

EAST AFR. PROT
K O 305

A. C. S. Conf
Bowring 116

1917
6 July

Last previous Paper
6a
39560

NAIROBI ELECTRIC CONCESSION

Submits further views as to terms of concession. Refers to claims of Posho Ltd. Desires to amend Electricity Order in order that there may be no doubt of bringing Coy under legislation. Considers concession should be referred to technical advisers and that draft should be published for public criticism.

Mr. J. J. ...
Mr. Butler.

Ordinance. We can wait for the Company's representations (36124) & the report of the Special Committee (30769).

I see no reason why it should not be amended as suggested in para. 8 of this despatch, and I think it superfluous to send the OAG to amend it?

Concession.

As soon as Mr. Mackenzie comes back I think he should be invited to call & discuss outstanding points. In particular,

(1) Mr. Ross's figure of flow etc. I think is 540,000 gals. a day & as the low level flow is 254 cws. The company had as the particular

20 Cd. 22 May 17
Exh. from encl. 2 with plans to March 1917
No. 0017

Next subsequent Paper:
R
5753

Posho

The delay does not seem the Company's fault, but if there is to be any uncertainty as to future stability of power the C^o must not object if we give rights to other persons.

- (3) Publication of the terms of the proposed concession. I think we must agree, but the C^o must have an opportunity of preparing a statement of their side of the case for publication.

~~Wed 18/8/19~~

- (4) Consulting Mr Rider. We should bring him in at once? - beginning by asking him to read and going roughly through the papers 5300 so give him a general idea of the position before taking papers away to read up.

I confess I do not quite understand how they convert cubes into horse power, unless I am wrong in taking it to mean cubic feet per second. It is a rate of flow does not determine energy - if you halve the cross section of the channel and double the velocity, the rate of flow remains the same but the energy per second is doubled.

Wed 20/8/19

I agree generally.

20/8/19

Mr. Johnson
Mr. Butler

I attach a note of our discussions of Monday with Mr. Monkhouse and Mr. Rider, and of Tuesday with Mr. Rider. I also submit a draft to the Company giving the substance of Mr. Bowring's views on the outstanding points.

On the question of the date for reduction of charges, the point was only cursorily touched upon in the discussion with Mr. Monkhouse, but he seems to have assumed that the statement in our letter to the Company of August 2nd, 1911, (28052/12) (that the Governor would be asked to agree to the date being fixed at 5 years from the date of the new Agreement) settled the matter once for all. But this telegram of May 14th (28023), Mr. Bowring pressed for a reduction of charges at a much earlier date, while in paragraph 7 of the present despatch he asks that action should be guided by the provisions of the new Ordinance. As a matter of fact the new Ordinance appears to contemplate ^{reduction} refund of charges after 5 years from the date of the issue of the supply licence so that the effect of this would be little different from the arrangement which we had provisionally agreed with the Company. As the matter was not fully

discussed with Mr. Monkhouse and we have enough points of contention with the Company already, I think ^{to Butler} ~~we should~~ agree that we might very well leave this point out of further discussion with the Company, that is to say, maintain the proposal for reduction of charges at the end of 5 years from the date of the new Agreement. Mr. Monkhouse told me when he called here a fortnight ago that the Company had already reduced the charges very generally, but that it was desirable to have the power of imposing higher charges than the normal in special cases where the supply of electricity could not

Section 69
of the draft
Ordinance.

did not feel
it to present this
at the discussion
of A above
JAB

be maintained on a paying basis at the ordinary rates.

The discussion with Mr Monkhouse was the first at which he has shown any acrimony - and it must be admitted that he showed a good deal. We can wait for the Company's letter before considering fully our position if they show fight.

I have had no leisure yet to go through the copy of the Victoria Falls contract which Mr Rider left with us in illustration of some of the points which he raised on the 16th.

W.C.S. 18/10/17

W.C.S. 18/10/17

W.C.S.

W.C.S.

W. Read

We talked to Mr Monkhouse for 2 1/2 hours without any result except the generation by him of a considerable amount of heat. This was probably due to the fact that he had nothing substantial to say for himself on the main point discussed, viz. the period within which the Company

should decide on the move & carry it out.
After hearing all the said losses, I feel
very strongly that 2 1/2 years from the end
of the war is ample for the decision, & that
we must insist on the move being completed
in another 2 1/2 years, or in 2 1/2 years from
the date of decision if a decision is
66
come to before the end of the first 2 1/2 years.

