

1931

17021/A

C0533/406
KENYA

17021/A

Kenya Radio Service

Previous

16020/30

Subsequent

5301/17/55 *final*
see sub file e
231624/34
Radio Telephone Service

R98 24/12

Ref Records (P)

17021

Mr Allen.

I had this brought up to consider
removing the T.C.C. of no. 58 on
16070/30.

I have spoken to Mr
Phillips of the G.P.O. He told me
that the G.P.O. had some time ago
to the Company inquiring when they
would be ready to take over the
full rate service. They replied
1st August 1931. G.P.O.

replied to this that they would be
prepared to recommend the G.P.O.
to Co. that the service should
be handed over on the 1st June
on the understanding that the
full-rate service was introduced
before the 1st August. & they
asked for confirmation of the
terms of handing over ^{at this point} so that
the G.P.O. could go to the
Treasury & get their approval.

The Company have

not replied & there is a possibility that they may be ~~not~~ going to raise fresh pairs over the terms of handing over at this end.

A situation should develop before the end of the month.

? Wait till 1st Feb before doing anything more.

Easton
15/1/31

This is dragging on & it will remain possible that we will be able to acquire them. My note Etkin return in pencil, especially as they have worked at Pinnac & the Bombasa Wireless Station in the 25 to 437

Write to the Co & enquire when a reply may be expected

H. Allen
16th at all

To Imp + Int. Comm. No 2td - cons 2
16/1/31
01 JAN 1931
(Reminder ref 38 on 16020/30)

DESTROYED UNDER STATUTE

J.W.C. 29 January 3
Acknowledge no. 1 hope to be able to reply in a week or ten days.
hoped
B. u. 9 Feb to remind

DESTROYED UNDER STATUTE

Easton
5.2.31
at all

W
Mr. Easton

Please see your minute of 7/2/31 above

show
9/2/31
Give them another week

Easton
16/2
8.2.31
at all

3 000. tel. 45^A 10 February

For further minute on no. 3 see on file B

States that on company taking over Bombasa wireless station two of present wireless staff could be released for transfer; officers are suitable for transfer to S.W.A. or Straits, on conditions stated.

W
re Martin

The service is not to be handed over before the 1st June at the earliest -
do you like to have any more

vacancies as the V.P.F. refers to?

They would presumably be filled

of the C.A. to whom
I should propose
to send a copy of the
telegram.

Gardner

11/2/31

We have no knowledge of
any such vacancies
GCHills
12.2.31

Most unlikely. Both H. King and Malaga
are negotiating with the I.C.C. to hand over
their wireless services & there will probably
be redundant wireless operators as in Kenya.
The H.K. draft agreement definitely provides
that the I.C.C. shall pay the cost of extra
premises (i.e. abolition additions) in such cases.

J. A. Calder
12.2.31

Mr Allen.

There are 3 Wireless Engineer
Operators on the maximum of their
scale - G.F. Bule, G.E. Hughes, L.J.
Hughes.

? first write to C.A. as
- I do not know. If they can't
help, perhaps the G.P.O. might.

I think it is too
late to think of adding a

S.L. p. 52.

clause to make similar provision
as at A? (The post was 4
benignly) Anyhow the question
won't arise if they are absorbed
into other posts.

Gardner

13.2.31

There are two points to be borne in mind.

(1) The Company, if they are going to
be taking over the station, may wish to make
arrangements with the I.C.C. before
before

(2) Even if they take over the lot here
they want to use the officers of a line
- the I.C.C. officers & records in that case
in the same measure at the end
of No 37 of 16020/30

There seems no urgency & it will be
best to wait for the Company's reply
which should be in view soon now - if
not they are to be recommended shortly.

In any case before C.A. are
written to Personnel Division and
see.

Wait

Mr Allen

14/2/31

Done

Received v
14/2/31

I spoke to Mr Phillips who is also
writing for a reply to his letter to the
I.C.C. about the full rate service.

T also rang up Mr Hibbardine -
He has been in Canada with the
I.B. Mackintosh & that is partly the
cause of the delay.

I gather that the real snag
is in the full rate service. The
idea is that the conditions will
not be of a standard (?) & the
I.C.C. will not give it unless the
full rate service comes into force.
With the present slump in traffic
these matters are quite unimportant.

Mr Hibbardine said that the
matter was "over in hand" & that
they would do their best to let us
have a reply in about a week or at
the latest the week after.

? tel. a. in Ch. 2

on 24/1 March

E. Eastmond

lg. 231.
Send copy 42 of 16020/30
of the Tel. & S.A.O. to Mr Allen
ref No. 9 of 16020/30 20/1/31
at all

~~12~~ Tel. Gov. Kenya No 58 20/2/31 5
DESTROYED UNDER STATUTE

5. Do. G.P.O. (w. c. 42 on 16020/31, a - B/1/B. 24 FEB 1931
4 on 17002/31)

6. Has tel. to 68 long _____ 2nd March
Comments on the delay on the company's part in
completing the agreement.

I very much suspect that the
Company are delaying matters because
of a prospective loss of revenue -
see A in my minute opposite.
Kenya naturally want to get
rid of the baby as soon as possible,
but I don't see what we can
force the I.C.C. to do anything
if they don't want to. Mr Phillips
agrees with the above.

? leave matters till Monday
& then stir up Mr Hibbardine
again. Meanwhile perhaps
Mr Vernon might see?

E. Eastmond

3.3.31

See "B" in letter from Mr Fitzgerald
quoted in my last minute on 16020/30.
In No. 2, the Company promised a reply

within a week or ten days
from 29 Jan.

I don't know whether Hoffman
can suggest something more effective
but if not the best course would seem
to be to ring up Mr. Hibbard as
Mr. Redwood suggests but to do so
at once.

SMW 5/3

I would rather not write hurriedly to
Sir B. Blackett about this, so can
only suggest joint pressure by you and
G.P.O. on the C. to get something
done.

C. V. Varman
5.3.31

CCP

5.3.31

at once

I have spoken to Mr. Phillips
who will remind G. of this today.

I have also spoken to Mr
Hibbard: he says the matter is
coming before the Managing Com.
on 21/3 or 22/3 of next
week & he hopes to let us have

a letter soon after that. He could
not commit himself to a definite
date, although I pressed him.
Unsatisfactory. But what more
can one do?

asked ? b.u. 16/3/31

J. B. Blackett
6.3.31

Yes - as to be is a copy to do it
in view of time of night it seems
unnecessary to telegraph again at this
stage.

SMW

6/3/31

at once

Mr. Redwood

There is your minute of 6/3/31 above.

shows

I really don't think it is
any good my ringing up Mr. Hibbard any
more. If you can take a horse to
the water, but not even the S.G.S.
for the C.B. can make him drink if
he doesn't want to. If the I.L.C.
don't want to go on with the proposed

transfer, in and possibly from them
to go it. The suggested transfer
can originally suggested by
them.

It might be some good
for W. Vernon to ring up G. Ash
straight out whether they want
to go on or not.

J. Eastman
18.3.31.

DESTROYED UNDER STATUTE

To Breakfast (4/1) 24.3.31

S. S. B. Breakfast (4/1) 26.3.31

How to take over English end of Kenya
service on June 1st to introduce full
scale service by Sept. 1st

9 J. J. C. 26 March
submit observations on the draft agreement and
minutes; will submit revised drafts for approval
when proposals on these points agreed to

I put up self explanatory
drafts.

As regards the Tanahia
clause my sympathies are with the
Co - but it will be best to
leave any objections until we
hear from the S. P. O.

J. H. Allen
31.12.31

10 L. H. 25 (4/1) cons. 2/0/1
11 L. H. 10 (4/1) cons. 2/0/1
DESTROYED UNDER STATUTE
DESTROYED UNDER STATUTE
East African Department.

to reply to L. H.

In Reply to
W. later

Major Munro of Imperial International
Communications has rung me up and says that
instructions have been issued in Kenya that all
telegrams for North and Central America are to
be routed "via Imperial" or "via Marconi". Of
course, private senders can insert other routings
but messages not routed by the senders will be
routed by the telegraph administration "via
Imperial" or "via Marconi". Of course, Imperial
and International Communications are thoroughly
pleased at this instruction which is designed to
cut out the American Companies in the Atlantic
traffic. Major Munro has asked me whether
this action has resulted from instructions from
here or whether it is spontaneous. I told him
that I had heard nothing about it and thought it
must be spontaneous. Do you know anything
about it? If not, I think you might ask
Mr. Fitzgerald by letter. It is not worth
telegraphing about.

T. V. Vernon
19.3.31

I have heard nothing of it? You will
write a line to Mr. Fitzgerald?

J. Eastman 20.3.31

114 To T. Fitzgerald by Cons - 80.8 APR 31

15

G.P.O.

8 April.

State have been in communication with J.S.C. and report that transfer of K.K. Ltd of service is again in state of uncertainty; suggest Kenya should not conclude agreement until terms of transfer have been settled.

I have talked with Mr. Phillips of the G.P.O. with regard to this. Their letter does not touch any of the detailed points raised in the Company's letter of the 26th March (see No.9), as Mr. Phillips does not feel that they are points on which they could offer any comments. He did say as regards Clause 22 that so far as the difference of point of fact was concerned, he himself would much prefer to accept the view of Mr. Fitzgerald, ~~and~~ that of the company. On the other hand, the G.P.O. had no evidence one way or the other, as the negotiations were carried out by Mr. Fitzgerald himself. As regards the taxation point, Mr. Phillips was inclined to agree with me that the Kenya Government should meet the company. I mentioned to Mr. Phillips the action threatened by Mr. Fitzgerald in a private letter to me recorded in my minute of the 24th December, 1930, below No.41 on 16020/30, and Mr. Phillips thought that that would cause much fluttering in the ~~divisions~~.

Mr. Phillips agreed that the best course would be to telegraph the sense of this letter, and merely add that the Secretary of State would now await the views of the Kenya Government on the general question, and also on the detailed points in No.9. He said that the company would of course read any telegram

3

telegram we sent to the Governor in code. I must say this point had not occurred to me, and Mr. Phillips thought that if we had a code which the company could not break down, it would be better to send the message in that code. I have therefore marked the draft telegram herewith to go in cypher. I also put up a draft reply to the G.P.O., together with a draft despatch to Kenya, sending a copy of the G.P.O. letter.

J.W. Allen
10/4/31

16. Tel to 120 to Governor Kenya ^{2/6} 19/4/31

DESTROYED UNDER STATUTE G.P.O. (w/c. 16) 15 APR 1931

18. To. Gov 241 - (w/c. 15.) - Cons - 15 APR 1931

~~Mr. Fitzgerald to see on regards to. d. w. c. was sent by air mail~~

19 ~~to~~ Gov. tel. 143 ^{2nd May}
see no reason why introduction of full rate working should not be proceeded with independently of agreement for transfer of British Ltd of service and request G.P.O. He approached to accept full rate traffic at early date. agrees to Gov's proposal re clause of agreement.

Mr. Allen.

To clear my mind as to the position, I have prepared the attached note.

It seems possible to treat the introduction of the full rate service and the completion of the new Agreement and Licence as two entirely distinct

19a

distinct things. With the transfer of the British end of the service we are not concerned. *That is a quite separate thing.*
I would suggest sending a copy of this telegram officially to the Post Office, saying that, so far as the Agreement is concerned, the S. of S. concurs in the Governor's view that the introduction of the full rate service can be treated as an entirely separate issue. And enquire whether the P.M.G. would agree that it should be introduced independently also of the transfer of the British end of the service which, from No. 15, appears now to be likely to be further delayed. Add that further consideration is being given to the second paragraph of the telegram.

And, when the letter has gone to the G.P.O., recirculate for further consen. of the one point outstanding as regards the Agreement, namely, that regarding taxation of the Company's capital, which the Governor suggests should be treated as one of ~~the~~ general principles. G.D. must be consulted as to this.

Parton

6-5-31.

20 G.P.O.

8 May
To copy correspondence with S.S.C. re transfer of Kenya Radio Service to G.P.O. on 1st June and commencement of full-rate service on 15 September.

9
Mr. Phillips has gone to Berne, and will not be back for a week or ten days. In his absence, and in view of No. 20, I have had a talk with Mr. Welch of the Post Office over the telephone. He told me that he thought it might take up to two months to make the necessary arrangements for the transfer of the service this end, even when the Company had confirmed the terms and Treasury authority had been obtained. At the best, he could not anticipate the transfer taking place before the 1st July. I asked him whether even if the transfer were deferred until the 1st August, this delay should necessitate putting off the introduction of full rate working until after the 15th September. Mr. Welch did not see any reason why any further delay should be involved. I read him ~~the~~ material parts of the telegram from the Governor in No. 19 and indicated that we had been very patient hitherto, and really thought it was about time that we did get to some settlement. I suggested that we should send the telegram to the G.P.O. and they might consider whether they could not use it as a lever to press the Company to expedite the settlement as regards the British end of the service. I suggested that they might tell the Company that otherwise the Postmaster General would find great difficulty in resisting the pressure being placed upon him to introduce full rate working forthwith. Mr. Welch saw no reason why this should not be done, and as regards the further question of not concluding the Kenya agreement with the Company until the question of the transfer of the British end has been settled, I agreed with Mr. Welch that we should ask the G.P.O. for any further observations they might have to make on that point

point in the light of the Governor's telegram. In this matter the interests of the Government of Kenya and those of the G.P.O. may not be identical, and one must bear that possibility in mind.

I submit draft for consor. If approved, the paper should be recirculated early as suggested by Mr. Eastwood in the last paragraph of his minute.

J.M. Miller

12/5/31

I suppose it is realized that with deferred rate only, capital or saved code cannot be used.

S. P. V. Varman

12.5.31

No. G.P.O. (w/c 19) - cons, 14 MAY 1931

22 No. - Cav 329 - (w/c 20 (w/c) & 21) - A/1 - 16 MAY 1931
(19 Revised)

General Department.

Might we have your observations please on the question whether the I.I.C. should be exempted by Kenya from any taxation on profits or assets held outside the Colony? I attach a note summarising the correspondence. If it is thought ^{up} desirable to give the Company this concession on the grounds that it might be necessary

necessary to extend it to other companies, it would seem reasonable that the I.I.C. should be allowed to transfer the agreement and licences to a subsidiary company.

A copy of the draft Agreement is a top of the file (cons)

J. Eastwood
18.5.31

So far as I am aware a similar question has not arisen in any other Colony. I certainly think that some arrangement should be made so that the Company will not be liable to taxation in Kenya in respect of profits made or assets held outside the Colony.

Kenya has no Income Tax Law at present, & I do not know what other taxation the Co. would be liable for in the Colony. If an Income Tax law is contemplated, I presume it will follow the model law & contain a clause for relief from double income tax under which in respect of income chargeable to tax in the U.K. the rate chargeable in the Colony is reduced by half the rate charged in the U.K. (at the present high rate in the U.K. the reduction might be the whole of the rate in Kenya). But the special position of the Company seems to justify a definite assurance that none of their profits outside Kenya should be assessable for taxation in Kenya. & their suggestion that they should be allowed to transfer the undertaking to a subsidiary company would appear to be the most convenient arrangement.

