr. Micklem told me that the

present

Subsequent Paper

35445

present Company were supplying a very small firm in the London area (see my Minute on 28989). We had not heard of the Glasgow users until the receipt of Messrs.

Doddrell & Tulson's letter ~~of~~ 29802/24. They can hardly be such large users as they represent, or we should have heard of it before.

If we had had these interests prominently before us at the time (and the firms could have written just as well three months ago as now, since there has been no secret about the existence of negotiations,) we should no doubt have raised the point with Messrs. Brunner Mond. They would certainly have objected to any general use of Magadi ash for soda crystal manufacture here, and all we should have asked for would have been the continuance to these two firms of the quantity which they have previously been receiving. Such a bargain would have been mischievous from the point of view of Messrs. Brunner Mond, because it would have focussed attention on the profits which they are now making by reserving to themselves the manufacture of soda crystals. It would have been no use to the public, because it is obvious that these

two firms, with their small and permanently limited output, would have had no incentive to sell their crystals at anything less than a price just below the Brunner Mond price. Further, the bargain would have closed permanently the question whether Magadi ash was ever to have a free sale in this country for the manufacture of soda crystals. As it is, the Government Director of the new Company will have a perfect right to draw attention to the possibility of the Magadi Company doing business in this country in connection with the soda crystal business, and although we can hardly expect success in getting Brunner Mond to agree to free sales, we may be able to benefit Magadi by inducing them to take for their own manufacture of soda crystals a reasonable quantity of Magadi ash at a reasonable price.

It is the interests of Magadi's production, which we have been driven to consider to the exclusion of all else, and the alternative to making terms which Brunner Mond would accept was either an independent Company, which it was considered would not have been able to fight the monopoly, or (whether through the breakdown of an independent Company or ~~the~~ *failure to start on any to* organised opposition to the reconstruction of the Company on an independent basis, or any other failure to get that reconstruction through) would have left these two firms in quite as bad a position as

they are likely to be now, because no
Magadi ash would have been produced.

I think that this last para-
graph gives the reply to Mr Maclean.
He might also be told that it is intended
to have a Government Director on the
Board of the new Magadi Soda Company
and that, while we cannot say that he
would be able to secure supplies from
Magadi for the firm on behalf of which
Mr Maclean writes, it will be his duty,
to ensure as far as ^{that} he can the oppor-
tunities of marketing Magadi soda will
be fully utilised.

W. C. S.
21.7.24
* J. R.
21/7/24

Magadi Soda Co

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Govt. in the Board

Full

-2-

laid down so that supplies may be secured to them, then there may be an increase in unemployment owing to the discharge of those who work with such firms.

To place the matter only in the hands of one firm, as is the case here, means handing over to them a monopoly of the produce and where no safeguards are laid down the right of the monopoly is looked for to raise the prices until the small user is crushed out of existence. I trust that this is not to be the case here and hope that you will go into the matter further and endeavour to arrange with the owner along such terms or conditions as will safeguard the interests of the small firms who have in the past been customers of the Nagadi Soda Co.

Yours faithfully,

Neil Maclean

H. B. Govan.

R

Mr. Bottomley

114

17th July, 1924

Dear Sir,

I am desired by Mr. Thomas to say that your letter dated 9th July regarding the Magdalen Lane Cemetery was only received this morning.

Mr. Thomas' attention.

Yours faithfully,

W. C. H.

W. C. H. M. P.

If, at either stage, the independent scheme had broken down, there would have been no soda ash from Magadi anyone.

Messrs. Brunner Mond's control of the manufacture of soda crystals has been an important point throughout, and it was one of the factors on which the promoters of the independent scheme relied for success in competition. There can be no doubt that if it had been suggested to the firm that they should sell Magadi ash to be sold for the manufacture of soda crystals, there would have been a breakdown - and no soda from Magadi.

To have suggested that present users should have their present supplies (and we had not heard of Dodirell and Watts till they wrote) would have closed the general question once and for all. As it is, I can see nothing to present to the Government Director on the Board of the reconstructed Company, whose duty it will be to see that markets for Magadi Soda are not neglected, from drawing attention to this outlet for our raw product.

You will understand that I am giving you this information privately in order that you may realise the situation.

Yours sincerely,

F. H. Y.

Mr Personal

DOWNING STREET,

Mr S. W. S. signature

25 July, 1924.

Dear Neil

I am sorry that I have not been able to answer before this your letter about the Magadi Soda Company's affairs and the position of Messrs Doddrell and Watson.

I fear that nothing can be said to the Company beyond what they have already been told, but I should like you personally to know something of my difficulties in this matter.

In the end, the withdrawal of the promoters of a reconstruction of the Company which would have been independent of Messrs Brunner Mond left me dependent on that firm, but before that I was in the position of having to choose between a scheme controlled by that firm and the independent scheme. It is probable that Messrs Brunner Mond could have secured

RAFT.

MACLEAN, ESQ., M.P.

MINUTE.

23/7/24

Davis.

Grindle

Read. 23/7/24

Masterton Smith.

Arnold.

Thomas. 24