It is possible that our stolidity may have
had some effect on him. If, however, they
return a blank "non possumus" to our
letter, we might confront Mr. Monkhouse
with Sir H. Belfield, & gather up the
fragments that remain. If that is
good, we shall have seriously to consider
what is the present position of the firm
the Company in the absence of a new
agreement.

Yours

19. 10. 17

H. Belfield
told Mr. Booth
that he is prepared
to pay.

DISCUSSION of 15th October 1917.

Present: Mr. Monkhouse; Mr. Butler, Mr. Tennyson
and Mr. Bottomley; - Mr. Rider.

1. Time for removal to the Thika Fall. The Acting Governor considers that 5 years for the Company to decide to move, and 2½ years more for the move, is too long, in view of the pressing demands for power already received. He recommends 2½ years and 2½ years instead.

Mr. Monkhouse said that if the Government would not agree to 5 and 2½ years the Company would go back to the arrangement accepted in the Chief Secretary's letter of 17th January 1914, viz., 7½ years in which the Company was to decide to move, with no time limit for the execution of the move. The 7½ years would thus expire in July 1921.

*have not got this
in will send a copy*

He maintained that a total of 5 years from the end of the war was inadequate - the Company could not be sure of finding the capital and if they tied their hands they would risk the loss of the concession. They were anxious to move, but they could not, as a matter of business, pledge themselves until they knew how the country would be affected by the War.

He complained that, although the Chief Secretary's letter signified agreement on all points and stated that the Attorney General was being instructed to frame an instrument embodying the terms the Government had done nothing since then but raise fresh difficulties and go back on its promises.

No progress could be made with discussion on this point, and it was eventually left over.

(It was not so stated in the Chief Secretary's letter, which Mr. Monkhouse read, nor in any other correspondence, but it seems clear that in its origin the proposal for 7½ years for decision was coupled with a 10 years period for the move. At the discussion of 29.10.13 the question of a time limit for the move was raised for the first time, and 10 years was proposed, ad referendum. The Governor said that 5 years or at most 7 should be fixed, and at the meeting of December 3rd Mr. Bayldon suggested as a compromise a period of 7½ years for the decision to move. The minutes on that suggestion show that its effect was taken to be that though the move would not be completed for 10 years, the Government would know at the end of 7½ years whether the Thika Fall would be required or not).

2. Amount of water to be left in river below the Company's intake. The relevant parts of the memorandum by the Director of Public Works ^{was} read.

Mr. Monkhouse pointed out that when he was in Nairobi the only demand for water put to him was one for 50,000 gallons a day. He offered 150,000 gallons and was prepared to go as far as 200,000 gallons, but the Government now sought to raise the amount to 10,250,000 gallons a day.

The Company put the dry weather flow at 235 cusecs, as against Mr. Ross's 254, and this 19 cusecs to be left in the river represented 8 per cent of the flow, or 16 per cent of the quantity

available

Gov/37257/13.

Gov 41687/13.

- do -

Mr. Monkhouse at the time that it was essential to have a decision for the move as well as for the revenue. It is not clear the fact to know the end of 5 or 7½ years the Company has decided. If the Company can take as long as they like to effect the move.

(19 cusecs)

available for the Company if the Government exercised its right of abstracting one half the flow for irrigation purposes above the intake.

The full 233 cusecs represented about 7,600 B.H.P., so that the Company might find itself left with only about 3,000 B.H.P., and Mr. Rider agreed that this was unduly small for a supplying Company to rely on.

Mr. Monkhouse suggested that, if 19 cusecs were required, the Government should spare them out of the amount to be retained for irrigation purposes - i.e. (taking the minimum flow) the Company should have the use of 116 cusecs, the other ¹¹⁶ cusecs being available for riparian holders both above the intake and between the intake and the outflow.

3. Publication of draft concession. Mr. Monkhouse expostulated against this proposal. The Government would stultify itself if, after many years of negotiation, it submitted its proposals to the criticism of Tom, Dick and Harry.