Each Cable Landing licence contains a clause under which "the Company will not without the consent in writing of the

Agreement -- as to the disposal of the licence or permission
or any benefit arising therefrom or delegate any of
the powers hereby conferred. The effect of Clause 13
of the Kenya Wireless Tel. Licence (attached to the copy
of the Agreement) is similar. In order to allow
of their transferring the Kenya undertaking if they
then find they wish to, these clauses would have to
be modified, eliminating the requirement of the consent of
the Governor ^{of the Colony} & allowing them to, at their discretion
to transfer, but the subsidiary Co. should perhaps be
subject to the approval of the Senate ^{of Kenya}.

I agree with Mr Smith

J.P. Smith
20.5.31

that we should get over the taxation
difficulty by giving the Co an express
agreement's
right to transfer the licences to a
subsidiary company, such company to
be approved by the Govt
Will you look at the Co's letter (No
9) & consider whether we can
accept this method of achieving this?

R.V. Vernon 20/5

At an Interdepartmental Conference
held here last February, at which I was present,
the question of the Iraq Government's right to
tax the Iraq Petroleum Company on all their
profits, whether from Iraq oil or from something
else

else, and whether earned in Iraq or elsewhere, was
discussed; and it was decided that the imposition
of such taxation would be contrary to the prevalent
practice in countries levying Income Tax. Even
under the United Kingdom law, which goes further
than most other countries in this matter, profits
made outside the United Kingdom by a foreign company
carrying on business within the United Kingdom would
not be subject to United Kingdom Income Tax unless
the control and management were within the United
Kingdom.

In the present case, of course, there is no
question of any International Holding Company, like
the Iraq Petroleum Company - or of any foreign company
carrying on business within Kenya, but the same
principle would seem to apply; and, as the control
and management of Imperial and International Communi-
cations, Limited, would not be within Kenya, it
appears that the profits made by that Company outside
Kenya ought not to be subject to taxation in Kenya.

I see no objection, therefore, to the insertion
of a Clause on the lines suggested on page 2 of the
Company's letter of 26.3.31 (No. 9 on this file) - the
subsidiary company in question to be subject to the
approval of the Governor. The formation of such a
company, however, ought not to be really necessary at
all, because it seems unlikely that Kenya will enact
legislation which would be contrary to what is appar-
ently the practice in such matters in the United
Kingdom.

(Sd.) ^{H.} DUNCAN

27th May 1931

I agree.

(Sd.) R.V. VERNON
27/5

Let me be sure suggest
now the modification of
anything except cl. 13
of the Wireless Licence?

20/5/31

23

S. P. O.

23rd May
 Encloses copy letter to Treasury, suggest
 introduction of full rate working by Post Office
 need not be pursued at moment and that
 conditions of transfer at both ends should be
 settled at same time.

24

Treasury

24 May

Enc. copy letter to S. P. O. conveying authority
 for proposed terms of transfer.

It will be seen that the Company
 have now agreed to open a full rate service
 with Kenya on the 15th September next, and is
 prepared to take over the Kenya radio at the
 earliest date convenient to the Post Office.
 All this, however, is subject to the Company
 agreeing to the proposal that the question of the
 amount of payment to be made in respect of the
 English end should be left in abeyance, and I
 understand from Mr. Phillips that the Company may
 possibly jib at the proposed arrangement which
 does not include any undertaking that there should
 be a reduction in the amount of the payment
 proposed, namely, £35,000. If so, I suppose the
 arrangement for taking over the English end
 (the 1st July is the earliest date which can be
 contemplated) and the inauguration of a full rate
 service may go by the ^{Board} ~~Board~~ that the Treasury
 have agreed - see enclosure to (24) - (The Post
 Office will shortly be writing to the Company,
 and in the meantime, it will perhaps be best for
 us simply to limit ourselves to a letter to the
 Company dealing with the details of the agreement,
 in the hope that by the time we get through with ~~that~~
 correspondence there will be something much

more

12
 more definite about the service at this end and the
 full rate service. Mr. Phillips, to whom I mentioned
 this possibility, agreed that it was probably the
 best thing to do. It seems clear that we cannot press
 the Post Office to inaugurate a full rate service in
 the meantime, and I think pending development, and
 unless we get a reminder from the Colony, we might
 as regards the Governor limit ourselves to sending him
 a copy of the correspondence. I put up for consen.
 drafts to the Company and to the G.P.O., and if they
 are approved, copies of (23) and (24) with enclosures
 and of the two drafts should go to the Governor
 LF in continuation of No. 22.

The papers might then be recirculated
 to Room 29 in order to draw up a draft of the agree-
 ment in its final form as it will be required for
 transmission in due course to the Crown Agents.

See
 memo. of
 19/6 ✓

J.P. Allen (Shass of Co. Company
 through Bureau as
 2/6/31 15 and actual working the
 proposed clause)

all

u. G. P. O.
 advised

25 - Jo. Imp. + Int. Coms. Ltd -

26 - G.P.O. (w/c 23)

26/6/1
 - 5 JUN 1931

Recd. to
 Room 29 ✓
 * above

P.T.O.

27 L.P.O. _____ 5 June
Enclose copy letter to J.V.D. in terms of
transfer.

The letter does not say as
the date of transfer & since this
is to 15 Sep & full rate service
had a copy of this to
of & Jai directed an draft to
Company 9. 10 25.

W Allen

6/6/31

28 To Gov 344 — A/1 16 JUN 1931
(17/Co, 23 incl, 24 incl, 25, 26 & 27 incl)

29 L.P.O. _____ 18 June
Enclose copy letter from J.V.D. accepting
conditions of transfer with draft telegram
to P.H.G. Kenya reporting date of transfer which
will be despatched on 22 June unless communication
is received

W Allen

has discussed & you have
also spoken to Mr Phillips & I
to Mr Duncan & Mr Hibbardine.

There appears to be no
reason why the new Agreement
& License should come into force
on the same date as the taking

over of the home end of the service, but
presumably it will ^{come into force} start as soon as
possible. The I.C.C. will prepare
a fair copy of the agreement for
approval by & transmission to
the C.A. who will then make the
necessary formal amendments &
conclude it with the Company,
the license being issued on the
same date.

J.P. tel. has to Kenya,

which we had better send rather
than G.P.O. & J.P. letter to
L.O.

We must clear this
S.P.O. to be done well
they think fit
W.A.

Radford

(The last copy to the Gov. is 19/6/31, and
should be with him)

containing copies of course with one
G.P.O. It is unfortunate that he will
not have got us 28.)

W Allen

19/6/31

all A

19.6.31

Allen

30. to Gov. tel 192 (19 ans!) — 19/6/31.

To Sec General Post Office 20.6.31
(w/c 30)

DESTROYED UNDER STATUTE

Off has after speaking to
Walker
Gardiner
27/6/31
atn

To Gov. 447 25 JUN 1931
(w/c 29 - mill and 31)

33 J.D.C. 26 June
enclose text of rider which they suggest
should be inserted at beginning of clause 10;
on having draft agreement printed and
will forward copies for final approval

Mr Duncan.

If you agree to the
draft of the rider, ? as with.

Gardiner
28.6.31.

Mr Vernon.

Review of your minute of 20/5/31. I think
you had better see the proposed addition
(vide the enclosure to No. 33) to clause 10
of the draft agreement. It seems to me
to be all right.

29/6/31 H. Duncan.

all p. 21 I agree
30.6.31
P.V. Vernon 29/6

DESTROYED UNDER STATUTE C. (33 ans)
DESTROYED UNDER STATUTE
To Gov. 462 (7c 33 and 43A)

30 JUN 1931
2nd July '31

Parliamentary Question (to Postmaster General) by
Mr. Albery for oral reply, Monday 6th July.
(No. 1 on P.A. file)

atn

Mr. Beetham
his reply to Mr. Albery.
Albery
9/7/31
Wait a month &
then try to see Albery, who may
come to remind personally.
Gardiner
8.7.31.
atn

26 - Important re rail communications (7.7.31)
(Gardiner's draft agreement for final
approval. Offers to send any telegraphic
inquiries on the subject without charge.)

Mr Duncan
Mr Vernon
Mr Parkinson

The latest complete draft of the Agreement
I believe was that one in no: 20 - a
60x20/30 ^(copy made) loose on top of this file -
Amendment of this was agreed in 29
238 on 10th file & in 9, 25 & 33 on
this file. Mr Chamberlain & I have
had one to be printed, comparing
it with the text so agreed & I am

satisfied that we have corresponded
with the following trifling
exceptions:-

- (1) the omission of an 's' in
line 2 of cl. 10. of the Agreement.
- (2) the original word "re-transmit"
~~which~~ has been used instead
of the word "transmit" in cl. 2 (b)
of the licence.

The former items are just worth
pointing out to the Company
with one or two other trifling new
points, which I have added.

As regards the four new
points suggested by the Company,
I think the Gov. should be
consulted before we agree to
any of them. In any case,
despite the Company's kind offer
to send any telegram ^{as "service"}
I think it wd. be much
wiser to let the Gov. have a
look at the point. If I
have the opportunity I wd. like to
send it by Friday's air mail. 10 days
won't make all that difference.
In the meantime C.A. can be
getting on with their alterations.

I enclosed 2/3rd for comment under 15
above lines.

Chadwick
22.7.31

"Rysa will leave us with out a copy 2
to print but I don't think that
matters.

3(2) is the only point about which I
feel any doubt. But I agree that there
is no occasion to rush this.

I. V. Varma
22.7.31

2/3 passed. ^{adp!}
22.7.31
AJM

37 To I & I. C. (36 answered)
38 - C.A. (w/c's 36 + 37 + 39) } 24 JUL 1931

39 To: Gov. 517 - (w/c's 36, Agreement & Finance (print) and 37, 38 (not made). - 24/7/31. By A. G. M. H.

I. V. Varma 22.7.31
DESTROYED UNDER STATUTE Act No 37

? P. H. by
J. B. M. H. 30/7/31

41 Dep. Gen. Ed. 249 _____ 4 August
agrees to final drafts of agreement and
license subject to amendments noted.

I received the print sent to

C.A.
The amendment desired to d:7
is not quite clear. Perhaps the
draft h.w. for comment meets the
case?

2 drafts.
- Jackson
10/8/31.

See now letter sent to Mr Phillips
of S.P.O. after discussion. Wait
for his reply. - Jackson
11.8.31

42 To J.W. Phillips (S.P.O.) Co. - 11/9/31
J.W.P.

43 Gov's Dep. Ed. 251 _____ 12 August
requests endeavor to arrange for transfer
of two wireless offices and to avoid
possibility of retrenchment. Requests telegraphic
reply.

43 has been transferred to
subfile B. Sent to
Mr Phillips' reply - Jackson
11/8/31

See to file B.
see also memo
9/11/31

44 Mr Phillips (S.O.) _____ 12 August
refers to no 42. 16

I think this is clearly all right.
It represents the intention of Geny.
? the DTS previous proposed may
was done with the necessary
alteration.

I have added a DTS drawing
Mr Phillips - Jackson
12.8.31

copies of letters to Ch. & I.C. with
perhaps go to Gov. Co. with next
week's air mail. ref. 43.

When we tel. to him the date
on which the agreement is to be
signed we must (if this is the
fact) tell him also that the Co.
accept the alteration in the
license suggested in no: 43.

Mr Roberts - way
Please see 42 & 43 - have
any criticism of the amount suggested
in no 43? - J.M.C.

Mr. Allen
I do not like this much.
(1) The word "final" should I think be
omitted, unless it is intended that the rest

* ~~Carabott~~

is not to be subject to review from
time to time.

(2) Assuming that "cost" is ascertainable,
what would be the cost for the first
year? How can you ascertain an
average annual cost before the claim
has been put into operation? Even after
it has been working for some years, or
how many years, cost is the average to
be based?

(3) It should be made clear whether
cost means the actual out-of-pocket
cost to the Govt or the amount which
would be paid by a private individual
for the same service. It is quite
impossible to say which it means at
present.

J. O. Roberts-Wray

15.8.

(1) so far as I know it is not to
be subject to review.

(2) & (3) As Sandstead "channel"
is equivalent to "line" there are several
lines one of which would be placed at
the disposal of the Company. The average
Capital cost of the lines would be
known & the annual cost of cost
would be made up interest on capital,
depreciation, overhead charges, maintenance
charges etc + 10%. As Sandstead
from Mr Phillips of the G.N. who told

me that the system of calculation was 17
well known etc. in the courts & really
common form. I have therefore assumed
the shares let on land working from
him - but I am not a technical
person & if you still have doubts
he can say he took the Govt to
a working

J. O. Roberts-Wray

15.8.31

I still do not like this. If the Govt has
the exclusion of a line, & if the rent
is not to be subject to review, it would overcome
any objection if the words "the average cost
p.a. of its provision + 10%" was replaced
by e.g. "the average annual cost of the
construction and maintenance of the channel
provided (including a proportion of overhead
charges) [during the five years preceding]
[or prior to] the date when it is first
provided plus ten per cent..."

J. O. Roberts-Wray

17.8.

Then we have better telegraph
& ask the Govt for the investment
at Hereville

J. O. Roberts-Wray

17.8.31

DESTROYED UNDER STATUTE

To Govt. No. 255

3/1/31

17 Aug. '31

Ho Dep Gov tel. 264 _____ 20 August
Re: terms of proposed amendments to
channel 7.

The "int of providing such channel" is a
constant so, if Mr. Roberts-Wray agrees,
we can accept the amendment.
Print to Mr. Roberts-Wray

Rothmanstein 2/8

Yes, I think we have better accept
it

[Signature]

71 B.

Draft passed

W. Allen

26/8/31

47 to I. I. C.

C.C. (w/c 47 and Print) } 31 AUG 1931
of Agreement } 25/9/31

Ho. Gov 618 (w/c 47 & 48.) - A/1 - 4 SEP 1931 (By AIR MAIL)
(H.B. forward.)

To G.P.O. (w/c 47) - B/1B. 5 - SEP 1931

To G.P.O. (44 Bns) - S.O. 9 - SEP 1931

J. v. J. C.

acknowledge to 47, are having copies of agreement
expressed for execution.

27 September 1931

DESTROYED UNDER STATUTE

[Signature]

copy to Gov 19 w/c
w/c 47

[Signature]

53 Ho. Gov 646 (w/c 52) - A/1 - 14 SEP 1931

[Signature]

Ch. came up to say that they
have received the agreement from
the Company expressed ✓ from.
The Ch. have checked it all
over and sign, when said
Mandy w. do & that we wd
be: today to Kanga.

J. v. J. C.

[Signature]

25/9/31

54 Ho. Gov tel 292 25. Sept 1931

~~54 Ho. Gov tel 292~~

To Crown Agents (w/c 54) 26 Sept 1931

Crown Agents 25th September 1931.
Report Agreement signed on 28th September 1931,
which will be date of execution.

DESTROYED UNDER STATUTE

54 to be
replied

Robts

[Signature]

Noted
B. u. 14 days to ask

to send copy of agreement as signed. It will be
in before

57
San. tel 309
2nd October '41
State local representation of I.C.C. has been informed by leg. that unable to deal with cancellation of meeting because etc. for the day. Request representation be made to Co. in position very unsatisfactory.

no version

As Mr Allen's request I should like you & you agreed to write to Mr Munro. I was submit Jt for your sig. as requested
F. J. [Signature]
51031

The cp. be me by 20/ sign the agreement on the 28th & returned 1 copy to the Co. on the same day, receiving an ack^t dated 1st Oct. 41.

