

A. G. Tel  
 owing 72  
 Date.  
**1912**  
 9th April

MR MARQUODT'S LETTER

Cannot agree that forfeiture of 1000 acres destroys value of whole property. Considers proposal most liberal as besides For's Ternan property he has 3000 acres at Mihorani totally undeveloped but precluded from taking action there owing to delay in granting deeds.

at previous Paper.  
 12800

W. Read.

See also  $\frac{C_{100}}{12599} = \frac{M}{12800}$

I don't think that we can fly in the face of Mr Bowring's considered recommendation as to the 1000 acres. Mr Marquodt is coming for a final decision today, and will presumably that the forfeiture of the 1000 acres will be...

I don't think we can fly in the face of Mr Bowring's considered recommendation as to the 1000 acres. Mr Marquodt is coming for a final decision today, and will presumably that the forfeiture of the 1000 acres will be...

...of the land purchased

At: tel.  
 11/12/12

15  
1915  
Telegrams

Received Colonial Office

29th April 1915

46/12579

5th April cannot agree that  
this destroys value of whole  
four good streams on portion  
from Harrison. Consider my  
previous proposal liberal as conditions should  
have been fulfilled two years ago. In addition to  
Fort Ternan property he has 8000 acres at Mohoroni  
totally undeveloped, but I am precluded from taking  
any action there owing to delay in granting deeds.

BOWRING.

12579

11909 - 20



London  
 Chief Station 11, Old Broad Street  
 Branch Station  
 25, Abchurch Lane, E.C. 4  
 37, Holborn Viaduct, E.C. 1  
 6, Denman Street, Boro High

Go to: 13:73  
 29 APR  
 41 & 42

The following TELEGRAM Rec...

Chapman  
 London

72 uncompact cannot  
 adoptable federate whitehouse  
 acres destroys throatless  
 whole property as subterranean  
 four good streams on portion  
 purplewort margaret from  
 harrison consider my previous  
 proposal most liberal as  
 conditions should have been  
 two years ago sedate fulfilled  
 absolute for

REPLIES SHOULD BE ORDERED Via Eastern

Depth words should be OFFICIALLY repeated. See Rate Book  
 Enquiry respecting this Telegram can be attended to without the permission of the Copy

# EASTERN TELEGRAPH

11, OLD BRICK LANE, LONDON, E.C. 4.

RECEIVED APR 10 1912  
6, DENMAN STREET, BORO' HIGH

41 & 42, PARLIAMENT ST., S.W.

No.

### REMARKS

The following TELEGRAM Received at

From				
Foreign		No. of		"via" Eastern
No.		Words	Dated	Time

No 3 Chaps

Bernan property he has  
 windball acres at mohorone  
 totally undeveloped but  
 amop shares <sup>precluded</sup> plagueful taking  
 any action there ocidentals  
 decuplorem granting deeds  
 Bowring

REPLIES SHOULD



Ans to B 120

DRAFT.

Telegram

Your telegram 11/72  
incorrect

Governor  
~~British~~  
Nairobi

Magorath states that  
should be

MINUTE.

- Mc. Read. 2 hrs
- Mr.
- Mr. Fiddes.
- Sir H. Just.
- Sir J. Anderson.
- Lord Emmott.
- Mr. Harcourt.

by a farming company  
on the basis of  
autogenous  
total area of 6000  
annually wild wood  
acres and that  
ajar

the decision which  
Magorath, W. Butler,  
myself.

with a total of 1000



black wattle (redwood)

Harwood states

that success if showers

Coupage is formed

it will provide in first instance  
protuberis injunctum

sum of £9,000 for  
small much primelite

actual development  
dicciferate

including sums referred  
recalvos

to previous telegram delivery

area

is in dry years

that 1000 acre near  
algar Whitehouse

is necessary to ensure  
natural port

permanent supply

under all conditions

Harwood

and 30,000 Ordinary Shares  
each will be issued as full  
part to the Vicars in part payment of the Purchase Price, 10,000  
Shares of 1s. each fully paid will be issued to the Promoters.

ISSUE OF 1500 PREFERRED SHARES OF £1 EACH.