It was agreed that the Governor's proposals should be embodied in a letter to the Company.

DISCUSSION of 16th October, 1917.

Mr. Rider called on the 16th and various points in the draft agreement, as prepared by the Crown Agents' Solicitors and altered by the Company's Solicitors, were considered. It must be remembered that pending the settlement of the outstanding points of principle this form of the draft agreement has not been examined.

bound to say that I agree with Mr. Monkhouse these years the local people to have been affected at all the point of the riparian holders having done might to be prepared with its bargain
H.A.B.

Clause 8. Completion of installation. Mr. Rider urged that the words "to the satisfaction of the Governor" struck out by the Company's Solicitors, should be restored.

Clause 13. Operation of Protectorate law.

Mr. Rider pointed out that the words "for the time being in force" might be misunderstood and that the reference to future legislation was merely negative in form. He recommended that the new Ordinance should be enacted before the execution of the Agreement.

It was observed that the Acting Governor had already urged that the Agreement should make it clear that the Concession is subject to the new Ordinance. This will be done.

Clause 16. Assignment of Agreement. Mr. Rider recommended that the addition proposed by the Company's Solicitors "Such consent shall not be withheld in the case of a responsible assignee" etc. should be struck out. Mr. Tennyson said that it was the practice to refuse to accept restrictions of this kind.

Clause 19. Taking over by Government. As the Government would not pay for the good-will in 1955 when it could expropriate without such payment five years later the effect is to give the Company a good-will value till 1961.

In 19(2) it should be provided that the Company should continue to discharge the obligations under the concession as well as to exercise its rights.

Clause 21. Removal of plant, etc. The clause should stand as printed.

Clause 25. Removal of plant from Ruera. In line 3 read "my (save as hereinafter provided) and shall if so directed

to a 9 proposed special clause to make it clear. It was commented on the duty of pushing the order before the agreement is signed. It is clear the order should be brought into force as soon as possible. The order was completed. The order was passed. That the value of their work had been impaired. The work for completion.

JAB

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V
GOVERNMENT HOUSE,
NAIROBI,
BRITISH EAST AFRICA

EAST AFRICA PROTECTO...
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CONFIDENTIAL

July 6th, 1917.

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Sir,

I have the honour to refer to your Confidential despatch of August 2nd, on the subject of the proposed new agreement in respect of the concession of the Nairobi Electric Power and Lighting Company and to express my regret that a reply thereto has been so long delayed. The delay has been due to great pressure of work, more especially in the department of the Attorney General, whom it was necessary to consult on the legal aspect of the terms of the proposed agreement. In the meantime however some of the points at issue have been settled in telegraphic communication. Of those remaining undecided the more important are:-

From Posino Ltd.
7. 6. 17

Report

- (1) the date by which the Company shall be required
 - (a) to decide whether they will move to the Thika, and
 - (b) in the event of the move being decided upon, the date by which it shall be completed; and

(2)

THE RIGHT HONOURABLE
WALTER LONG, F.R.S., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWLING STREET, LONDON, W. 1.

2.

(2) the steps which should be taken to safeguard the interests of the riparian landholders on the Thika River who would be affected by the grant of the concession.

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32934
Recall
223
H/p/s
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2. As reported in my telegram No. 357 of June 38th, there is already an immediate demand for power in the vicinity of the Falls which it is proposed to cede to the Company. In this connection I have the honour to enclose a copy of a letter which has been addressed to Government by "Posho, Ltd."

3. The position briefly appears to be that the Company claim that Clause 8 of the agreement should be so worded as to allow them 7½ years in all from the conclusion of the present war before they shall be required to complete their works on the Thika, and that during the first 5 years of that period they may have an option on the Falls without arriving at any decision as to whether they will eventually move there or not. On the other hand Posho, Limited, are in immediate want of power to enable them to develop their estates. They would prefer to obtain that power from the Electric Power Company, and they offer to negotiate for the capital necessary to make available immediately from 1,500 to 2,500 h.p. Should however this offer not be accepted, and should the Company

not

not be required to decide whether it will eventually move to the Thika or not for five years, they ask that they may be given rights to exploit 500 h.p. themselves.