58 To Maj. J. J. Munro (w/c 57) 80-1025-1910 - OCT 19 1941

59 — 9. 9. 8. — 6 Oct. 31 (S.O. to Mr. Vernon)

States that legal formalities are necessary at this end in connection with termination of existing agreements & suggests ltr. be sent to Gov. Kenya asking that present rights should continue for a short period.

I understand from Mr Vernon that this letter was sent after

12/21/41
Maj. Munro had spoken to him on the telephone. Mr Vernon thought that in the circumstances must refer to a letter delay. I have introduced into the Jt. ltr. to cover a time limit of a fortnight.

~~Re: [Signature]~~

When the Jt. ltr. have been appd. the papers shd. go first to tel. section to code the tel. and not send it. The code version shd. go to I.I.C. in the ltr. to Maj. Munro.

F. J. [Signature]
7. 10. 31

I have spoken to Mr. Allen; the amended Jt. ltr. meet his views.

F. J. [Signature]
7/10

To: Major Munro 80-1025-1910 (with cover ltr.)

To: Governor Tel 307. 8-10-31 (check via I.V.C. as per 60/66)

9. 9. 8. (S.O.) — 8 Oct.

DESTROYED UNDER STATUTE

States that tel. enclosed in 40. 60 was sent to Kenya 8th. Oct.

The tel. shd. be given a sample.

Put Jt. ltr. in a fortnight.

F. J. [Signature]
2. 10. 31

Encloses 16 copies of Agreement dated 28th Sept. which has been executed with I. & I. C. Ltd.

X This packet ~~ought~~ to be rep'd on a note-plate of paper

Time 1702/1941 sub file C.

as from 15.10.31

Dr. I have put the 3 papers in the packet with the draft agreement. I note on these pp. that we are to a paper circ. to the Advisory Com (reg'd on 8.10.31 (2) P. 11) the rates are to be reduced to 1/11 between the Eng. & Kenya - I suppose that the terminal charge amount to 3p, since the Agreement makes this a maximum.

Platford
14.10.31
at

To Lot 723

21 OCT 1931

UNDER STATUTE 12 C's Agreement small in 63) + copy 63 + small

The Eastern

Papers brought forward, reference from minutes of 12/10/31

18th inst.

Chf Commr 7/11

May we have this, do you think, the stines up by Kenya? or sh. Mr. Kenya be asked to have a word with Kenya Bureau to find out how matters are standing?

I think we can wait for Kenya.

Publy.

8/11 at

AM

63 2



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

4 MILLBANK,
WESTMINSTER,
LONDON, S.W.1.

O/Kenya 78.

TELEGRAMS: "CROWN LONDON."
TELEPHONE: 7730 VICTORIA.

RECEIVED
14 OCT 1931
COL OFFICE

13th October, 1931.

Sir,

With reference to your letter No. 17021/A/31 of
the 26th September, and previous correspondence, I have
the honour to transmit herewith for the use of the Colonial
Office and the Government of Kenya, 16 copies of the
Agreement dated 28th September, which has been executed
by us with Imperial and International Communications, Ltd.

2. We propose to retain the original Agreement
unless it is required by the Government of Kenya.

3. Messrs. Burchells' charges in the matter,
which amount to £7. 18. 8., as shown in the enclosed
copy of account, will be paid by us from Kenya funds.

I have the honour to be,

Sir,

Your obedient servant,

For CROWN-AGENTS.

Copy of incl. a 12 copies Agreement 6 For Y2 3 21 OCT 1931 16

The Under Secretary of State,
Colonial Office.

Memorandum of an Agreement made and entered into the twenty-eighth day of September 1931 BETWEEN THE CROWN AGENTS FOR THE COLONIES of No. 4 Millbank in the City of Westminster acting for and representing the Government of Kenya Colony of the one part and IMPERIAL AND INTERNATIONAL COMMUNICATIONS LIMITED a Company registered with limited liability and whose registered office is situate in Great Britain of the other part.

In the construction of this Agreement, unless there be something in the subject or context inconsistent therewith:—

- (a) "Government" shall mean the GOVERNMENT OF KENYA COLONY.
- (b) "The Company" shall mean IMPERIAL AND INTERNATIONAL COMMUNICATIONS LIMITED, its successors or assigns.
- (c) "Overseas" shall mean all countries, territories and places other than that portion of Africa comprising Kenya Colony, Tanganyika, Nyasaland, the Uganda Protectorate, Sudan, Northern and Southern Rhodesia.
- (d) "Postmaster General" shall mean the Postmaster General of the Colony and Protectorate of Kenya.
- (e) "Radioelectric communication or traffic" has the same meaning as defined by the Radiotelegraph Convention of Washington 1927.

1. THIS AGREEMENT except in so far as it may be modified by mutual consent shall relate to a wireless station intended to provide a means of direct wireless telegraph communication with another wireless station situated in Great Britain, provided that the Company may transmit overseas telegrams to or from wireless stations situated in overseas countries other than Great Britain if the Company considers that such transmission will be more convenient or more expeditious than transmission through the normal reciprocating station in Great Britain.

2. The Company will provide and operate a wireless station at or near Nairobi for the purpose of transmitting and receiving the overseas radioelectric traffic of Kenya Colony and such of the overseas radioelectric traffic originating in or addressed for delivery in neighbouring territories as is or may be transmitted over the Government telegraph system: Provided however that the senders of any overseas telegrams shall retain the right to nominate on payment of the applicable tariff charges the route by which such telegrams shall be transmitted and that such telegrams shall thereupon be transmitted by the route so nominated.

3. (1) The Government undertakes not to issue to any person during the currency of this Agreement a licence for any wireless station

or apparatus for the purpose of establishing a wireless telegraph service with Great Britain; and the Government further undertakes not to issue to any person during the currency of this Agreement a licence for any wireless station or apparatus for the purpose of establishing any other wireless telegraph service with places overseas without first giving the Company the option of providing such station or apparatus on equal terms and conditions: Provided that nothing in this clause shall debar the Government from establishing a wireless telegraph service within the Colony or with any or all of the following territories: Uganda, Tanganyika Territory, Nyasaland, Sudan, Northern Rhodesia and Southern Rhodesia or from establishing such a service in connection with any aircraft service: And provided further that the Government may establish such service with any other country if the Company should decline to provide facilities for such service on terms and conditions which the Government may deem reasonable.

(2) Nothing in this clause shall be deemed to affect the issue of receiving licences by the Postmaster General under the Wireless Telegraphy Rules (appearing at page 1,123 of the Revised Subsidiary Legislation) or any Rules amending or substituted for the same, or to affect any radioelectric communication between the Government and any of the Naval or Military forces of His Majesty, or any experimental messages sent or received by the Postmaster General or any person licensed by the Government in that behalf. Provided always that the Postmaster General will not permit the transmission or reception otherwise than by the Company of any news messages or other information for which payment is made so long as the Company is able and willing to undertake such services on terms and conditions which the Government may deem reasonable.

4. This Agreement and the rights hereby granted and the obligations hereby undertaken shall continue and endure for a period of TWENTY-FIVE (25) years from the date of the execution of these Presents or such shorter period as may coincide with the date of expiration or sooner termination of the lease dated the 4th September 1929 between His Majesty's Postmaster General for Great Britain and the Company of the Wireless Beam Stations in Great Britain subject to the right of either party hereto to determine the same under the provisions of Clause 20 hereof.

5. The Government will provide the Company with a suitable site on special terms for the purpose of the Company's Wireless Station, aerial system, plant, buildings and erections of any kind.

6. Where the Government provide office and operating accommodation in a Post Office building for the use of the Company for the purposes of this Agreement or near the Central Telegraph Office the rental shall not be greater than a sum equal to EIGHT per cent. (8%) per annum on the cost of the same.

7. The Government will provide if required by the Company a channel on the Government's landline between Mombasa and Nairobi for the purpose of transmitting international telegrams received or to be forwarded over the Company's cables and wireless means of communication and in consideration of the provision of such channel the Company shall pay to the Government an annual rental based on the cost of providing the channel plus 10 per cent. of such cost or £5 per mile, whichever is the less provided that reasonable notice of such requirement shall be given to the Government by the Company.

8. The Company undertakes efficiently and continuously to maintain and operate the said Wireless Station in conjunction with an efficient wireless station in Great Britain so as to be capable of handling all the overseas traffic of Kenya Colony and such overseas traffic from adjacent and foreign territories as can be attracted.

Provided always that the obligations of the Company under this Agreement shall cease or be suspended if and whenever and so long as the Company is prevented by causes beyond its control from fulfilling such obligations.

9. The Company shall provide service during such hours and of such an efficiency as will give satisfaction to the Government. The transfer of traffic between the Government system and the Company's system shall be effected at such points as the Postmaster General of the Colony of Kenya shall decide.

10. The Company shall be at liberty to transfer its station licences powers and authorities in Kenya Colony and its rights and obligations under this Agreement and its rights and obligations under all licences to land and operate submarine telegraph cables in the said Colony granted to it or to which it is entitled as assignee of the Eastern and South African Telegraph Company Limited to any Company (hereinafter in this clause referred to as "the subsidiary Company") which may be incorporated by it in and in accordance with the laws of the said Colony with powers to acquire and operate the same and the business of the Company in that Colony. Provided always that the subsidiary Company shall be controlled by the Company and that its constitution shall be subject to the approval of the Government and that the subsidiary Company shall enter into an agreement with the Government under which it assumes all the liabilities and obligations of the Company under this Agreement and such licences as aforesaid. Upon the execution of such Agreement the Company shall stand released from the liabilities and obligations so assumed by the subsidiary Company. Save as aforesaid the Company shall not assign alienate or otherwise dispose of its station licences powers or authorities in Kenya Colony unless the consent of the Government has been obtained in writing.

11. It is agreed—

(a) That at the expiration or earlier termination of this Agreement the Government shall have the right of purchasing any plant apparatus spares stores and other articles in Kenya Colony then belonging to the Company and used or intended for use in connection with any wireless station the property of the Company and the services conducted in connection therewith as it may decide at a fair price to be agreed or failing agreement fixed by arbitration in accordance with the stipulations of Clause 21 and the Company shall remove from the site the remaining property not purchased by the Government within a period of six months from the date such purchase as aforesaid is completed.

(b) That for the purpose of arriving at the assessable profits or income of the Company for any taxation from time to time assessable or leviable in Kenya Colony the whole of the moneys accruing to the Company in respect of telegrams originating in Kenya (less outpayments) shall be included but no part of the moneys received by the Company for the transmission of telegrams to Kenya Colony and from and to adjacent countries shall be included. Working expenses and depreciation of plant and machinery in Kenya Colony and other deductions to be ascertained and allowed in accordance with the laws in Kenya Colony.

(2) It is understood and agreed that during the continuance of this Agreement the Company will be required to take out at its own cost and expense and the Government will grant to the Company a licence in terms of the Kenya Wireless Ordinance (Chapter 118 of the Revised Edition) in respect of the services to be established under this Agreement and that during the continuance of this Agreement the Company will comply at all times with the provisions of that Ordinance or any subsequent relative legislation, and in particular will observe the stipulations of any international telegraph or radiotelegraph convention to which the Government is or shall be a party and of the regulations framed thereunder and that unless repugnant to the context expressions used in this Agreement shall have the same meanings as in such conventions and regulations.

(2) On the signing of this Agreement the Government will issue to the Company a licence in the form annexed hereto.

(3) The establishment of any wireless service, not included in the said licence, by the Company will be the subject of a fresh application for a licence under the Wireless Ordinance.

13. The Company undertakes that the rates to be charged by it to the public for transmission by wireless between Kenya Colony on the one side and Great Britain and Northern Ireland on the other during the term of this Agreement shall at all times not exceed 1s. 6d. per word for fully paid ordinary telegrams. The amount accruing to the Company after deduction of the whole of the terminal rates shall not exceed the amount which at present accrues to the wireless transmission in respect of messages between the Union of South Africa on the one side and Great Britain and Northern Ireland on the other after deduction of the whole of the present terminal rates in respect of such last mentioned messages.

Similarly the credit to the Company in respect of wireless services between Kenya and any other country direct shall not exceed the transit rate accruing to the wireless transmission between South Africa and such other country direct.

The Government on its part agrees that in the event of any increase in the rates (terminal and transit) at present in force to be paid by the Company to the Government for overseas telegrams the total charge to the public shall be augmented by the amount of such increase in the terminal or transit rates. The same principle shall be adopted in the case of reductions of the terminal or transit rates.

Subject to the stipulations of Clause 17 hereof the Government shall be entitled to payment of terminal or transit rates, for all telegrams handled by the wireless service except in respect of "service" telegrams as defined in international regulations or relating to the Company's business subject to the increase in accordance with such regulations for urgent telegrams and proportionate reductions for the cheaper classes of telegrams.

The rates of charge for other radioelectric services as and when established shall be subject to agreement between the Government and the Company.

14. All mechanical and electrical apparatus required for the purposes of the wireless system will be provided by the Company but the Government agrees in case of need to furnish the Company with such telegraph apparatus pneumatic tube equipment internal signalling bells and the like as may be available for immediate issue at a reasonable charge to be determined by the Postmaster General. It is understood that the provisions of this Clause do not empower the Company to erect any external telegraph or telephone lines.

15. The Company agrees to provide a broadcasting service on the lines of and subject to the same rights and obligations as the existing service provided by the British East African Broadcasting Company Limited to the satisfaction of the Government. If and whenever the

11. It is agreed—

(a) That at the expiration or earlier termination of this Agreement the Government shall have the right of purchasing any plant apparatus spares stores and other articles in Kenya Colony then belonging to the Company and used or intended for use in connection with any wireless station the property of the Company and the services conducted in connection therewith as it may decide at a fair price to be agreed or failing agreement fixed by arbitration in accordance with the stipulations of Clause 21 and the Company shall remove from the site the remaining property not purchased by the Government within a period of six months from the date such purchase as aforesaid is completed.

(b) That for the purpose of arriving at the assessable profits or income of the Company for any taxation from time to time assessable or leviable in Kenya Colony the whole of the moneys accruing to the Company in respect of telegrams originating in Kenya (less outpayments) shall be included but no part of the moneys received by the Company for the transmission of telegrams to Kenya Colony and from and to adjacent countries shall be included. Working expenses and depreciation of plant and machinery in Kenya Colony and other deductions to be ascertained and allowed in accordance with the laws of Kenya Colony.

12. (1) It is understood and agreed that during the continuance of this Agreement the Company will be required to take out at its own cost and expense and the Government will grant to the Company a licence in terms of the Kenya Wireless Ordinance (Chapter 118 of the Revised Edition) in respect of the services to be established under this Agreement and that during the continuance of this Agreement the Company will comply at all times with the provisions of that Ordinance or any subsequent relative legislation, and in particular will observe the stipulations of any international telegraph or radiotelegraph convention to which the Government is or shall be a party and of the regulations framed thereunder and that unless repugnant to the context expressions used in this Agreement shall have the same meanings as in such conventions and regulations.