Payable in full on Application.

DIRECTORS.

- 1) .....
- 2) .....
- 3) .....

MANAGING DIRECTOR.

Mr. Fred Marquet M. E. of Fort Ternan, Brit. East Africa.

BANKERS.

SOLICITORS

AUDITORS

Brit. East Africa.

REGISTERED OFFICES.

Object to the Company is to purchase in British East Africa a Mining Plant, as per inventory attached and to acquire and to develop a coal mine in British East Africa for coal for the Uganda Railway.

Mr. Fred. Marquodt has in 1909 and 1910 been busy as Director and Leader of a large prospecting Expedition in British East Africa prospecting and generally exploring in the British East Africa Protectorate. During this Expedition he has come across certain very promising "Coal Formations", which he considers of so great a value that he feels quite confident and satisfied to start systematically prospecting work thereon in order to gather sufficient proof to justify the flotation of a large Company with ample capital in due course.

The following sentence occurring in the Annual Report of the Hon'ble H.A.F. Currie, C.M.G. Manager of the Uganda Railway shows clearly of what great value the proof of the existence of workable coal in these latitudes would be. Mr. Currie says: - "Unless coal is found for fuel, there is not much possibility to extend the traffic much further on this line, as the World-War begins to begin already scarce". But not only the Uganda Railway is a great consumer, there are the Ships on the Victoria Nyanza, the new railway to the Soda Lake Mogadi and the local industry, not to speak of the demand on the coast at Mombasa by passing ships.

PURCHASE PRICE.

For the purchase price of the Mining Plant and the Information thereon will be given by Mr. Fred Marquodt in due course £1500.- in cash and £1000 in fully paid Shares of 1/- each will be paid to Mr. Fred Marquodt the Vendor.

LABOUR

Mr. Fred Marquodt has already secured the service of his late, experienced Boatsman who took part in the Expedition in 1909/10. Native Labour in the Country is not expensive and is good and can easily be obtained locally.



The balance of the Company will not exceed 100,000  
shares and the amount of the shares issued shall have been fully subscribed for.

The Profits will be divided as follows:- 3/5 to the Holders of the 10% Preferred Shares and 2/5 to the Holders of the 30,000 Ordinary Shares.

DIRECTORS.

The Articles of Association provide that there shall be not more than 5 Directors. The first Board shall be formed by 3 Directors as named in the Memorandum and the other two are to be named by the Subscribers to the Memorandum and by the Vendor Mr. Fred Marquardt. These Directors shall receive no remuneration for the first two years provided for according to the Articles of Association.

SECRETARY.

Mr. Fred Marquardt has entered into an agreement with the Company for 5 years as Secretary and General Manager, subject to termination on 30 days notice. The agreement shall be entitled to the same as in certain circumstances shall be entitled to the same.

Mr. Fred Marquardt has over 20 years experience in the mining industry as a Prospecting Director of Mines, and has been for some years past General Mining Director to H. M. the Negus Menelik II. of Abyssinia. He is fully qualified for the post.

He is also as prescribed in the Inventory of the supervision of the Boma Trading Co. Ltd.

Office

Assistant	120	..	..
Native Labour	250	..	..
Office Expenses Etc.	30	..	..
Auditors (here and in B.E.A.)	30	..	..
Office Expenses London	40	..	..
Travelling Expenses, Claim Licences Etc. Etc.	120	..	..
Provision and Household for the Staff and food for the natives	160	..	..
Reserve	100	..	..

---

£ 1400. .. ..  
1400. .. ..

2. Year, Like above

---

£ 2800. .. ..

Station Expenses

200. .. ..

---

£ 3000. .. ..

---

PARTICULARS.

