

EAST AFR. PROT.

27500

7500

REC'D 16 AUG 09

of Individual

Treasary

1909

Rate

Previous Paper

26806

L. Magade Scheme

Thaps terms re which would be acceptable
to Treasary & suggests that Messrs Samuel Ho.
now communicate them formally to Co.
(private letter from the Netherlands to L. P. Girard)

not added.

see 5/11: n 27666

H. J. R
T. B. W.

copy comes from... 27666

U.S. N. 11000

INDUSTRIAL EXHIBIT



150

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Secretary General,
Whitehall, S.W.

August 1908

Dear Sir Percy Borchard,

I have received your letter of the 9th instant regarding the scheme for the development of the Magadi Soda deposits in British East Africa in which you make the following suggestions for a settlement with Messrs. Sarnwell :-

(1) The Government to provide the necessary funds, for the improvement of the Uganda Railway main line, from Kiu to Kilindini, and the extra rolling stock necessary for the carriage of the soda traffic. For the carriage of 50,000 tons per annum this expenditure is estimated to be approximately £150,000, and could be raised over two years 1908-9 and 1911-12. The Company to give six months notice of a further increase up to 100-120,000 tons per annum. The financial assistance required in the first year to be £70,000, up to a total of £150,000 for the carriage of 100-120,000 tons per annum.

... obligations to accrue to Government.

(2) The following rates for the carriage of soda, or soda products and coal will obtain on the branch railway and the Uganda Railway from Kiu to Kilindini -

(a)

General Orders,
No. 111, S. 33.

(a) During the first five years one half penny per ton per mile.

(b) After the expiration of the said period of five years for a further period of three years nine-sixteenths of a penny per ton per mile.

(c) On the expiration of the said three years and each subsequent period of five years up to a period of twenty one years the said rates will be subject to revision as follows:-

(i) If it has been found that during the said period of three years or any such period of five years as the case may be then last expired that the cost of working the Contractor's fuel and soda traffic exceeds the receipts derived from the same or if the said receipts exceed the said cost by less than one sixteenth of a penny per ton per mile then the existing rates shall be increased to such an extent to allow a profit over the cost of working of one sixteenth of a penny per ton per mile but so that the said rates shall not exceed one penny per ton per mile.

(ii) If, on the other hand, it has been found that the receipts exceed the cost of working by more than one sixteenth of a penny, the rate shall be lowered to such an extent that the profit shall not exceed one sixteenth but in no case shall the rates when decreased be less than nine sixteenths.

(iii) If special and expensive methods of working are found necessary on the branch line the rate shall be adjusted to cover the increased cost of working.

(d)

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(d) After a period of 21 years has expired the rates shall be revised on a five yearly basis on the lines indicated in paragraph 9. (i & ii) but a maximum limit will not be fixed. The profit to be derived by Government shall not however exceed one sixteenth of one penny should the working expenses exceed one penny per ton per mile.

(e) The Company will agree to spread their tonnage demand fairly evenly over any 12 months' period.

These proposals seem to me to embody the discussion we had together and to be such as I could accept on behalf of the Treasury. The proper and regular course will, I suggest, be for Messrs Samuels now to communicate them formally through the Colonial Office from whom I shall expect shortly to hear.

A point that seems not quite clear is that the Company have to give a year's notice for the increase, ^{up to 100-120,000 tons,} but nothing is said as to a years notice again from 100-120,000 tons up to 150,160,000 tons. I think this is intended, but in any case should be provided.

You make no allusion in your letter to an important part of our conversation - viz: that the immediate provision of £75,000 by the Government for rolling stock will enable you, as Governor of East Africa to replenish the rolling stock of the Uganda Railway and thus avoid coming to Parliament, as you would otherwise have been forced to do, in the immediate future for this purpose.

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Secretary of State,
Washington, D.C.

It would I think be advantageous if the Colonial Office in officially addressing us alluded to this most important factor in our decision:

It is of course to be understood that this concurrence only affects the particular points concerned and that any conditions already settled in ~~the~~ ^{official} correspondence - such as the provision for bona fide working acc. acc. - still held good.

J. H. [unclear]
C. H. [unclear]



to be marked

27500

August
19 Aug 09

Mr. Crow

gentlemen
with reference
to your letter of the

MINUTE.

- Mr. Read (say)
- Mr.
- Mr. Just.
- Mfr. Antoinette
- Mr. Cox
- Mr. C. Lucas.
- Mr. L. Hoopood.
- Col. Sedg.
- The Earl of Crom.

of 7th of July (1881)

regarding the contract
in connection with the
Bode deposits of Lake
Magadi in the East Africa
Prots. I am directed

by the Earl of Crom
to request you to
(as far as possible)
assist in

Barclay & Robertson
and whether

my Gov. and 8000
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