(2) On the signing of this Agreement the Government will issue to the Company a licence in the form annexed hereto.

(3) The establishment of any wireless service, not included in the said licence by the Company will be the subject of a fresh application for a licence under the Wireless Ordinance.

13. The Company undertakes that the rates to be charged by it to the public for transmission by wireless between Kenya Colony on the one side and Great Britain and Northern Ireland on the other during the term of this Agreement shall at all times not exceed 1s. 6d. per word for fully paid ordinary telegrams. The amount accruing to the Company after deduction of the whole of the terminal rates shall not exceed the amount which at present accrues to the wireless transmission in respect of messages between the Union of South Africa on the one side and Great Britain and Northern Ireland on the other after deduction of the whole of the present terminal rates in respect of such last mentioned messages.

Similarly the credit to the Company in respect of wireless services between Kenya and any other country direct shall not exceed the transit rate accruing to the wireless transmission between South Africa and such other country direct.

The Government on its part agrees that in the event of any increase in the rates (terminal and transit) at present in force to be paid by the Company to the Government for overseas telegrams the total charge to the public shall be augmented by the amount of such increase in the terminal or transit rates. The same principle shall be adopted in the case of reductions of the terminal or transit rates.

Subject to the stipulations of Clause 17 hereof the Government shall be entitled to payment of terminal or transit rates, for all telegrams handled by the wireless service except in respect of "service" telegrams as defined in international regulations or relating to the Company's business subject to the increase in accordance with such regulations for urgent telegrams and proportionate reductions for the cheaper classes of telegrams.

The rates of charge for other radioelectric services as and when established shall be subject to agreement between the Government and the Company.

14. All mechanical and electrical apparatus required for the purposes of the wireless system will be provided by the Company but the Government agrees in case of need to furnish the Company with such telegraph apparatus pneumatic tube equipment internal signalling bells and the like as may be available for immediate issue at a reasonable charge to be determined by the Postmaster General. It is understood that the provisions of this Clause do not empower the Company to erect any external telegraph or telephone lines.

15. The Company agrees to provide a broadcasting service on the lines of and subject to the same rights and obligations as the existing service provided by the British East African Broadcasting Company Limited to the satisfaction of the Government. If and whenever the

Company desires to be relieved of this obligation the transfer of the service shall be the subject of a further agreement between the Government and the Company.

16. (1) The Company agrees to lease from the date of these presents the Government wireless station at Mombasa including all buildings installations and such land as is reasonably necessary in the opinion of the Postmaster General for its technical requirements for the period of duration of and subject to the like provisions as to termination thereof as this Agreement subject to payment to the Government of a rental of £500 per annum.

(2) The Company undertakes to maintain a twenty-four hours' service for communication with ships by means of such leased station and to maintain a service equivalent to the existing service for communication with Italian Somaliland.

(3) The Company is authorised to utilise such station, in addition to shore and ship communication and communication with Italian Somaliland and Zanzibar, for the transmission of international radioelectric communications with the Company's wireless station at Nairobi and for the purpose of any other service required by the Company and licensed by the Government which licence shall not be unreasonably withheld and to instal such apparatus and improvements as will enable the Company to work the station in the most efficient manner and the Company hereby undertakes to maintain the Government property in good order and condition subject to fair wear and tear.

(4) At the expiration or sooner termination of the lease, if the lease is not renewed, the Government will pay the Company for the cost of the improvements at their then fair value as may be agreed between the parties, and failing agreement as settled by arbitration in accordance with the stipulations of Clause 21.

17. The Company shall be allowed to collect from and deliver to the public direct any telegrams and communications to be sent or received over its cable and/or radioelectric means of communication and matters connected therewith, both at Mombasa and Nairobi and any other place in Kenya Colony it deems necessary, subject to:—

(a) The charges to the public for such collection or delivery shall in respect of telegrams dealt with by cable be identical with those made by the Government to the public for the collection or delivery of such telegrams and in the case of telegrams dealt with by wireless shall be identical with those made by the Government to the public for the collection or delivery of such telegrams irrespective as regards telegrams of each such class of whether the same are collected or delivered by the Government or the Company.

(b) On such telegrams handled solely by the Company in Kenya, the Company shall retain: (i) in respect of the telegrams dealt with at Mombasa 10 centimes (gold franc) per word of the full terminal rate (ii) at Nairobi and other places 12.5 centimes (gold franc) per word of the full terminal rate, paying the balance to the Government. Provided always that if the full terminal rate for Mombasa or Nairobi or any other place where the Company may deal with the public direct in Kenya shall be at any time reduced below 12.5 centimes (gold franc) the Company shall be entitled to retain the whole terminal rate for Mombasa or Nairobi or such other place where it deals with the public in Kenya and the Government undertakes that none of such terminal rates shall at any time be reduced below 10 centimes (gold franc). The terminal rates in respect of all classes of messages other than ordinary telegrams shall be shared between the Government and the Company in the same proportions as the terminal rates for ordinary telegrams.

The Company may undertake delivery at Mombasa of all traffic received over its means of communication intended for the Island of Mombasa, and in respect of traffic intended for Nairobi, or any other place where the Company may open offices for direct dealing with the public, within the radius of the Post Office delivery area at Nairobi or such other place or places. All other traffic shall be handed to the Post Office for disposal.

18. (1) If and whenever in the opinion of the Government an emergency shall have arisen in which it is expedient for the public service that the Government shall have control over the reception or transmission of messages by the licensed apparatus, it shall be lawful for the Government by warrant to direct and cause the licensed apparatus or any part thereof to be taken possession of in the name and on behalf of the Government and to be used for the Government's service and in that event any person authorised by the Government may enter upon the stations, offices, and works of the Company or any of them and take possession thereof and use the same as aforesaid. Provided that any information thereby gained with regard to the Company's apparatus and system shall be regarded as confidential.

(2) The Government may if and whenever it considers such an emergency as aforesaid to have arisen instead of taking possession of the licensed apparatus or any of them direct or authorise such persons as it may think fit to assume the control of the transmission of messages and other communications by the licensed apparatus and of the delivery of messages or other communications received thereby either wholly or partly and in such manner as it may direct and such persons may enter

the Company's premises accordingly or the Government may direct the Company to submit to it or any person authorised by it all telegrams or other communications tendered for despatch by or received by the licensed apparatus or any class or classes of such telegrams, to stop or delay the transmission and/or delivery of any such telegrams or communications or deliver the same to the Government or its agent and generally to obey all such directions with reference to the transmission and/or delivery of telegrams and other communications as the Government may prescribe and the Company shall obey and conform to all such directions.

(3) In any such case as is mentioned in Sub-Clause (1) or Sub-Clause (2) aforesaid if the Company shows that during the exercise of any of the powers therein reserved its receipts from working the licensed apparatus with respect to which the said powers have been exercised have been less than its receipts from the same source during the corresponding period in the last year there shall be paid to the Company as compensation for any loss of profits sustained by the Company by reason of the exercise by the Government of any of the powers hereby reserved such sum as may be settled between the Government and the Company by agreement or as in the case of difference may be determined by arbitration provided always that no such compensation as aforesaid shall be paid if and so far as the powers hereby reserved to the Government are exercised for the purposes of preventing direct communication with any of His Majesty's enemies and save with the consent of the Government no such compensation shall be paid if and so far as the powers aforesaid are exercised for the purposes of preventing indirect or suspected communication with any of His Majesty's enemies or of protecting the interests of His Majesty under the apprehension of impending War.

(4) In estimating such compensation as in the last Sub-Clause provided the Arbitrator shall take into account all the circumstances of the case including not only any such loss as aforesaid but also any additional profit accruing to the Company (whether from the use of the licensed apparatus so taken possession of or controlled or from any other means of communication used by it) from the emergency which gave rise to the exercise of the powers aforesaid. And as regards the licensed apparatus with respect to which the said powers have been exercised the receipts of the Company during the corresponding period in the last year shall be deemed to be the receipts which the Company would have taken during the period of the exercise of the said powers had the powers not been exercised.

(5) In this Clause the expression "the last year" means the period of 12 calendar months ending on the day before that on which the powers conferred by this Clause shall be exercised.

19. The accounts in respect of traffic exchanged over the Company's means of communication shall be settled in accordance with the stipulations of the International Telegraph Regulations for the time being in force.

All charges for telegrams shall be collected at the equivalent of the notified gold franc rates and payment shall be made to the Company in sterling.

20. Notwithstanding anything hereinbefore contained if the Postmaster General considers that the efficiency of the said wireless station (*force majeure* excepted) is inadequate for the purpose of maintaining a commercial service with Great Britain in accordance with the provisions of this Agreement he may give to the Company notice in writing specifying the respects in which the station is alleged to be inefficiently worked or maintained. If the Company fails within six months of notice being given adequately to remedy such defects and render the working and maintenance of the station efficient, or if the said service is interrupted for a period of thirty successive days through the neglect or default of the Company, this Agreement may be determined forthwith.

21. Any difference between the parties hereto in any wise relating to or arising out of this Agreement shall be referred to the decision of a single arbitrator in accordance with the Arbitration Ordinance (Chapter 18. Revised Edition) to be agreed upon between the parties or failing such agreement to be nominated by the person for the time being discharging the duties of Chief Justice of the Colony.

22. The Company agrees that from the date a service for full rate ordinary telegrams is opened over the wireless circuit between Kenya and Great Britain the net rates accruing to the cable transmission for ordinary telegrams between Kenya and the undermentioned countries shall be reduced as follows with proportionate reductions for the cheaper classes of traffic:—

Great Britain	1s. 6d. per word.
Union of South Africa	1s. 6d. per word.
India	1s. 2d. per word.

To these rates must be added the terminal rates of the countries concerned.

23. All notices to be given by either of the parties hereto to the other shall be forwarded by registered letter addressed as follows:—

To the Government:

THE POSTMASTER GENERAL,
Nairobi,
(Kenya Colony).

To the Company :

THE MANAGER (or Representative),
Imperial and International
Communications Limited,
Nairobi.

24. The Crown Agents for the Colonies enter into this Agreement as agents only and for the purpose of binding the Government. They shall not nor shall any member or officer of the Government be in any way personally liable for or in respect of any matter or thing herein contained or to be done or suffered hereunder.

IN WITNESS whereof SIR HENRY CHARLES MILLER LAMBERT one of the Crown Agents for the Colonies has hereunto set his hand and the Company has caused its Common Seal to be hereunto affixed the day and year first above written.

Signed by the said SIR HENRY CHARLES
MILLER LAMBERT one of the Crown
Agents for the Colonies in the
presence of:—

HENRY LAMBERT.

H. C. RANSOM

of 4 Millbank S.W.1

Civil Servant.

The Common Seal of IMPERIAL AND
INTERNATIONAL COMMUNICATIONS
LIMITED was hereto affixed in the
presence of:—

SEAL.

G. PEEL *Director.*

EDWARD WILSHAW *General Manager and Secretary.*

WIRELESS TELEGRAPHY ORDINANCE.
LICENCE.

WHEREAS by reason of the provisions of the Wireless Telegraphy Ordinance (Chapter 118 of the Revised Edition) it is unlawful to establish any Wireless Telegraphy Station or instal or work any apparatus for Wireless Telegraphy in any place in the Colony except under and in accordance with a licence granted in that behalf by the Governor of the Colony;

AND WHEREAS the Governor has by Government Notice No. 129 of 1927 deputed the person for the time being holding the office of Postmaster General of the Colony and Protectorate of Kenya (hereinafter referred to as "the Postmaster General") to exercise the powers of granting licences conferred on the Governor by the said Ordinance;

AND WHEREAS by an agreement entered into between the Government of Kenya (hereinafter referred to as "the Government") and Imperial and International Communications Limited (hereinafter referred to as "the Company") on the day of 1931, the Company undertook to establish a wireless station at or near Nairobi for the purpose of establishing certain services therein described;

AND WHEREAS under the said Agreement the Government have agreed to grant to the Company a licence in terms of the said Wireless Ordinance (Chapter 118 of the Revised Edition) in respect of the services to be established under the said Agreement.

NOW THEREFORE, a licence is hereby granted to the Company—

A. To maintain and operate a wireless station for the purpose of providing a means of direct wireless telegraph communication with Great Britain, subject to and in accordance with the terms and conditions of the aforesaid Agreement.

B. To maintain and operate a broadcasting service as agreed to in the Agreement aforesaid subject to the conditions hereinafter appearing.

1. In the construction of this licence, unless the context otherwise requires:

"Telephone" means and includes any telegraphic transmitting or receiving instrument used or intended to be used for the purpose of transmitting or receiving spoken messages or communications or music by electricity.

"Colony" means the Colony and Protectorate of Kenya.

"Person" includes any Company or Association or body of persons corporate or unincorporate.

To the Company :

THE MANAGER (or Representative),
Imperial and International
Communications Limited,
Nairobi.

24. The Crown Agents for the Colonies enter into this Agreement as agents only and for the purpose of binding the Government. They shall not nor shall any member or officer of the Government be in any way personally liable for or in respect of any matter or thing herein contained or to be done or suffered hereunder.

IN WITNESS whereof SIR HENRY CHARLES MILLER LAMBERT one of the Crown Agents for the Colonies has hereunto set his hand and the Company has caused its Common Seal to be hereunto affixed the day and year first above written.

Signed by the said SIR HENRY CHARLES
MILLER LAMBERT one of the Crown
Agents for the Colonies in the
presence of :—

HENRY LAMBERT.

H. C. RANSOM

of 4 Millbank S.W.1
Civil Servant.

The Common Seal of IMPERIAL AND
INTERNATIONAL COMMUNICATIONS
LIMITED was hereto affixed in the
presence of :—

SEAL.

G. PEEL *Director.*

EDWARD WILSHAW *General Manager and Secretary.*

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AND WHEREAS under the said Agreement the Government have agreed to grant to the Company a licence in terms of the said Wireless Ordinance (Chapter 118 of the Revised Edition) in respect of the services to be established under the said Agreement.

NOW THEREFORE, a licence is hereby granted to the Company—

A. To maintain and operate a wireless station for the purpose of providing a means of direct wireless telegraph communication with Great Britain, subject to and in accordance with the terms and conditions of the aforesaid Agreement.

B. To maintain and operate a broadcasting service as agreed to in the Agreement aforesaid subject to the conditions hereinafter appearing.

1. In the construction of this licence, unless the context otherwise requires:

"Telephone" means and includes any telegraphic transmitting or receiving instrument used or intended to be used for the purpose of transmitting or receiving spoken messages or communications or music by electricity.

"Colony" means the Colony and Protectorate of Kenya.

"Person" includes any Company or Association or body of persons corporate or unincorporate.

LICENCE
1931.

mer
as i

ll during the currency of the aforesaid Agreement
mission from the Postmaster General (subject

(a) To maintain and operate Wireless Telegraph Stations for broadcasting purposes at such places in the Colony as shall be selected by the Company and approved in writing by the Postmaster General and therein to maintain and operate apparatus for Wireless Telegraphy of which the transmitting and receiving instruments shall be telephones (which apparatus is hereinafter called "the licensed apparatus");

(b) To transmit by means of the licensed apparatus spoken messages or music constituting broadcast matter;

(c) To receive messages by means of the licensed apparatus and to re-transmit such messages.