4. It might perhaps be possible that, pending the completion of the move by the Company the power to be eventually used by them should be made available for use by licensees from the Crown until and if required by the Company, with a proviso that the Company shall take over the licensees' plant on the completion of their works. It is true that such a proviso would reproduce on a small scale the objectionable features, which I understand prevail in the United Kingdom, whereby bulk suppliers are of necessity bound to buy out the small supply concerns with the result that the capital expenditure is increased and the price of the current consequently affected.

5. I cannot help thinking that we have been very generous in suggesting 5 years from the end of the war as the latest date for the completion of the works. That time could be divided into two periods of 2½ years each - one for arriving at a decision and the other for completing the work. If the Company cannot make up its mind in 2½ years, then I consider that the power should be made available for use by persons who require it and who are prepared to develop it.

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6. As regards safeguarding the interests of riparian landholders, I have the honour to enclose a copy of a report, with a diagram, prepared by the Director of Public Works in which it is explained how the amount of 19 cusecs, mentioned in my telegram referred to above, is arrived at. This Government has throughout the negotiations been under the impression that only one half of the water in the river can be claimed by the Company and only then if such quantity is actually required by them for the purposes of the agreement.

In the memorandum of the position of negotiations prepared by the Company and submitted to this Government by the local manager in April 1913 the following passage occurred:-

"Clause 3. Use of Water power by Contractor.

(b) The Government grants to the Company the right to use for power purposes the whole flow of the Thika River at any moment at their intake gate, and undertakes to reserve for the Company (as against others for irrigation or other purposes) at least one half of the natural flow of the river as it would be at any given time".

In his Confidential despatch No. 42 of April 5th, 1913, the Governor stated that as

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he interpreted paragraph 3 (7) of the draft concession, Government might grant permits for the use of one half of the flow of the river at any point above the Company's intake, provided that any water thus used is, as far as it may be possible, having due regard to the purpose for which the permit to use it is granted, returned above the Company's dam, and could therefore conduct water round the dam (and intake) if required for irrigation of land (or other purposes) at a lower level. In Mr. Read's letter of the 30th May 1916 to the Company, enclosed in Mr. Bonar Law's confidential despatch of June 1st, it was remarked that the Company could not accept this suggestion, but I would enquire whether this necessarily implies that the view taken by the Company was accepted. The 150,000 gallons a day, which is all I gather the Company is prepared to allow, would be, comparatively, merely a trickle which the Director of Public Works contends would not be sufficient to maintain a flow in the stream bed.

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23/9/16

7. One of the other matters still not yet settled is the date by which the Company may be required to reduce the price of current, i.e. Clause 9 of the agreement. I can bring forward no further arguments than those given in paragraph 7 of the Governor's despatch of April 5th, 1916, but I suggest that if this proposal is not acceptable to the Company

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action.

6.

action be guided by the provisions of the new Electricity Supply Ordinance, of which copies were forwarded to you in my despatch No.311 of June 6th.

Law
26/6/69
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8. I have felt it necessary to enquire whether there is any question that Clause 13 of the concession will not bring the Company under legislation to be provided by the above mentioned Ordinance, for the reason that, although the Attorney General is of opinion that the intention of the clause is perfectly clear, I am anxious that there should be no doubts on the subject. In any case I propose, unless I receive a direction from you to the contrary, to introduce a clause into the proposed Ordinance removing any doubts which may exist.

9. I have also felt it my duty to record the fact that, in my opinion, the local Government suffered from want of technical advice in the earlier stages of the negotiations with the Company. When those negotiations were commenced, we had no electrical expert attached to the Public Works Department, but Mr. McBlain, who now fills that post, considers that the Company is being granted powers which would not be entertained in the United Kingdom, whereas the interests of the general public are not sufficiently safeguarded. At his suggestion,



suggestion, and at the request of the Director of Public Works, I have asked that the draft concession be submitted to Mr. Rider, of the firm of Preece, Cardew, Snell, and Rider, who are, I understand, technical advisers to the Colonial Office.