Before I go into details I should like to point out that all rumours that have periodically been current as to Coal having been found here or there in the Coast Belt of Brit. East Africa or in the same region of German East Africa are so far not true, and cannot be true for the one simple reason. "Coal found in Africa in any paying quantity is always met with in the "K a r r u - F o r m a t i o n"" (and to my knowledge this formation exists nowhere in the Coast Belt). Coal is found in this formation in the Cape Colony, Transvaal, Rhodesia, Natal, German East Africa, as well as near Lake Stefani and also North Of Adis Abeba in Abyssinia, and as far as my knowledge goes also in British East Africa. The Coal, or what is taken to be coal, discovered last year in the Coast Belt of B.E.A. is known to me since 1900 when I had an opportunity to inspect and analyse samples from this locality. Several times similar rumours occurred in German East Africa, but always with the same result. There was no real coal but merely an outcrop of what is called "Brandstiefer".

So in all these respects there is not much difference between this coast regions of British and German East Africa, except where greater volcanic disturbances have occurred, especially further in the North of the coast. The coast regions are divided by the Red Sea and practically right down to the South, volcanic disturbances left the coast western. The disturbances, at least up to the Lakes are

... or less ... the ...  
...  
...  
...  
... is to ...

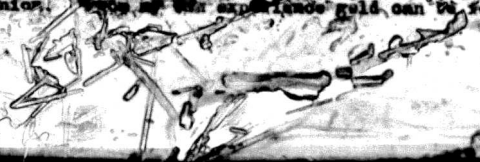
... occur in payable quantities in this ...  
worked in similar reefs with advantage at the "Shimani Gold Fields".  
It is much to be expected that careful prospecting should also  
reveal paying Gold deposits in quartz and quartzite reefs or perhaps  
attached to the diabase and diorit Dykes, in British East Africa.

I have been prospecting for gold in the Eastern neighbourhood  
of Lake Victoria Nyansa and had assays up to 19 ozs. but the average  
yield was only 2 to 3 dwts. which I could therefore not recommend  
to start the work.

In many parts of the western half of E.A.A. and G.E.A. also  
Witwatersrand formations have been traced (reddish quartzitic  
sandstone) which are mostly pretty level. Furthermore formations  
resembling the Leydenburg and Black Reef Strata of Transvaal, have  
been found to occur near ... in German East Africa, Simija and  
north of the Nyansa Lake. These latter formations are regarding  
their depth in contradistinction to the aforesaid quartz and quartzite  
strata dipping mostly pretty vertically.

Also porphyry and gabbro are met with, and have occasionally  
come across them.

I have good reason to believe that in the old slate formations  
as well as attached to the above mentioned diabase and diorit dykes  
on many places besides gold, copper in payable quantities will be  
discovered, these quantities are so unknown and have been so little  
prospected that no one is entitled to come out with a finished and  
definite opinion. ... gold can be followed



sh pretty well defined regularity ... right d.  
to the "Prince Albert Colfields" of the south coast in the C

of a different origin. Very good (sp. rubies (Almadins) have  
been found by me and worked with good profits for many years at  
"Laisenfelde" in the southern part of German East Africa. (Fine  
specimens of my Almadins can be seen in the South Kensington Museum)  
Rubies and Sapphires will very likely also be found in these  
Eastern regions and I myself think that in Somaliland the Tana  
Province of E.E.A. will show one day remarkable results in this  
respect.

I have furthermore seen samples of silver ore which were  
said to have come from the Eastern side of the Victoria Nyansa.  
I have personally no proof of this deposit.

In the aforesaid I have given a rough general outline of  
facts and possibilities in British and German East Africa.

During my many travels I have in two places come across well  
defined "K a r r u - F o r m a t i o n s" which are, as explained  
above, generally the mother-formation for all paying Coal deposits  
found up till now in Africa. I personally know that deposits of  
coal in the "Karru-Formations" occur from Abyssinia to the Cape  
Colony. I am certain of the existence of coal in the British  
East African Karru-Formations, but, of course, I am not at present  
able to give a definite assurance as to quantity and quality as no  
work has been done so far. This has to be proved by systematic  
prospecting which I will undertake for the Company by bringing  
down a sufficient number of boreholes. To my own belief the  
quality will be inferior to the Transvaal Coal and if so  
this will be a useful and marketable coal, for this part of  
Africa.

... my own great fault...  
... which I propose to bring in the...  
... far below the original cost price;  
... all in accordance with the Prospectus  
... accepted and returned to the Board of Directors with  
my signature attached.