3. The Company shall broadcast daily (Sundays included) between 7 p.m. and 10 p.m. but this shall not preclude the Company from broadcasting during additional hours should it so desire.

4. Transmission by means of the licensed apparatus shall (except with the consent in writing of the Postmaster General) be only on wave lengths between 50 and 150 metres in length as measured by the standard of measurement in use by the Post Office for the time being. The normal or carrier wave length essential for each station shall be maintained as constant as possible during transmission and from day to day. Each station shall be worked with a power input to the main high frequency generator of not less than four kilowatts and not more than ten kilowatts at the option of the Company. The broadcasting stations shall be operated by competent operators and all persons employed in the working thereof shall be British subjects.

5. The Company shall, so soon as each broadcasting station shall be completed, make application to the Postmaster General for its connection with the Post Office telephone system (including the trunk telephone system) and the Postmaster General shall accede to such application upon the same terms and conditions as those upon which he would supply a private subscriber and the Company shall enter into the usual subscriber's agreement with the Postmaster General for the provision and maintenance of the necessary connections and shall, during the continuance of this licence, observe and perform the provisions of such agreement and pay to the Postmaster General all sums due to him thereunder.

6. The Company shall observe the provisions of the International Radiotelegraph Convention and Regulations for the time being in force.

7. The Company shall maintain and operate a Broadcasting Station of the latest type powerful enough to provide efficient reception on a 4-valve receiving set over the territory of the Colony excluding such particular places or areas where by reason of geological or other local conditions the efficiency of the reception may be adversely affected.

8. No other broadcasting licence shall be issued within the Colony during the currency of any renewal or renewals of the licence nor during such period or periods shall any service of broadcasting be instituted by the Postmaster General.

9. The Company shall pay to the Postmaster General during the currency of this licence a fee of shillings two hundred per annum or part thereof payable in advance on the 1st day of January in each and every year.

10. The fees laid down to be payable in respect of receiving licences in the Wireless Telegraphy Rules for the time being in force shall be the fees payable provided that the Company may, by giving six months' previous notice, request the Postmaster General to endeavour to secure the reduction of any or all of such fees as it may consider desirable and the Postmaster General shall then request the Governor-in-Council to reduce such fees accordingly subject to the Company furnishing reasonable guarantees that the continuity of the service shall not be prejudicially affected by such reduction during the period of the licence and provided further that the portion of the fees accruing to the Postmaster General shall not be reduced.

11. The Postmaster General shall make every reasonable effort to secure the payment of the receiving licence fees and agrees to take such action as he may deem necessary and as he may lawfully take against offenders in this respect.

12. The Postmaster General shall take all reasonable and lawful steps to prevent contravention of Rule 20 of the Wireless Telegraphy Rules, or any Rule amending or replacing the same and he shall take suitable action, when necessary, against all offenders under the said Rule.

13. It is understood and agreed that nothing contained herein shall have any application to the licences granted by the Postmaster General for the use of Wireless Telegraphy for experimental purposes or for commercial purposes and shall not oblige the Postmaster General to terminate licences for the use of Wireless Telegraphy for any purpose which shall be in operation at the date of this licence.

14. The Company shall not, without the consent in writing of the Postmaster General, assign, mortgage, underlet or otherwise dispose of

this licence or of the powers or authorities granted by this licence or the benefit or advantage and the covenants and provisions herein contained or any of them.

15. If so required by the Postmaster General, the Company shall, at its own expense, establish and maintain a suitable broadcasting receiver for use at such place as the Postmaster General may determine, but the Company shall not be required to work such receiver.

16. In addition to any other rights which the Postmaster General may have under this licence, he shall also have the right to rent and use the licensed apparatus for public purpose at the rate of shillings twenty (20s.) per half-hour or part thereof and the Company shall provide at its own expense all the necessary facilities for such use.

17. It is hereby agreed that this licence is issued subject to the provisions of any Ordinance for the time being in force and to the conditions and restrictions contained herein and to those set forth in the Wireless Telegraphy Rules, and in any Rules which may amend or replace the Wireless Telegraphy Rules.

18. Any notice, request or consent (whether expressed to be in writing or not) to be given by the Postmaster General may be under his hand or under the hand of any person authorised by him in this behalf and may be served by sending the same by registered letter addressed to the Company's Manager or representative at Nairobi, and any notice to be given by the Company may be served by sending the same by registered letter addressed to the Postmaster General.

19. Should the Company at any time commit any breach of any of the terms and conditions of this licence, the Postmaster General may cancel this licence and upon such cancellation the licence shall become null and void.

Postmaster General.

this licence or of the powers or authorities granted by this licence or the benefit or advantage and the covenants and provisions herein contained or any of them.

15. If so required by the Postmaster General, the Company shall, at its own expense, establish and maintain a suitable broadcasting receiver for use at such place as the Postmaster General may determine, but the Company shall not be required to work such receiver.

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17. It is hereby agreed that this licence is issued subject to the provisions of any Ordinance for the time being in force and to the conditions and restrictions contained herein and to those set forth in the Wireless Telegraphy Rules, and in any Rules which may amend or replace the Wireless Telegraphy Rules.

18. Any notice, request or consent (whether expressed to be in writing or not) to be given by the Postmaster General may be under his hand or under the hand of any person authorised by him in this behalf and may be served by sending the same by registered letter addressed to the Company's Manager or representative at Nairobi, and any notice to be given by the Company may be served by sending the same by registered letter addressed to the Postmaster General.

19. Should the Company at any time commit any breach of any of the terms and conditions of this licence, the Postmaster General may cancel this licence and upon such cancellation the licence shall become null and void.

Postmaster General.

C. O.

X17021/A13. 6/29

Recd. 4-40 PM 7/10/31

Rel: Section to code but not to send

[Despatched by 9/10/31 v No 1] per minute
I.V.C. Ltd

Mr. [unclear]

Mr. [unclear]

Mr. Tomlinson

Sir C. Bottomley.

Sir J. Shuckburgh.

Sir G. Grindle.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

for concision

DRAFT. code tel.

Spruner

Naivote

No. 307.

You tel: no 309

radio. [unclear]

Company state that legal formalities are necessary at this sort and are in hands of [unclear] lawyers. They Company ask that present arrangements should continue for a short time until legal requirements can be arranged.

[In the circumstances I suggest company should be allowed fortnight's grace and have so informed them]

SECRET.

~~an assumption that you~~

~~will appear~~

Secur

x 17021/A181 k 30
00

C. O.

Mr. Eastman?
Mr. Dexter?
Mr. Verno?
Mr. Tomlinson.

Sir C. Bottomley.
Sir J. Shuckburgh.
Sir G. Grindle.
Parlm. U.S. of S.
Parly. U.S. of S.
Secretary of State.

For Mr Verno's sig

C.D.
R 7-OCT
D 7

unread
61

Dear Munro

(GMC/M) Thank you for your
letter of the 7th Oct.

In the circum-

-stances ~~concerned~~ it is
proposed to send a telegram
to Kenya on the lines
you suggest [i.e. saying that
we think existing
arrangements should stand
for a fortnight] I am
sure you realize however that
Kenya are very anxious to
get things finally settled up.
[as soon as possible & they

DRAFT.

for conia

Re: J. J. Munro
OBS. etc.

Tel. to Kenya.
Original code version
of tel. in 8/1/48.

that [the end of the fortnight
if your lawyers will have
finished their work & you will
have been able to authorize
the ~~termination~~ your local
representative to terminate
the existing agreement.]

It is kind of you
to offer to send the
tel: ~~to~~ copy (see of change).

I enclose the coded
version all ready for despatch.

Yours sincerely

(over) R. V. Vernon

31 59

Telephone
LONDON WALL 3240

Imperial and International
Communications Limited
Electric House, Moorgate,
London, E.C.2. 6th October, 1931.

Telegraphic Address
"EMPIREGRAM, AVE LONDON"

ALL COMMUNICATIONS
TO BE ADDRESSED TO
THE GENERAL MANAGER
AND SECRETARY
THE REFERENCE AND DATE OF
THIS LETTER BEING QUOTED

GMC/M

Dear Vernon,

With reference to your letter 10721/A/31 of the 5th October, I should be glad if you would kindly inform the Governor of Kenya by telegraph, if you agree to do so, in connection with the termination of the existing agreement with the local Kenya Company, that legal formalities are necessary at this end and are in the hands of the Company's lawyers and that the Company would ask that in the meantime the present arrangements should continue for a short time until the legal requirements can be arranged.

If this telegram is approved we shall be glad to send it for you free of cost, in which case perhaps you will kindly inform me.

Yours sincerely,

[Signature]
General Manager (Communications).

R. V. Vernon Esq: C.B.,
COLONIAL OFFICE,
S.W.1.

Amud 5.0 5/10/31

O. O.

5-2
OCT 1931

O.D.
R 5-OCT
D 6-a

Mr. [unclear] 5/10

Mr. Vernon 5/10 f.i.

Mr. Tomlinson

Sir C. Bottomley

Sir J. Shuckburgh

Sir G. Grindle

Permt. U.S. of S

Parly. U.S. of S

Secretary of State

for [unclear] file
[unclear] d
[unclear] 31

My dear [unclear]

Would you please have a look at the enclosed telegram from the Governor of Kenya about the agreement with the I.I.C., as to the ~~radio~~ wireless & cables communications of the Colony?

DRAFT.

Major J. J. Munro
O.P.S. H.C.

As I understand the position it is this. The text of the Agreement & license having been finally settled, the I.I.C. signatures were appended to the Agreement & it was sent to the Crown Agents for the Colonies for signature (They signed on the 28 September.)

Tel: from [unclear] no 309
from [unclear] copy [unclear]

(The Agreement

~~Kenya~~ of a licence, in ~~the terms~~
~~set the terms of which are set out~~
in an annexure to the ~~agreement~~.

that on the signing of the
Agreement, the local govt. will
issue a licence to the company
on the terms of the licence
are set out in an annexure to
the agreement. Kenya therefore

having been told that the
Agreement ^{had been} ~~was~~ signed approached
you ~~the~~ local representative regarding
the issue of the licence, with the
details shown in this telegram.

Our govt realize that
your people must also be assured
under with work just at present
but it seems to us that there
ought not really to be any difficulty
about this - & that the cancellation
of the existing licences & agreement
should be

Mr.

Mr.

Mr.

Mr. Bottomley.

Sir F. Harding.

Sir J. Shuckburgh.

Sir G. Grindle.

Sir C. Davis.

Sir S. Wilson.

Mr. Ormsby-Gore.

Lord Lovat.

Mr. Amery.

DRAFT.

course from the signature of
the new Agreement. Could
you possibly get the matter
attended to & instructions
sent to your local representatives
to have the existing licences
& agreements cancelled? We
don't want if we can
help it to be written
formally to the Company.

Yrs sincerely

Sgd Gerald S. Olsson
for R.V. Vernon

DECODE

RECEIVED
- 3 OCT 1931
COL OFFICE

17021A

34 57

16/91

✓ 15

Telegram from the Governor of Kenya

to the Secretary of State for the Colonies.

Dated 2nd October 1931. Received 6.40p.m 2nd October.

No. 309

Your telegram No. 292 Radio Agreement. Local representative of Communications Company having had no advice of signing of the agreement on 28th September telegraphed his Principals in London for instructions regarding cancellation of existing licences and agreement with local Broadcasting Company and has been informed in reply that matter cannot be attended to for ten days owing to pressure of other business. Local position most unsatisfactory and new licences has not been issued as obviously undesirable to have two licences on this subject in force concurrently. I consider that exception should be taken to the manner Company are handling this matter. Glad if representations may be made to them.

Copy to Maj J J Moore 30.5/10/31

X1704/A (3) k 5/35

C. O.

Mr. *Lawrence*

Mr.

Mr.

Mr. Tomlinson.

● Sir C. Bottomley

Sir J. Shuckburgh

Sir G. Grindle.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

for carbon

DRAFT. code tel

Important

Spencer

Nairobi

*coded & sent
7.0 pm
25.9.31
JHW*

12

No. 292. in Dep. of 24 July

no. 517 radio agreement

will be resumed on

Monday 28th September

Secer

(39)

46 OCT 1931

Copy to C.O.

1 a 1/2

C. O.

Mr. Chamberlain 7/5
Mr. Drexler
Mr. Allen
Mr. Tomlinson

Sir C. Bottomley
Sir J. Shuckburgh
Sir G. Grindle
Permt U.S. of S
Parly U.S. of S
Secretary of State

for Mr. Tomlinson's signature

C.D.
R 8 SEP
D 8 21

Phillips

Dear Phillips

DRAFT. *conson*

JWP Phillips by

P.O.

... am afraid that I have not thanked you yet for your letter of the 12th August containing a suggested amendment to the clause in the draft agreement between Kenya and the Imperial and International Communications Ltd regarding the payment by the Company for a channel in the Govt's land line between Mombasa and Nairobi. As our legal people still has ~~the meaning that we~~ doubt we

thought that after all it would be better to refer the matter to the Governor and his suggested amendment of the clause is "and in consideration of the provision of such channel, the Company shall pay to the Govt. an annual rental based on the

cost of providing the demand
plus 10% of such cost.... We
have accordingly accepted the
treatment and have incorporated
it in the draft agreement which
should shortly be received.

Although we were not able
to use the exact form of words
suggested by you, we are sure
the law is settled to you for the
trouble which you have taken
in this matter.

Yrs. sincerely,

Signed H. T. ALLEN

Not to you will be from
of the fact that
of the letter & the fact
that working has
been accepted that to
the Company. I
suppose as compared
with your working it is
a distinction
without much
difference: but in
any case I am
grateful to you
for being - so
always - so
ready to assist
us.

C. O.

X.17021/31.K.

Mr. Eastwood 14.8.

Mr. ~~Frank~~ 16/8

Mr. Allen 26/8

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Sir G. Grindle.

Perm. U.S. of S.

Parly. U.S. of S.

Secretary of State.

for conson

3 **DRAFT.**

CROWN AGENTS

To I.I.C. 31/8/31
dit H.W. 2/9/31

Print of Agreement
to be in file
(not the typed copy)

Copy to Gov. of infn.

C.D.
R 27AUG
D 27
45
37

Downing Street,
31 August, 1931.

Gentlemen,

With reference to the

(387) letter from this Dept. of the 24th July
I am etc. to transmit to you a copy of
a letter which has been sent to the
General Manager of Imperial and
International Communications Ltd. inform-
ing him that, subject to certain further
amendments, the Gov. of Kenya agrees
to the final draft of the Agreement and
Licence regarding the overseas and radio
communications of the Colony.

2. I am now to authorise you,
on receipt of a communication from the
company to the effect that they agree with
these further amendments, to proceed
to the execution of the Agreement. The
date of execution should be notified
to this Dept. in advance in order that
arrangements

copy - 6/8. 4 SEP 1931

Recd for info
H.T. Allen

C. O.

Mr. Eastwood 14.8.

Mr. Allen 26/8 JS

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Sir G. Grindle.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

for conson.

3 DRAFTS

The General Manager
(Communications)
Imperial & International
Communications Ltd.

