

regard to the proposed alterations  
 in this part, and you will  
 be doubt consider carefully  
 whether this proposal  
 relating to the water supply at  
 the Lake can be entertained

I am,

(8) COURT



EAST AFR. PROT

C.O

15828

15828

REC'D  
 REF: 10 MAY 13.

Africa Synd

TRANSFER OF CONCESSION TO ESTATES CONTROL LTD

1913

May

Last previous Paper.

10065

In circumstances stated hopes that it will not be insisted on that the minimum amount of capital to be underwritten should be placed at £112,500 but that the figure of £80,000 originally provided for will be agreed to. Asks for early reply.

Dear Sir G. Zoller

Please see minutes on 10065. I think we have done everything possible to obtain further capital and all we can do now is to telegraph the circumstances to you and ask him if he agrees to the transfer on the basis of £80,000 capital underwritten, explaining that the promoters are unable to get more underwritten and so are to give any definite assurance apart from their intention to raise money or debentures should the capital ~~underwritten~~ from inadequate?

W.L.S.

10/5/13

Sp for London giving him a lead in form of £20000 N.Y.R.  
 (cf minutes on 10065) 10/5/13  
 done 13.5.13

A copy sent 3/4 to May 1913  
 2nd 20 May 1913

1211: 41.20 897-68  
 100. 1112. A.S.E.W.

subsequent Paper.

1224





19, ST SWITHIN'S LANE,  
LONDON, E.C.

C O  
15328

10 MAY 13

9th May, 1913.

EAST AFRICA SYNDICATE LIMITED.

Sir,

Referring to your letter of the 29th March 1913, I am requested by my Directors to inform you that this Syndicate, in conjunction with the Estates Control Limited, has for some weeks past endeavoured to obtain the underwriting of £112,500 in the new Company to be formed for the purpose of taking over the land grant held by this Syndicate, but my Directors are sorry to be obliged to state that their efforts have not been wholly successful; they attribute this to the political atmosphere and the unsettled state of the money market in the City of London. It is a well known fact that, for some months past, underwriters have been left with a great proportion of their underwriting, and consequently at the present time my Directors and the Estates Control Limited do not see their way to obtain more than £80,000 of underwriting for the proposed new Company. At the same time, the Estates Control Limited and my Directors desire to draw your attention to the fact that, in the first place, Bovril Limited have approximately 12,000 shareholders, and it is anticipated that some of these shareholders will subscribe for shares of the new Company, especially as Bovril Limited have been very successful during the last twelve months. Secondly, the East Africa Syndicate Limited was originally formed with a capital of only £50,000, but when more money was required the Directors had little difficulty in finding it, and, including premium on shares

and debentures, about £114,000 has been available. Thirdly, the Estates Control Limited is guaranteeing £40,000, and that Company thinks that this should be sufficient evidence that every endeavour will be made to make the new Company a success, and that, as and when further capital is required, should it not then be possible to make a further issue of shares, every means will be taken to raise the necessary funds, which would probably take the form of an issue of debentures to the extent of £30,000 to £40,000. There should be little difficulty in this as the property will have become more valuable as a result of spending upon it the working capital provided by the present scheme.

My Directors hope, therefore, that Mr. Harcourt will not insist on the minimum amount of capital to be underwritten being placed at £112,500, but instead will agree to the figure originally provided for, viz., £80,000.

As there have been withdrawals from the list of promised underwriting and as further withdrawals may take place any day, I am instructed to ask the favour of an early reply to this letter, as it is felt that if the public issue is delayed for many weeks, a time of the year will have been reached when success is not likely to attend it.

I have the honour to be, Sir,

Your obedient Servant,

The Under Secretary of State,

Colonial Office,

Whitehall, S.W.

Secretary.

M J SAT. 113  
15828

MAY 15

Copy of etc. in file of 10065  
837  
etc. + of 15828  
to be for file 47 ]



Sent 5.20 pm  
JMM  
14/5/1913.

14 May 1913.

DRAFT.

Del:

(8637)

Governor

Nairobi

MINUTE

Mr. Northcote 13/5/13

Mr. Reed 13

Mr. G. Fiddes 14

Mr. H. Just

Mr. D. Anderson 14

Lord Emmott

Mr. Harcourt

for comment

Ans'd 16575

Your tel. of 13 March 40  
enclosing  
promoters demurred to  
condition proposed as  
publication of prospectus  
pulpation  
would prejudice issue  
and live stock owners in  
E.A.P. might hold up  
stock to get high prices  
from new Company  
They suggested alternatively  
increase of capital (making)  
over £150,000 available as  
working capital if issue  
successful £80,000 (to be  
underwritten) They  
were asked to increase  
amount to be underwritten  
to £112,500 but they are  
unable to arrange this  
owing to state of market

not including £30,000  
for debenture holders  
doublets

Have not suggested the extension  
of 57% of the period mentioned  
8637 - see para. 4 of 10065  
led

which is unimpeachable