Just last night I have received some very valuable information, confirming my own opinion, that petrol will one day be discovered in British East Africa. According to this information "Bituminous Shale" has been found in the locality of which I was for some time already of the opinion that it existed. I shall make after my return, close investigations and hope for success.

I must point out to you that according to a notice in last week's "African" the proposed law of B. No. 14 has been altered in so far as Petroleum is concerned. The Home Government have passed a resolution which allows concessions for Mineral Oil in all British territories to be granted to British subjects or British Companies. At the outbreak of war the Government reserves a right to regulate the output and also to demand from concessionaires the necessary proof that he is engaged in actually exploring the crude oil in his establishment to a marketable product. On the other hand the Government will pay the product the present market price. - You see I am in favour of the proposed law, and I think this amendment to the Mining Law is rather an advantage that a drawback, for what better customer could one demand than the Government if they are willing to pay the present market price for the whole output. If you are, as I expect, soon ready there will be no difficulty as far as I can see to start active work about July.

The above is an...  
the present...  
endeavour...  
conclusion...

... will be ... as ... next.

... I ...

conclusion.

*Fred. Meinhardt*



MR. FRED MARQUARDT'S MINING

MINING OUTFIT

CASH ON HAND

DRILLING MACHINE

- 2) 23 " " " " GOLDWASHING PLANT
- 3) 4 " " " " ROLL MILL (for ore crushing)
- 4) 2 " " " " PUMP

Total 86 Packages Machinery.

B. Tools and various Iron Goods.

- 1) 2 Carpenter's Tool Chests,
- 2) 2 Blacksmith's Tool Chests,
- 3) 9 Packages various mining Tools viz:- Hammers, hoes, crowbars etc.
- 4) 3 " " " " " " Pickaxes, crowbars etc.
- 5) 13 " " " " " " 1 case nails, screws etc.  
1 bundle sieves, 2 packs crowbars, 1 bundle cont. 21  
bars bore-steel, 1 bundle containing 15 shovels, 1  
bundle cont. 15 spade handles, 1 crate cont. 20 spade  
handles; 1 Anvil; 1 Field Forge; 2 cases saws, pickaxes  
and various tools; 1 Mortar.

Total 29 Packages Tools and various Iron Goods.

C. Laboratory

Total 3 Cases, viz:-

(4)

- 1) 23 Packages cont.
- 2) 4 " "
- 3) 14 " "

Total 41 Packages.



1 Sack  
 1 Case  
 1 Case  
 1 Case  
 1 Case

various  
 Cooking Utensils, Kitchens  
 Bakery etc. etc.

1 Case conts. various small items

14 Packages

Total 41 Packages Camp Outfit.

E. Provisions & Liquors.

Total 50 Packages containing various preserved Provisions as well as Spirits etc. etc.

RECAPITULATION

A. MACHINERY ETC.	80 Packages
B. TOOLS & VARIOUS LOGCOOLS	29 "
C. LABORATORY OUTFIT	9 "
D. CAMP EQUIPMENT	41 "
E. PROVISIONS & LIQUORS	<u>50 "</u>
GRAND TOTAL	<u>215 Packages</u>

NOTE.- Other Packages, which have also been stored together with the foregoing, are the Private Property of Mr. Fred Marquardt and his staff, and have therefore not been included in this Inventory.-



... AND BRITISH EAST AFRICA.

... DEVELOPMENT OF ...

... ..

013

BRITISH ...

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FLotation EXPENSES

...

... this ... will ... the ...

...

SHARES COMMISSION: 10% will be payed from the Capital.

This Company has been formed for the purpose set out in the Memorandum of Association, but principally with the object of acquiring from Mr. Fred. Hargardt the 6000 acres of Land in British East Africa described hereafter and shown in the map attached, and developing same in accordance with the Government requirements as agriculture properties.

The following particulars are taken from information supplied.

SITUATION.