Downing Street,

5731 August, 1931.

Sir,

(37)

With reference to the letter

from this Dept. of the 24th July, I am

etc. to inform you that a telegram ~~has~~

now been received from the Gov. of Kenya

~~stating that he~~ ^{has now} agreed to the final drafts

of the Agreement and Licence between your

Company and the Govt. of Kenya regarding

the overseas and radio communications

of the Colony subject to the following

alterations:-

(1) The addition to the proviso to
Clause 3(2) of the Agreement of the words
"on terms and conditions which the Govt.
may deem reasonable".

(2) An amendment to Clause 7 of the
Agreement to make it clear that the pay-
ment referred to is an annual payment.
For this purpose it is proposed to delete
the words "at cost plus ten per cent"

between

Copy to Gov. Lf. infn.

Copy to Gov. Lf. infn. 31 AUG 1931
Copy to Gov. Lf. infn. 2 SEP 1931
Copy to Gov. Lf. infn. 2 SEP 1931
A.I.

arrangements may be made for the Licence to
be issued locally on the same day.

3. The print of the draft Agreement
and Licence, which was sent back to this Office
as a result of a semi-official request, is now
returned.

I am, etc.

and to
between "communication" and "or" substitute
the following words: "and in consideration of
the provision of such channel, the Company shall
pay to the Govt. an annual rental based on the
cost of providing the channel plus 10% of such cost"

(3) The omission of the second paragraph of
Clause 9 of the Licence. The Gov. points out
that the allocation of the fee is provided for
in the Wireless Telegraphy Rules and that the
paragraph is therefore unnecessary. In addition
he states, that *the particulars are* ~~it is~~ not now accurate as provision
for half-year licence has just been made on
representations from the local representative
of your Company.

2. If, as is assumed, you have no
objection to these alterations, you will no doubt
communicate with the C.A. for the Cols. (to whom a
copy of this letter is being sent) regarding the
completion of the Agreement.

I have, etc.

(Signed) H. T. ALLEN

TELEGRAM from the Deputy Governor of Kenya to the Secretary
of State for the Colonies.

39

Dated the 20th August, 1931. Received at 3.5.p.m. on the
20th August.

No. 45

No.264. Your telegram No.255. Radio. Delete words " at
(the)cost plus 10 per cent " between word " communication"
and " or " and insert the following " and in
consideration of provision of such channel the Company
shall pay to the Government an annual rental based on
cost of providing channel plus 10 per cent of such cost".

~~Handwritten scribble~~

4B
40

GENERAL POST OFFICE, LONDON, E.C.1

12 August, 1931

Dear Allen,

With reference to your letter of the 11th August (17021/31), I would suggest that the words in the clause in question - "at cost plus 10 per cent or 25 per mile which ever is the less" be replaced by the following words "the annual rental for such channel being fixed at a sum representing ~~an~~ ^{the} average cost per annum of its provision plus 10 per cent or at the rate of 25 per mile which ever is the less".

This is, I am sure, the intention of both parties and would no doubt be acceptable to both of them.

Yours sincerely,

F. W. Phillips

H. P. Allen, Esq.

9 - SEP 1931

41 42

Downing Street,

11th August 1931.

17031/33

Dear Phillips,

In the draft agreement between Kenya and Imperial and International Communications, Limited, regarding ^{the} over-sea and radio communications of the Colony the following clause occurs :-

"The Government will provide if required by the Company a channel on the Government's land line between Mombasa and Nairobi for the purpose of transmitting international telegrams received or to be forwarded over the Company's cables and wireless means of communication at cost plus 10 per cent, or £5 per mile which ever is the less, provided that reasonable notice of such requirement shall be given to the Government by the Company".

A telegram has now been received from the Governor asking that "the clause should be amended to make it clear that the payment is an annual rental".

F.W. PHILLIPS, ESQ

I am afraid it is not clear to us what amendment should be made. The agreement does not lay down ^{how} ~~the~~ cost is to be ascertained, and it seems to us therefore that a ~~radical~~ ^{some} redrafting of the clause is required. I spoke to you on the telephone, and you very kindly said that you would have a redraft prepared for us. I understand that the provision is more or less common form, and it is only a question of getting the right wording.

Yours sincerely,

H-T-A

DECODE

43 AI

TELEGRAM from the Deputy Governor of Kenya to the Secretary of State for the Colonies.

Dated the 7th August, 1931. Received at 5.20.p.m. on the 7th August.

No. 249
Rule 1155 cont. 17 Aug 31

No. 249. Your despatch of 24th July No. 517. Final draft of agreement and licence agreed to subject to the following Agreement: Clause 3 (2) Desirable to add the following words "on terms and conditions which the Government may deem reasonable". Clause 7. Clause should be amended to make it clear that payment is an annual rental. Licence Clause 9. Second paragraph appears unnecessary as allocation of fee is provided for in Wireless Telegraphy Rules. Also particulars of new allocation on provision for half year licence has just been made in the representations from Company's local representative.

3944

C. O.

Mr. Eastwood. 27
Mr. Duncanson. 23/7/31
Mr. Vernon. 23
Mr. Parkinson. 24
Mr. Tomkinson.

AIR MAIL

Downing Street.

24 July, 1931.

Sir C. Bottomley.
Sir J. Shuckburgh.
Sir G. Grindle.
Permt. U.S. of S.
Parly. U.S. of S.
Secretary of State

Handwritten: AREA No. 744

Sir,

With reference to my despatch

3 DRAFT for consen.

(35)

No. 462 of the 2nd July, I have the honour to transmit to you the accompanying

KENYA

NO. 517

GOV.

Vertical handwritten: Copy to C.O. 24 JUL 1931

From I.I.C. 17.7.31
36.

To I.I.C. 24.7.31.
draft hw.

Agreement and Licence
1 print of encls. to 36.

To C.A. 24.7.31. to 36
dit. hw. without encls.

copy of further correspondence with the Imperial and International Communications ^{limited} ~~Company~~ on the subject of the draft Agreement and Licence regarding the overseas and radio communications of the Colony. One copy of the print of the documents (with the further additions suggested by the Company in manuscript) is also enclosed with a copy of a letter to the Crown Agents for the Colonies.

2. I ^{have} ~~am~~ to request you ^{that} ~~to~~ inform me ~~at an early date~~ by telegram whether

the

the final drafts of the two documents are considered satisfactory. On receipt of a telegram to this effect, the Crown Agents will be authorized to execute the Agreement. I will ~~notify you~~ ^{telegraph} the date of ^{execution of the} ~~Agreement by telegram~~ ^{in advance} in order that the Licence may ~~thereupon~~ be issued to the Company ^{locally, on the same date.} I have, etc.

(Signed) PASSFIELD.

(see no. 30 - there is no real reason to do this.)
no letters in paying of an acct

C. O.

X. 17221/31 K.

58
45

Mr. Eastwood 27
Mr. Duncan 24/7/31
Mr. Vernon 23
Mr. Parkinson 26/8.
Mr. Tomlinson.

Sir C. Boddamley.
Sir J. Shuckburgh.
Sir G. Grindle.
Permt. U.S. of S.
Partly. U.S. of S.
Secretary of State.

for conson. (26 on 16020/30)

3 DRAFT.

The Crown Agents
for the Colonies.

From I.L.C. 17.7.31.
36.

To -do- 24.7.31
dft. hw. 37.

Agreement and Licence
1 print (of encls. to 36.

To Gov. 24.7.31.
dft. hw. no 517
(39)

Copy this - Cas 517 - 24 Jul 1931

Downing Street,

24 July, 1931.

Gentlemen,

With reference to semi-official correspondence ending with your minute O/Kenya 78 of the 30th September 1930 I am etc. to transmit to you a copy of correspondence with the General Manager of Imperial and International Communications Limited on the subject of the draft Agreement between that Company and the Government of Kenya regarding the overseas and radio communications of the Colony. One copy of the print of the draft Agreement is also enclosed, together with a copy of a despatch which has been sent by air mail to the Governor of Kenya. It will be observed

C. O.

X.17021/31. K.

Mr. Eastwood 27
Mr. Duncan 23/7/31
Mr. Vernon 23
Mr. Parkinson
Mr. Tomlinson

Sir C. Bottomley.
Sir J. Shuckburgh.
Sir G. Grindle.
Perm. U.S. of S.
Parly. U.S. of S.
Secretary of State.

Handwritten signature
40

Downing Street.

24 July, 1931.

Sir,

I am directed by Lord Passfield

to acknowledge the receipt of your letter
(G.M. (C))

of the 17th July in which you forwarded
prints of the draft Agreement between
your Company and the Government of Kenya

regarding the overseas and radio communica-
tions of the Colony and suggested ~~one~~ *and the draft licence, certain*

~~of the~~ further alterations of the text.

2. The Secretary of State

appreciates your offer to send any telegram
on this subject to the Governor of Kenya
as a service message. In view however,
of the substantial alterations which have

been made since the date of the latest com-
plete draft (namely that enclosed in the
letter from this Department No. 1602, 3,

of the 20th September, 1930), it has been
thought desirable to send one copy of
the

3 DRAFTS for comment. (36)

The General Manager
(Communications)
Imperial and International
Communications, Ltd.

*Copy to C. C. 24 JUL 1931
Com. Gov 517. 24 JUL 1931*

20a
16020/2

(Signed) A. C. C. PARKINSON

the print to the Governor by ~~hand~~
air mail; he has been asked to inform the
Secretary of State by telegraph whether
he agrees with the final draft now put

forwarded to the Secretary the Brown Agents
The Agents are being requested to have
modifications in
~~modifications and additions to the~~
draft which are to be put to execution.

It is said they will no doubt communicate

with the Secretary ~~of State~~
and be ready to incorporate
the following ~~modifications~~
in the following ~~modifications~~:-

1st Agreement.

Clause 10, line 2, the word "power" to
be read as "powers"

Clause 17, page 7, line 14, words "gold
and silver" to be inserted in brackets after "12.5
percentages".

Article 1, Preamble paragraph 3, 1930
Preamble line 3: "1930"
to be altered to "1931".

Clause 1 to end ~~and~~ ~~commencing with the first~~
~~date~~ "commencing with the"
1st January, 1932

(Signed) A. G. PARKINSON

Telephone
LONDON WALL 2240

Telegraphic Address
"EMPIRE" 4, AVE LONDON"

Imperial and International
Communications Limited
Electra House, Abchurch Lane,
London, E.C.C. 17th July 1931

ALL COMMUNICATIONS
TO BE ADDRESSED TO
THE GENERAL MANAGER
AND SECRETARY
THE REFERENCE AND DATE OF
THIS LETTER BEING QUOTED

GM(C).

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

RECEIVED
20 JUL 31
COL. C.

Lee

Sir,

KENYA.

With reference to your letter of the 30th ult. we now send you herewith for your final approval the print of the draft agreement in duplicate.

In explanation of the additions which have been made in the agreement we would make the following observations :

Clause 3 (2) :

" Provided always that the Postmaster General will not permit the transmission or reception otherwise than by the Company of any news messages or other information for which payment is made so long as the Company is able and willing to undertake such services."

We think it will be agreed that such a proviso which is in accordance with the spirit of the agreement, is desirable in order to prevent the possibility of any misunderstanding on this point in the future.

Clause 3 (4) :

This we think will be self explanatory.

Unread
} 24 JUL 1931
Copy of (incl. print) to C.A.
Copy (1/2 incl. print) - Gov. 5/10 - 24 JUL 1931

Clause 17 Final Paragraph :

Since the agreement was first drafted we have informed the Postmaster General that we do not intend at present to exercise our option to collect and deliver at Mombasa and Nairobi, to which he has agreed.

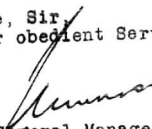
Clause 19 :

This provision is usual and well understood but we think it desirable that it should be included for the sake of clarity.

In view of the fact that we are both desirous of completing the agreement as soon as possible, if it is thought necessary to refer these points to the authorities in Kenya, we shall be pleased in order to expedite the matter, to send any telegram on your behalf as a service message.

We shall be obliged if you will make the minor drafting amendments incidental to execution by the Crown Agents as mentioned in your letter of the 10th December last, and on receiving the draft agreement approved by you we will have it engrossed for execution.

We are, Sir,
Your obedient Servant,


General Manager (Communications).

Telephone
LONDON WALL 3240

Imperial and International
Communications Limited

Electra House, Moorgate

London, E.C. 2 26th June 1931

GMC/C

The Under Secretary of State,
COLONIAL OFFICE,
S.W.1.

RECEIVED
17 JUN 1931
COL OFFICE

Sir,

Kenya.

We beg to acknowledge the receipt of your letter of the 5th instant, Reference 17021/31, from which we note that the amendments suggested in our letter of the 26th March last are accepted

Proposed new Clause: As requested we enclose the text of a Rider which we suggest should be inserted at the beginning of the existing clause 10, and, assuming this will meet with your approval, we are having the draft agreement (containing the various amendments which have been agreed set up in print and we will send you copies for your final approval of the text, when you can make the minor drafting amendments incidental to execution by the Crown Agents as mentioned in your letter of the 10th December last.

Since writing our letter of the 26th March last arrangements have been made with the General Post Office under which they transfer to us the operation of the service to Kenya from the 1st July next and we have undertaken to introduce the full-rate service on the 1st September next.

We are, Sir,

Your obedient Servants,

[Signature]
General Manager (Communications)

Recd 30.6.1931
Copy (4 incl.) to Ken. H62
2nd July 31

The Company shall be at liberty to transfer its station licenses powers and authorities in Kenya Colony and its rights and obligations under this Agreement and its rights and obligations under all licenses to land and operate submarine telegraph cables in the said Colony granted to it or to which it is entitled as assignee of the Eastern and South African Telegraph Company Limited to any Company (hereinafter in this clause referred to as "the subsidiary Company") which may be incorporated by it in and in accordance with the laws of the said Colony with powers to acquire and operate the same and the business of the Company in that Colony Provided always that the subsidiary Company shall be controlled by the Company and that its constitution shall be subject to the approval of the Government and that the subsidiary Company shall enter into an agreement with the Government under which it assumes all the liabilities and obligations of the Company under this Agreement and such licenses as aforesaid. Upon the execution of such Agreement the Company shall stand released from the liabilities and obligations so assumed by the subsidiary Company. Save as aforesaid the

X17021/31 K

3251

C. D.
25 JUN
1951

25 June 1951

Mr. Eastwood 23/6/51

Mr.
Mr.
Mr. Bottomley.
Sir E. Harding.

Mr. J. Shuckburgh.
Sir G. Grindle.
Sir C. Davis.
Sir S. Wilson.
Mr. Ormsby-Gore.
Lord Lovat.
Mr. Amery.

Sir

With reference to my letter
399 of the 10th June & my earlier
telegram no 192 of the 19th
June, I h. etc. to have to you
for your info. copies of minutes
with the General Post Office
regarding the transfer of the
Partish end of the Kenya Radio
service to Imperial & Internat'l
Communications Ltd.

DRAFT.

Kenya
for:
No H44

29 S.P.O. 18 June ✓
29

20 S.P.O. ... 20 June ✓
31 '51 has

2. As regards the
draft Agreement & licence with
you (S.P.O.), the Company have
not yet replied to the letter

sent to them on the 5th June
of which a copy was enclosed
in my despatch under refer.