10. It would also, in my opinion, be very desirable that, before the concession is signed, the draft should be published locally for comment and criticism by the public. Public feeling runs high on the subject of the concession to the Company, and I consider it would be to the best interests of the community for all possible publicity to be given to the proposals. Naturally it is not desired that we should withdraw from any actual concessions to which we may be committed but I think that, if it should transpire that Government has unwittingly inadequately safeguarded the interests of the public, every possible effort should be made to rectify matters.

11. I trust that there will be no objection to these last two proposals. The delay caused thereby will not be great, and, as the period within which the Company has to arrive at its decision regarding the move will not commence until after the conclusion of hostilities, it would appear that the urgency for signing the agreement is not very great.

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12. In my telegram No. 258 of May 14th, I drew attention to an alteration in Clause 23 of the draft agreement and to the fact that it fails to effect one of the purposes of the new agreement, namely to free the falls on the Ruiru reserved to the Company under the existing agreement but which are not at present being used. The clause as now drafted does not do this but specifically reserves to the Company the use of all of the Ruiru Falls. I understand from the Company's letter to you of June 20th, 1916, that Clause 2 will be amended so that the monopoly will cease in 1918.

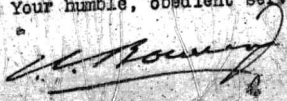
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29052
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13. With reference to paragraph 4 of your despatch, I agree that if it is impossible to obtain the necessary engineering supplies from home it will be necessary to adopt some measure whereby the Company will be temporarily freed from the necessity for taking on fresh consumers. I presume however that this matter can be dealt with if and when the occasion arises.

I have the honour to be,

Sir,

Your humble, obedient servant,



ACTING GOVERNOR.

Nairobi,
British East Africa,
7th, June 1917.

The Hon'ble,
The Ag. Chief Secretary,
The Secretariat,
Nairobi.

INCLOSURE I

Sir,

By
In Despatch No. 916 of 6-7 1917

Posho Limited.

We are informed that in the Draft New Concession to the Nairobi Electric Power & Lighting Co. Ltd. submitted to the Municipal Committee, it is proposed to give to that Company the water power rights of the Falls, fronting the property of the ~~Posho~~ Posho Ltd. We are aware that for some years past the Nairobi Electric Power & Lighting Co. Ltd. has been attempting to secure practically the entire control of the river water at this point, and we have to ask if Government is satisfied that what will be ceded will be on such terms as to the rights of this Company as to the facilities usually afforded to riparian owners to obtain water for the purposes of their business.

If the demands of the Nairobi Electric Power & Lighting Co. Ltd. have been, or are to be, acceded to, we must ask you to record our emphatic protest against the rights which it is proposed to give to that Company. We should like it to be clearly understood that this objection is not to the concession for the development of the Falls per se, but to the conditions as to the time allowed for so developing, and to those concerning the charges which may be made to prospective users of the power.

Messrs Posho Ltd. had no desire to expend capital, provided for other purposes, in developing power schemes, and had reason to expect that the much discussed intentions of the Nairobi Electric Power & Lighting Co. Ltd. to provide power from the Thika would long since have materialised, and so made a supply of power available. At present Messrs Posho Ltd. have made temporary arrangements for the supply of power with the Thika Sisal Co. Ltd., but at a comparatively early date, it will become essential to them and to associated Companies that a permanent source of supply shall be available. In the meantime the absence of the taking of any measures for its provision by the Nairobi Electric Power & Lighting Co. Ltd. is causing us grave anxiety. It was for this reason that we recently made an application to the Director of Public Works for permission to utilise 500 h.p. of the water power of the river fronting our property.

We learn from the Graft Concession that the Nairobi Electric Power & Lighting Co. Ltd. are to be granted the right to the power which has been refused to us, and that moreover, no notification need be given of their intentions with regard to its development until five years have elapsed after the termination of the present war. Considering that it is a well-known fact that a sisal crop, when mature, demands peremptory treatment, and that it is impossible to give this treatment without power, it seems to us incomprehensible that Government should even contemplate, much less agree to, such a condition.