The Land is situated in the Uyanza-Province of British East Africa adjoining the Fort Ternan Station of the Uganda Railway. The Fort Ternan property, 9,000 acres lies 2,000 feet above the sea-level with an average rainfall of: 49 inches per annum. The Estate has 5 - 6 miles frontage on the Uganda - Railway and a siding has been promised verbally by that railway for the conveyance of Produce. The property is generally well watered by continual running rivers which would also provide excellent water for machinery etc.

SOIL.

This is extremely fertile of a loamy nature and runs to about 18 feet in depth. The climate conditions are such as to allow for 3 crops in 2 years as compared with 2 crops in other countries.

OWNERSHIP.

All the land is at present held direct from the Government, as to 3,000 acres under lease for 99 years from 1908 and as to the remaining 1,000 acres under Occupation License to total amount payable for rent being under £50 per annum. The Occupation License provides that the License shall pay the rent and shall develop the Land in a prudent and business like manner within 2 years stipulating that at least twenty times the annual rent shall be expended on such development within that period. If this is done, the Licensee then becomes entitled to a first lease of the 1,000 acres direct from the Government for ninety-nine years. the approximate expenditure on development necessary to comply with Government requirements is £400, of which there has already been spent at least £400, leaving a further sum to be spent of £200 before the additional lease is granted.

A considerable amount of general development work has also been carried out on the property, and certain crops, such as Wheat, Cassava, Soya-Beans, etc., which are now being grown under a Manager's supervision. The permanent crops under cultivation will be Coffee, Rubber, Sugar, Rattis, Bark, Tobacco, fibre etc.

As the Occupation License is not transferable Mr. Fred Marquorott will enter into an obligation to assign the Lease to the Company as soon as the same is granted.

ASSETS.

The assets to be acquired by the Company include all buildings, live and other stock at present on the property.

VALUE.

Recent sales of land not having such a favourable position for transport facilities, etc., have shown proceeds of twenty shillings to thirty shillings per acre for Properties not adjoining the railway, practically there is no more land adjoining the railway available.

A considerable amount of general development work has also been carried out on the property, and catch crops, such as ~~maize, wheat, groundnuts, soya-beans~~ etc., can be and are now being grown under a Manager's supervision. The permanent crops under cultivation will be ~~coffee, rubber, sugar, rattie, bark, tobacco~~ fibre etc.

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... besides the  
 oats: Corns ... Sugar.  
 cattle. ... have already  
 been ...  
 which ...  
 portion ...  
 part ...  
 part ...

and for ...

ISSUE OF 10000 = 1000 SHARES

...  
 the ...  
 and the ...  
 rates, ...  
 some ...

**PROPOSED MANAGING DIRECTOR.**

... will enter into an agreement  
 with the Company for a five years as Managing Director  
 at a fixed salary subject to termination as in the  
 agreement mentioned. The Agreement provides that in  
 certain events he shall be entitled to a bonus.

Mr. McQuard has had over 15 years experience  
 already in these latitudes and is in the opinion of the  
 Directors fully qualified for the post.

The Estate is at present in  
 McQuard's hands.



COST OF CONSTRUCTION.

Living Houses	£. 1500. -- --
Farm Buildings	500. -- --
Fences etc.	300. -- --
Machinery, Tools, and Implements	500. -- --
Stock	400. -- --
Irrigation	300. -- --
Transport, Travelling expenses etc.	400. -- --
	<hr/>
	£ 4,000. -- --
	<hr/>

DISTRIBUTION OF THE CAPITAL AVAILABLE.

From the first issue of		£12,000.
Cash purchase price	£. 3000. -- --	
Brokers Commission	1200. -- --	
For Constructions	4000. -- --	
Working Capital	3800. -- --	
	<hr/>	
	£ 12000. -- --	
	<hr/>	

RUNNING EXPENSES FOR THE FIRST 10 YEARS.

1. year.	Salary of the Managing Director	2450. -- --	
	" " " 1st. Assistant	150. -- --	
	" " " 2nd. "	120. -- --	
	" " " Secretair - Book- Keeper	150. -- --	
	" " " Auditors	50. -- --	
	" " " 60 Native Labourers	400. -- --	
	Office expenses and Porter	30. -- --	
	Household expenses.	150. -- --	
	Farm rent and reservoir	100. -- --	
		<hr/>	
		21,600. -- --	21600
2. year.	Total		1700
3. "	"		1600
4. "	"		1900
5. "	"		2000
6. "	"		2450
7. "	"		2450
8. "	"		2800
9. "	"		2900
10. "	"		3000
			<hr/>
			24,500

ESTIMATE OF PROFITS ON CATCH CROPS.