It is understood however that
a revised text of the Agreement
embodying the agreed amendments
is being prepared & that a
copy should be received

(Signed) PASOPFIELD

MR. EASTWOOD 19/6
MR. ALLEN 19/6
MR. YERNON 19/6
MR. PARKINSON 19. AT ONCE.

X.17021/31.

52

20

CYIPHER TELEGRAM
FOR CONSON.

PARAPHRASE TELEGRAM from The Secretary
of State for the Colonies to
the Governor of Kenya.
(Sent 10. p.m. - Dated 19th June 1931.)

NO. 192. Your cypher telegram No.143.
Arrangements have now been made for
transfer of British end of Kenya radio
service on 1st July. Service at full
rate of 1/6d. a word will begin on 15th
September. I am in communication with
Company regarding final details of
agreement and I will telegraph date of
execution in advance in order that licence
may be issued on the same date locally.

19
20/6/31
6 2 6

53 29

Your reference 17021/31
P.O. reference 109880/29
All communications should be addressed to
THE SECRETARY,
General Post Office.

GENERAL POST OFFICE,
LONDON, E.C.1.



18 June 1931.

RECEIVED
19 JUN 1931
COL. OFFICE

Sir,

No. 24

I am directed by the ~~Postmaster General~~ to refer to this Department's letter of the 5th of June enclosing a copy of a letter sent to Imperial and International Communications Limited concerning the Kenya Radio Service, and to forward for the information of the Secretary of State a copy of a letter dated the 12th of June received from that Company.

1931 JUN 25 444y

In accordance with the terms set forth in the correspondence, arrangements are being made for the operation of Kenya Radio to be transferred to the Company on the 1st of July next.

I am also to forward a draft of a proposed telegram to the Postmaster General, Kenya and Uganda. The Secretary of State's concurrence will be assumed and the ~~letter~~ ^{telegram} despatched on the 22nd of June, unless a communication is received from your Department before that date.

I am, Sir,
Your obedient Servant,

The Under Secretary of State,
COLONIAL OFFICE.

F. W. Phillips

IMPERIAL AND INTERNATIONAL
COMMUNICATIONS LIMITED,
Electra House,
Moorgate,
London, E.C.2.

L/M.

12th June, 1931.

Sir,

We have to acknowledge receipt of your letter reference 109,880/29 of the 3rd instant, informing us that the Postmaster General is prepared to transfer to this Company the Kenya Radio Service on the conditions set out in the memorandum of the 15th April, 1930, subject to the reservation mentioned in your letter under review as regards the sum to be paid by this Company as compensation for loss of revenue to the Post Office, viz.,

"that this Company will pay as compensation for loss of revenue to the Post Office either the previously agreed sum of £35,000 or such smaller sum as, with the concurrence of the Treasury, the Postmaster General may decide to accept".

We have to inform you that the modification of this condition is accepted by this Company, together with the other conditions:-

- (b) Transfer of Staff;
- (c) Period of Licence;

(d)

The Secretary,
GENERAL POST OFFICE,
LONDON, E.C.1.

Draft Telegram.

- (d) The Postmaster General's reservation of the right to conduct or licence other Telegraph Services;
- (e) That the Company will introduce a full rate service at 1s.6d. per word on the 15th September next.
- (f) That if, at any time, it be decided to open a wireless telephone service in Kenya the Post Office will co-operate with this Company subject to agreement as regards rates, etc.

I am, Sir,

Yours truly,

(Sgd.) EDWARD WILSHAW.
General Manager
and Secretary.

Postage,
Nairobi.

Reference proposed transfer of Kenya Radio service to Imperial and International Communications we have come to agreement with Company regarding transfer of British end of service and ^{have arranged} ~~propose~~ that operation by Post Office should cease at close of business on 30th June and operation by Company should begin on 1st July next.

Secretary, Post Office.

Address reply to—"The Secretary, General Post Office,"
quoting Registered No. 109889/29

56 27

The Secretary to the Post Office presents his compliments to the
Under Secretary of State, Colonial Office
and, by direction of the Postmaster General,
transmits herewith copy of the undermentioned paper.

General Post Office,
5th June, 1931

RE D
8 JUN 31
COL. OFFICE

Reference to previous correspondence:

No 23

Post Office letter No. 109889/29 of 22nd May, 1931

ENCLOSURE.

Name and Date.

Subject.

Imperial & International
Communications, Ltd.

Transfer of Kenya Wireless
Telegraph Service.

3rd June, 1931

10 JUN 1931
copy of/enc to Ser 399 A/1

~~(Similar letter sent to~~

#322

Sir,

With reference to your letter of the 11th of May, I am directed by the Postmaster General to inform you that he has now received Treasury authority for the transfer to your Company of the Kenya Radio service on the conditions set out in the memorandum of the 15th of April 1950, subject to the reservation mentioned below as regards the sum to be paid by the Company as compensation for loss of revenue to the Post Office.

The terms of transfer which the Postmaster General is prepared to accept are thus as follows :-

- (a) The Company will pay as compensation for loss of revenue to the Post Office either the previously agreed sum of thirty-five thousand pounds (£35,000) or such smaller sum as, with the concurrence of the Treasury, the Postmaster General may decide to accept after full examination of the relevant considerations. This stipulation involves no promise by the Postmaster General, either express or implied, to accept a sum less than £35,000.
- (b) The Company will offer to the officers engaged in the operation of the service, or to such officers of equivalent grades as are available for transfer - not exceeding a total of seven officers - the same terms of transfer to the Company's service as were offered to the staff employed on the Post Office Beam Services.

- (c) The Kenya wireless telegraph service in this country will be undertaken by the Company under the general conditions of their main license, including the condition in regard to the period of that license.
- (d) The Postmaster General reserves his right to conduct or license other telegraph services to Kenya in the same way as his right was reserved in correspondence exchanged between the Company's Solicitors and the Post Office Solicitor in connection with the services covered by the Company's main license.
- (e) The Company will introduce a full-rate service at 1s. 6d. a word on the 15th of September next.
- (f) If it should at any time be decided to open a wireless telephone service, and if the operation of the wireless terminal in Kenya were entrusted by the Kenya Government to the Company, the Post Office would cooperate with the Company subject to such rates and conditions as might be agreed upon with the Kenya Government after consultation with the Company.

I am to suggest that the transfer should be effective as from the 1st of July. Detailed arrangements will be considered as soon as formal confirmation of the concurrence of your Company is received.

I am, Sir,

Your obedient Servant,

(Sd) B. Simon

C. O.

26
58

Mr. Allen 3/6
 Mr. Terna 3/6
 Mr. Paterson J.S.
 Mr. Tomlinson
 Sir C. Bottomley.
 Sir J. Shuckburgh.
 Sir G. Grindle.
 Perm. U.S. of S.
 Parly. U.S. of S.
 Secretary of State.

17021/31 Kenya.

Downing Street,

6th June, 1931.

Sir,

I am etc. to acknowledge the receipt of your letter of the 22nd May, No. 109880/29 regarding the overseas and radio communications of Kenya.

2. Lord Passfield has also received a copy of the letter on this subject addressed to the Postmaster General by the ~~Lord~~ ~~Commissioners of the Treasury~~ on the 27th May.

3. Lord Passfield agrees that the question of the introduction of full rate working by the Post Office need not be pursued at the moment, and I am to enclose for the information of the Postmaster-General, a copy of a letter which His Lordship has caused to be addressed to

Imperial and International Communications Limited.

2 DRAFTS

1. Menab

THE SECRETARY,

GENERAL POST OFFICE.

10 JUN 1931
Copy to Gen 399 A/11

(24)

To J & J C Ltd
(cont of)

Limited.

Beyond
4. You communicated copies of this

~~last~~ correspondence to the Governor of
Kenya, ~~and~~ Lord Passfield does not propose

to take any ~~further~~ action pending the
receipt of a reply from the Company, and

an intimation of the result of the further
negotiations between the Company and the

G.P.O. *In regard to the transfer of the*

British end of the service, His Lordship

trusts, however, that the Postmaster-

General will press the Company for an

early settlement of *the matter.* *e. Enghai q.*

I am, etc.

(Signed) A. C. C. PARKINSON

C. O.

Mr. Allen ^{3/6}
 Mr. P. P. ... 3/6/31
 Mr. Venar ^{3/6}
 Mr. Takensack
 Mr. Tomlinson.
 Sir C. Bottomley.
 Sir J. Shuckburgh.
 Sir G. Grindle.
 Permt. U.S. of S.
 Parly. U.S. of S.
 Secretary of State.

17021/31 Kenya.



56
and to 33

Downing Street,

5th June, 1931.

Sir,

for consen. v. minutes.

I am etc. to refer to your letter

DRAFT.

(9) G.M.C.(M) of the 26th March relative to

THE GENERAL MANAGER,

IMPERIAL AND INTERNATIONAL
COMMUNICATIONS LIMITED.

the draft agreement regarding the
 overseas and radio communications of
 Kenya and the draft licence for a wire-
 less station in the Colony. As stated in
 the interim reply sent to you on the 2nd

Copy to S.P. G. 5/6/31
copy to Sec. 399 A/1 10 JUN 1931

(13) April, a copy of your letter was referred
of Kenya
 to the Governor and his observations
 having now been received, I am to inform
 you as follows:-

Draft agreement.

29 on 16020/30.

(a) Clause 16, paragraph 1. It is noted

that the Company is prepared to waive
 the amendment suggested in your letter
 of the 27th October, 1930, and to accept
 the clause as it stands.

*Copy of 23 & 24 (with
 encl.) & of 23
 2 letters now of 23
 15 for clearance for inf.
 LK of 22.*

Paragraph 3.

Paragraph 3. The wording suggested in your letter of the 26th March is accepted. (9)

Clause 22. It is agreed that this

clause may stand as in the draft which accompanied your letter of the 27th January/30

~~1930~~ It is agreed that a clause should be inserted on the lines suggested in your

letter of the 26th March, ~~and it is proposed~~ *provided that the subsidiary company in question*

shall be subject to the approval of the Governor.
~~posed that this new clause should be~~

~~worded as follows:-~~

"The Company is authorised, at any time it should so desire, to transfer this agreement and the relative licences and its landing licences for cables in Kenya to a subsidiary Company constituted for the purpose of operating the Company's business in Kenya. Such Company, the formation of which would be subject to the approval of the Governor, and which would be controlled by Imperial and International Communications Limited, would be responsible to the Government for the fulfilment of all the obligations undertaken by Imperial and International Communications Limited."

← I am to enquire whether the company is prepared to concur in this proposed wording.

I am, etc.
I am to request ~~that you will deposit enough~~ *that you will deposit enough* to submit the wording of the proposed new clause to this Department for consideration as soon as possible.
I am etc

(Signed) A. C. C. PARKINSON.

1/16/30

N. P.

(C) Proposed new clause

Telephone No. : VICTORIA 1234

Any reply to this letter should be addressed to:
THE SECRETARY,
TREASURY,
WHITEHALL, LONDON, S.W. 1
and the following number quoted:

E.18633.



TREASURY CHAMBERS.

30 / 27 May, 1931.

60 24

copy of encl. to Ser 369 A/10 JUN 1931

The Lords Commissioners of His Majesty's
Treasury present Their compliments to the Secretary
of State for the Colonies,
and beg to transmit herewith for information
copy of a letter of to-day's date which They
have caused to be addressed to the Postmaster General.

Reference to previous
correspondence (if any).

(Form 107).

H.10553.

27 May, 1921.

Sir,

I have laid before the Lords Commissioners of His Majesty's Treasury your report of the 10th instant (L.10550/22) relative to the transfer of the British and of ^{the} Kenya Radio service to Imperial and International Communications Limited.

In reply I am to convey to you Their Lordships' authority for the proposed terms of transfer, on the understanding that the amount to be paid by the Company as compensation for loss of revenue to the Post Office will be either £25,000 or such smaller sum as with Their authority you may decide to accept after full examination of the relevant considerations.

A copy of this letter has been sent to the Colonial Office.

I am,

Sir,

Your obedient servant,

(Sd.) R. R. SCOTT,

The Postmaster General.

Your reference 17021/31.
P.O. reference 109880/29
All communications should be addressed to
THE SECRETARY,
General Post Office.



GENERAL POST OFFICE,
LONDON, E.C.1. 61

RECEIVED
23 MAY 1931
COLONIAL OFFICE

22nd May, 1931.

Sir,

I am directed by the Postmaster General to refer to your letter of the 14th May concerning the proposed transfer of the Kenya Radio Service to Imperial and International Communications Limited, and to forward for the information of the Secretary of State a copy of a letter dated the 18th of May which he has caused to be addressed to the Lords Commissioners of the Treasury.

The Secretary of State will perhaps agree, in view of the terms of the letter, that the question of the introduction of full rate working by the Post Office need not be pursued at the moment, and that it remains desirable that the conditions of transfer of both ends of the service should be settled before the terms are definitely accepted at either end.

I am, Sir,
Your obedient Servant,

W. G. Welch

for the Secretary.

The Under Secretary of State,
COLONIAL OFFICE.

Copy of mem to for 399 A/110 JUN 1931
Rmc. - 5 JUN 1931

18 May

31.

62

Sir,

I am directed by the Postmaster General to refer to correspondence, including Treasury letter E.18653 of the 24th of May 1938, relative to the Post Office short-wave wireless telegraph service with Kenya, and to enclose for the information of the Lords Commissioners a copy of a letter from Imperial and International Communications, Limited, dated the 11th of May, 1951.

During the course of negotiations on various points arising in connection with the transfer of the Empiradio Beam wireless services and the Imperial Cables the view was taken that it would be consistent with the policy recommended by the Imperial Wireless and Cable Conference of 1928 that this long-distance wireless service should be co-ordinated with the complementary cable service of the Communications Company, and indeed that it would be somewhat anomalous for the Post Office to retain a Colonial service of small relative significance in competition with the Company's cable service when the principal and more lucrative services to the Dominions had been transferred. The Company applied for the transfer of the British end of the Kenya Radio service, and were informed that the transfer would be authorized if suitable terms could be agreed upon.

At the Kenya end the service was originally conducted by the British East African Broadcasting Company, under a licence from the Colonial Government; but control was acquired in 1926

by

perial and International Communications, Limited.

The service is one of several point-to-point services using transmitters at the Post Office wireless station at Mombasa, and the receiver and operating apparatus are at Nairobi. In the event of transfer to the Communications Company, the apparatus at existing stations of the Company would be employed, and no transfer of physical assets of the Post Office would be required.

The service has from its inception been conducted at a loss. The special costs exclusively incurred in operating Kenya Radio service, apart from the costs common to a number of other services, amount at the present time (with bonus @ 58) to approximately £2,000 per annum. The total earnings of the service derived from message fees for the year to 31st March 1931 were about £2,300 and the revenue remains at about that figure. It is thus a net loss of £4,400 to be carried to revenue as a contribution towards meeting the common costs of the Post Office wireless services.

The Kenya Radio service has hitherto been operative for a limited number of hours daily, and has been restricted to carrying only a limited amount of letter-telegram traffic. The restriction was a necessary one at the inception of the service and until the reliability of the stations had been tested and improved; but it is now, and has been for some time past, no technical obstacle to the acceptance of full-rate traffic. On the other hand, so long as the service remains under Post Office control there are no serious objections to its extension (in a manner which might perhaps be profitable to the wireless profit, and which would ease the Company's difficulties by a diversion of cable traffic), in view of the prospect of transfer and other considerations of the present time.