1. year:	Maize:	
	Soya Beans	
	Ground Nuts	
	Beans, produce of Dairy etc.	£. 600. . . .
2. "	Total	1200. . . .
3. "	"	1200. . . .
4. "	"	1200. . . .
5. "	"	1200. . . .
6. "	"	1200. . . .
7. "	"	1200. . . .
8. "	"	1200. . . .
9. "	"	1200. . . .
10. "	"	1200. . . .
	TOTAL.	<u>£ 22,400 . . .</u>

It will be noticed, that after the 4 year the Catch Crops remain at the same figure, this is due to more work in the plantations.

ESTIMATE OF PROFITS IN THE COPPER PLANTATION.

1. year planted.	40,000 Trees.	yield from	-	Trees 2	
2.	"	40,000	"	"	"
3.	"	40,000	"	"	"
4.	"	40,000	"	"	40,000 " 500. - -
5.	"	40,000	"	"	80,000 " 1500. - -
6.	"	-	"	"	120,000 " 3000. - -
7.	"	-	"	"	160,000 " 5000. - -
8.	"	-	"	"	200,000 " 7500. - -
9.	"	-	"	"	200,000 " 10,000 e. r.
10.	"	-	"	"	200,000 " 12,000. - -
				TOTAL:	2 89,500

The calculation is on the conservative side

1/- per three right trough.

ESTIMATE OF PRODUCTION  
BASED ON A OFFICIAL REPORT

1. Year	planted	to	of	profit	
2. "	"	125	"	"	
3. "	"	175	"	"	
4. "	"	250	"	"	
5. "	bearing	50	"	"	900
6. "	"	175	"	"	1350
7. "	"	330	"	"	6300
8. "	"	600	"	"	10,800
9. "	"	600	"	"	10,800
10. "	"	600	"	"	10,800
<b>TOTAL.</b>					<b>£ 40,900</b>

The official report can be seen in the office of the Company.

FINANCE FOR THE FIRST 10 YEARS  
ON AN INVESTED CAPITAL OF £15,000

Year	Cash on Hand	Expenses	Profits			Total	Dividend available £ per cent.
			Crops	Coffee	Netted		
1	£7,800	£1,600	£ -	£ -	£ 600	-	
2	£2,800	£1,700	-	-	£1,800	900 5%	
3	£1,500	£1,800	-	-	£2,800	900 5%	
4	£1,100	£1,900	£500	-	£3,100	1800 10%	
5	£ 500	£2,000	£1,500	£ 900	£5,000	2700 15%	
6	£ 800	£2,450	£2,000	£1,350	£6,850	3600 20%	
7	£1,700	£2,450	£2,600	£6200	16,500	9000 50%	
8	£6,750	£2,800	£2,600	10800	20900	18000 100%	
9	£6,750	£2,800	£2,600	10800	23,400	22,400 125%	
10	£4,150	£3,000	£2,600	12800	25,400	22,500 125%	
	£2,850				£104,450	£81,900 48%	

The above shows an average profit of 4.55% per year.  
This does not include the increase of the value of the Land, Plantations etc.

**DOCUMENTS.**

1. Original Plans from the Survey Office
2. Titles and Agreements.
3. Receipts for Farm Rents.
4. Original Reports.
5. Valuation of Land.
6. A Copy of the Report from the Conservator of Forest in B. E. A. on Wattle Plantation.
7. Opinions on Coffee Plantations in B. E. A.
8. A Letter from the Chief of the Planting Division of the Department of Agriculture in British East Africa.

All the above documents can be inspected in the Office of

E. F. Turner & Sons,  
Solicitors,  
115, Leadenhall St. E.C.



**FORT TERNAN ESTATE**  
6,000 Acres