The

The terms of transfer set out in the memorandum dated the 18th of April 1930, to which reference is made in the Company's letter of the 11th of this month, included the following proposals to be submitted for Their Lordships' authority:-

- (a) The Company will pay a sum of thirty-five thousand pounds (£35,000) as compensation for the loss of profit to the Exchequer which would result from the transfer.
- (b) The Company will offer to the officers engaged in the operation of the service, or to such officers of equivalent grades as are available for transfer - not exceeding a total of seven officers - the same terms of transfer to the Company's service as were offered to the staff employed on the Post Office Mamm Services.
- (c) It will be understood that the Company is free to conduct the service for a period corresponding with that of its main licence for the cables and wireless services to the Dominions etc, dated the 4th of September, 1929, and under the general conditions of that licence.
- (d) The Company will introduce a full-rate service by wireless between Kenya and Great Britain at 1s.6d. per word (the rate contemplated for the Kenya Radio Service and used as the basis of the reduced rates at present in force) within a few months, as soon as certain further improvements in the apparatus in Kenya can be effected.

The Postmaster General is of opinion that the terms proposed are fair and reasonable.

The Secretary of State for the Colonies was informed of the suggested arrangements, and was prepared to concur in them if the Company would accept the condition that the full-rate wireless service should be established within a definitely limited period. This point led to some delay; and when

provisional

provisional agreement had been reached as to possible dates for the transfer of the service and for the introduction of full-rate telegrams by wireless, further delay occurred in obtaining the Company's confirmation of the contemplated terms. At length, in a letter of the 27th of March, the Company put forward representations respecting their financial obligations to the Government, mentioning inter alia the contemplated payment of £35,000 for the Kenya service. The Company sent to the Treasury a copy of their letter, and the Postmaster General hopes shortly to be in a position to forward to Their Lordships his observations upon it.

Meanwhile, as will be seen from the enclosed copy of a letter dated the 14th of May from the Colonial Office, the negotiations for an agreement as to the conduct of the service in Kenya are on the point of completion, and importance is attached to the early introduction of a full-rate wireless service. In the circumstances it seems undesirable that the transfer in this country should be delayed for purposes of the general review of the Company's financial obligations.

I am accordingly to seek Their Lordships' authority for the acceptance of the terms proposed, on the understanding that the amount to be paid by the Company as compensation for loss of revenue to the Post Office will be either £35,000 or such smaller sum as the Postmaster General, with Their Lordships' authority, may decide to accept after full examination of the considerations put forward in the Company's letter of the 27th of March last. It would be stated to the Company that this stipulation involved no promise by the Postmaster General, either express or implied, to accept a sum less than £35,000.

The date of transfer would be arranged between this Department and the Company on receipt of such authority. It would hardly be possible to arrange a date earlier than

the

64

the 1st of July next. The Postmaster General does not contemplate entering into a formal agreement, but would allow the matter to rest upon correspondence with the Company.

I am, Sir,

Your obedient servant,

(Sd) G. E. P. Murray

COPY.

Imperial and International
Communications Limited,
Electra House,
Moorgate,
London, E.C.2.
11th May 1931.

The Secretary,
General Post Office,
E.C.1.

Dear Sir,

Kenya Radio Service.

We beg to refer to the previous correspondence on the subject of the transfer to the Company of the Radio Service with Nairobi, and in particular to the letter addressed to the Postmaster General by Sir Basil Blackett on the 27th March last, in which the Company submitted the question of the payment of £35,000 for the reconsideration of the Postmaster General with a view to a substantial reduction of the capital payment.

Subject to the reservation of this question, we beg to confirm our agreement to the proposed terms of transfer of the Kenya service, as set out in the memorandum dated 15th April 1930 submitted to us by Mr. F.W. Phillips on behalf of the Post Office.

The

The Company suggests, therefore, that the question of the payment of £35,000 should be left in abeyance pending the decision of the Postmaster General on this point, and is prepared to take over the operation of the London-Nairobi radio circuit on the earliest date which is convenient to the Post Office and will open the full Kite service with Kenya on the 15th September next.

I am, dear Sir,
Yours truly,

(Sgd.) Edward Wilshaw

General Manager
and Secretary.

The Company suggests, therefore, that the question of the payment of £35,000 should be left in abeyance pending the decision of the Postmaster General on this point, and is prepared to take over the operation of the London-Nairobi radio circuit on the earliest date which is convenient to the Post Office and will open the full rate service with Kenya on the 15th September next.

I am, dear Sir,
Yours truly,

(Sgd.) Edward Wilshaw

General Manager
and Secretary.

66

NOTE

In 29 on 16020^{1/3}, the Company asked for the insertion of a clause in the Agreement exempting it from any taxation on profits made or assets held outside the Colony during the currency of the Agreement. They pointed out that the capital of the Company is very large, and that if they were likely to be subject to capital taxation in the various countries and colonies where they were working, their revenue would be seriously depleted, and other arrangements would have to be made to meet the contingency.

In 38 on 16020/30 the Company were told that the O.A.G. saw no reason to place the Company in a privileged position as regards the exemption from taxation proposed.

In their reply of the 26th March (No. 9 on this file) the Company said that they could not accept the risk of taxation on profits made or assets held outside the Colony in view of the fact that the capital of the Company is £30,000,000, and the possibility of taxation thereon and on revenue derived from countries outside Kenya would involve a considerable reduction of its revenue.

If the Government were unable to concede the point, they suggested the insertion of a clause to the effect that the Company shall be authorised, if at any time they should so desire, to transfer this agreement and the relative licences and its landing licences for cables in Kenya to a subsidiary company constituted for the purpose of operating the Company's business in Kenya. Such company would be controlled by the main Company and would be responsible for the fulfilment of all the obligations undertaken by the main Company.

The Governor commenting in No. 19 on this proposal says that the subject of the new clause which the Company propose appears to be more one of general principle than of local concern,

and that he would prefer to leave entirely in the Secretary of State's hands the inclusion or omission of a clause of this kind.

A handwritten signature or set of initials, possibly 'G. J.', written in dark ink. The signature is somewhat stylized and cursive.

2/67

C. O.

X.17021/31 Kenya.

C. O.
R 13MAY
D 13

Mr. Allen 17/5/31
Mr. Verna 12/5/31
Mr.

Mr. Tomlinson.
Sir C. Bottomley.
Sir J. Shuckburgh.
Sir G. Grindle.
Perm. U.S. of S.
Partly U.S. of S.
Secretary of State

IMPORTANT.

And to 23/5/31

Downing Street,
14th May, 1931.

Sir,

for conson. v. minutes.

DRAFT.

With reference to your letter of

(20)

THE SECRETARY,

GENERAL POST OFFICE.

the 8th May (109880/29), I am etc. to transmit to you the accompanying copy of a telegram from the Governor of Kenya regarding the overseas and radio communications of the Colony.

Case - 400 329 - 16 MAY 1931 A/1

2. In view of the possibility of further delay in the transfer to Imperial and International Communications Limited of the British end of the Kenya radio service, the Governor asks that the Postmaster General may be approached with a request to agree at an early date to accept full rate traffic. He also asks that pressure may be ^{main} obtained on the Company to arrive at a settlement in regard

*Noted 3 2/67
(no 4)*

*Copied this & no 20 to
for ref 4*

regard

have made, or are making, with regard
to publication.

2. The Governor adds that before leaving
Uganda you suggested that it would be convenient
if the ~~Report~~ were published by the Crown Agents
for the Colonies, and the Secretary of State has
ascertained that the Crown Agents ^{will} ~~would~~ be
prepared to assist, ^{in this matter} if you so desire, by
arranging for ~~the~~ printing and publication.

I am, etc.,

(Signed) H. T. ALLEN

26



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

4, MILLBANK,
WESTMINSTER,
LONDON, S.W.1.

0/Misc. 1085/3.

TELEGRAMS: "CROWN, LONDON."
TELEPHONE: 7730 VICTORIA.

RECEIVED
16 JAN 1932
COL OFFICE

15th January, 1932.

Sir,

107

Copy to Sir Hor Rye (17)

In reply to your letter, 17022/31 of the
29th December, regarding a report by Mr. Worthington,
of the work in Uganda of the expedition to study the
biology of lakes in East Africa, I have the honour to
state that we shall be prepared if desired by the
Secretary of State, to assist by arranging for the
printing and publication of the work.

2. A statement giving the information asked
for in paragraph 3 of your letter, under heads (a) to
(g), is attached.

I have the honour to be,

Sir,

Your obedient servant,

Whiston
for Crown Agents.

The Under Secretary of State,
COLONIAL OFFICE.

REPORT ON THE FISHING SURVEY OF
LAKE VICTORIA 1927/1928
by MICHAEL GRAHAM.

REPORT ON THE FISHING SURVEY OF
LAKE ALBERT AND LAKE KIOGA
by E. B. WORTHINGTON.

a	£287. 16. 9.	b	£170. 0. 9.
c.	400 copies	100 copies Uganda 50 " Kenya 50 " Tanganyika Territory 20 " Secretary, Conference of East African Governors, Nairobi. <hr/> 220 "	300 copies.
d.	108 copies including 50 for Author, 10 Colonial Office, 6 Ministry of Agriculture and Fisheries.	106 copies including 50 for Author, 10 Colonial Office 6 Ministry of Agriculture and Fisheries.	10/- per copy
e.	10/- per copy.	31 to 7th January, 1932.	20 to 7th January, 1932.
f.	31 to 7th January, 1932.	g.	74

28
78
2

C. O.

Mr. Acheson *27/12/31*

Mr.

Mr.

Mr. Tomlinson.

Sir O. Bottomley.

Sir J. Shuckburgh.

Sir G. Grindle.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

200E
P 291

DOWNING STREET,

29 December, 1931.

JS

Gentlemen,

I am etc. to inform you that Mr. E.B. Worthington has recently completed an expedition to East Africa for the purpose of studying the ^{biology} ~~geology~~ of Lakes Rudolf and Baringo in Kenya and Lakes Edward and George in Uganda.

2. Mr. Worthington proposes to prepare a full report of the ^{work of the} ~~Expedition~~ ^{Expedition} worked in Uganda, and before he left the Protectorate suggested to the Governor that it would be convenient if this report were published by you. A copy of a despatch from the Governor, together with a copy of subsequent telegraphic correspondence on this subject, is enclosed for your information.

DRAFT.

THE CROWN AGENTS
FOR THE COLONIES.

*Hand of Sir Acheson (17)
copy to - Mr. Acheson*

*From Sec - 24th Dec 1931
NO 4
To Sec - 22nd Dec
NO 5
From Sec - 15th Dec
NO 6*

3. Before arranging for any communication to be sent to Mr. Worthington, the Secretary of State would be glad to learn whether, assuming that the ~~cost of publication~~ ^{expense} will be borne from funds at Mr. Worthington's disposal, you would be prepared to arrange on his behalf for the printing and publication of the report. It is also

requested that ~~you should~~, at the same time, ~~provide~~ the following information in relation

to the publication of the reports by Mr. M. Graham on Lake Victoria and Mr. Worthington on Lakes Albert and Kioga. ^{may be furnished. The} Information

should be given separately for each report:-

- (a) Total cost of publication;
- (b) Number of copies printed;
- (c) Number of copies supplied for Government purposes, without payment;
- (d) Number of presentation copies issued to scientific societies, etc., without payment;
- (e) The ^{price of the reports} ~~charge~~ to the public;
- (f) Number of copies sold;
- (g) Number of copies still in hand.

I am,

etc.

(Signed) L. B. FREESTON

RECEIVED
23 NOV 1931
GOV. OFFICE

29
4

Uganda Protectorate



GOVERNMENT HOUSE,
UGANDA.

No. 325

24 October, 1931.

Sir,

With reference to correspondence terminating with Lord Passfield's despatch No.440 of the 18th September, 1930, on the subject of the arrangements for the Cambridge Expedition to the East African lakes, I have the honour to inform you that Mr.E.B.Worthington, who recently returned to England on completion of his investigations in Uganda, informed me before his departure that he proposed submitting a full report of the Expedition's work in Uganda on his return to England. In the case of Mr.Graham's report on Lake Victoria and Mr.Worthington's report on Lakes Albert and Koga it was decided that it would be more satisfactory for the printing arrangements to be made by the Crown Agents for the Colonies. Mr.Worthington has suggested, and I agree, that it would be convenient if the report of the present Expedition were also published by the Crown Agents.

No 31 on
15986/30
Kenya

see 25891/28
E.A.

see 20291/29
Uganda

Copy to C.A. (17)
Answered (12)

2. Provided you agree with this proposal, I would suggest that instructions should be given to the Crown Agents accordingly and that Mr. Worthington should be advised to communicate

with

The Right Honourable

THE SECRETARY OF STATE FOR THE COLONIES,

Ac., Ac., Ac.

with them. One hundred copies of the printed report would be required by this Government.

I have the honour to be,

Sir,

Your most obedient, humble servant,

L. J. Gowers

GOVERNOR.

17021
26206/31.

32
2

C. O.

Mr. Williams 2-O.1.31.

Mr. Allen

Mr.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Sir G. Grindle.

Permt. U.S. of S.

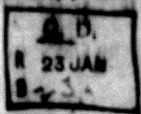
Parly. U.S. of S.

Secretary of State.

recd P 20/1

Downing Street,

23 January, 1931.



Sir,

With reference to your

letter of the 6th January regarding the analyses of water samples taken by Dr. B. Worthington from certain lakes in East Africa, I am etc. to inform you that while the Governments of Kenya and Uganda are not contributing to the cost of Dr. ~~Worthington's~~ Worthington's investigations, they are affording him ~~every~~ possible facilities and assistance.

DRAFT.

for conson.

The Government Chemist

copy to Gov Secy. 112 A/12/29 FEB 1932

Loru

would
Lors Passfield/therefore be glad if you
could see your way to undertake these
analyses, provided it is understood
that no part of ^{only} the expenditure involved
can be borne by Colonial Office funds
or the funds of Kenya and Uganda.

(Signed) A. C. D. PARKINSON.

Telephone Numbers:
Holborn 6882/3

Any reply should be addressed to
THE GOVERNMENT CHEMIST
and the following number quoted:



33
END
/

GOVERNMENT LABORATORY,

CLEMENT'S INN PASSAGE,
STRAND, LONDON, W.C.2.

6th January, 1931.

Le

Sir,

In reply to Dr. Worthington of Cambridge, who desired analyses of waters from certain little-known lakes in East Africa, I said ^{on 25/7/30} that the analyses could be done here provided that the request was transmitted ^{through} to the Colonial Office, as this Department works only for Departments of State. He now writes to the effect that certain samples of water, to which he attaches importance from the biochemical point of view, are on their way, and as I have had no reply from Dr. Worthington as to your concurrence I am writing to know if you agree that these analyses should be carried out. If so, I am willing to do so.

I am, Sir,

Your obedient Servant,

R. Robertson

Government Chemist.

copy to Secy Dept. 112 A/R 9 FEB 1931
Recd 23/1/31

The Secretary of State for the Colonies,
Colonial Office,
Downing Street,
S.W.1.