Under the circumstances, to which the delay on the part of the Nairobi Electric Power & Lighting Co. Ltd. has given rise, Messrs Sisal Ltd. and the Thika Sisal Co. Ltd. have since the outbreak of war each been forced to find additional capital in order to provide themselves with power, but more fortunate than Messrs Posho Ltd., they were able to secure water power rights. It is suggested to us that the provision to which we object has been made in case capital is only available at some time during the five years mentioned. While we maintain that it is an unmerited injustice that such a condition should be even contemplated without reference to those affected, we would point out that if the Companies requiring power had been provided with the necessary capital might have been secured. We believe that a considerable proportion, approximately one-quarter to one-third, say 1500 to 2500 H.P. of the total power of these Falls, could be made available for the comparatively small sum of from £10,000 to £15,000. A sum of approximately the lesser of these amounts has been expended by the two Companies mentioned above, which could have been far better employed in developing a scheme similar to that presumably projected by the Nairobi Electric Power & Lighting Co. Ltd. in connection with the Thika Falls.

We trust that it will be obvious to Government that this delay of over five years, if permitted, may gravely affect various industries.

In order to obviate any such danger, we, on behalf of Messrs Posho Ltd., are prepared to negotiate with a view to provide a guarantee of the agreed capital necessary for the portion of the work above indicated.

provided that the operations are carried out in accordance with the conditions of the Electric Power Ordinance now before the Legislative Council, as they may be adopted by that Council. Failing the up-holding of the objections we have lodged, and failing consideration of the above proposal, we have to request that our application to the Director of Public Works for permission to utilise up to 500 H.P. from the Thika Falls be granted.

We have, etc.,
for and on behalf of Posho
W.C. Hunter & Co.
Secretary.

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ENCLOSURE II

Memorandum No. 116 of 6

In reply please quote No. 2

and date June 10th 1917.

(Ref: S. 15677/14 of 11/5/17)

WATER REQUIREMENTS ON THE GAZA RIVER.

THE HON. CHIEF SECRETARY,

HAIRBEL.

This memorandum deals with the question as to what constituted a reasonable demand for water for irrigation owners situated along the Gaza River. A Power Corporation might make the best use of a dam 12 to 14 miles below the Fort Hall dam. In accordance with the instructions, it is a decidedly adverse view on

2. The slopes of the valley are broken and rough with leading water $\frac{1}{2}$ to 1. The flatter slopes which are on each side of the valley would have a very low yield and there are some small alluvial flats close alongside the river. I ran a traverse to fix the limits of the grounds on the valley which would be worth irrigating. I also saw the projected line of a dam which had been surveyed for the Haired Electric Power and Lighting Company some years ago. Some of their survey pegs are still in place.

From the attached diagram showing the line of the Company's dam and canal, I have derived an area upon which I consider that a dam might be reasonably expected to yield water for irrigation. It amounts to about 2000 acres.

7. I therefore recommend that Government should reserve complete right to nineteen cusecs of water for the estate purposes of landholders between the Company's intake and outfall. Further irrigation down the the watershed between the Ghika and Athi could of course be effected by more water, but the quantity stated is in my opinion the minimum which ought to be reserved for estate purposes on lands at present occupied.

8. Further points upon which Government might require information are

that the minimum flow ever recorded on this river near the Fort Hall road is 254 cusecs; that it rises to over 5000 cusecs in flood; that the horse-power which might be developed at the falls in question, with machinery presenting an efficiency of 88%, would thus vary from 8800 H.P. in dry weather to over 160,000 H.P. in floods. It is of course only the lower limits which are of value in controlling the size and scope of plant to be installed. The present maximum demand upon the works of the Nairobi Company at no time exceeds 535 H.P.

9. Until and after such time as the Nairobi Company actually make use of these falls, I consider that Government should reserve the unrettered right to utilise whatever balance of flow is not diverted for power production through the works of the Company, for any purpose which it may see fit to allow.

(sd) W. McGregor Ross,
Director of Public Works.

6, QUEEN ANNES GATE,
WESTMINSTER, S.W.1.

31/8/17

Dear Mr. Doxtonley

I return herewith the
small tracing, together with
a blue print copy, which may
be useful to you.

I thank you for your
note of yesterday, with small
sketch of position of Falls.

I have two large plans
with me, one with Muka

The Ruess Falls marked
to your records will be in
order.

Yours faithfully
J. H. Kees

W. C. Doxtonley, Esq.

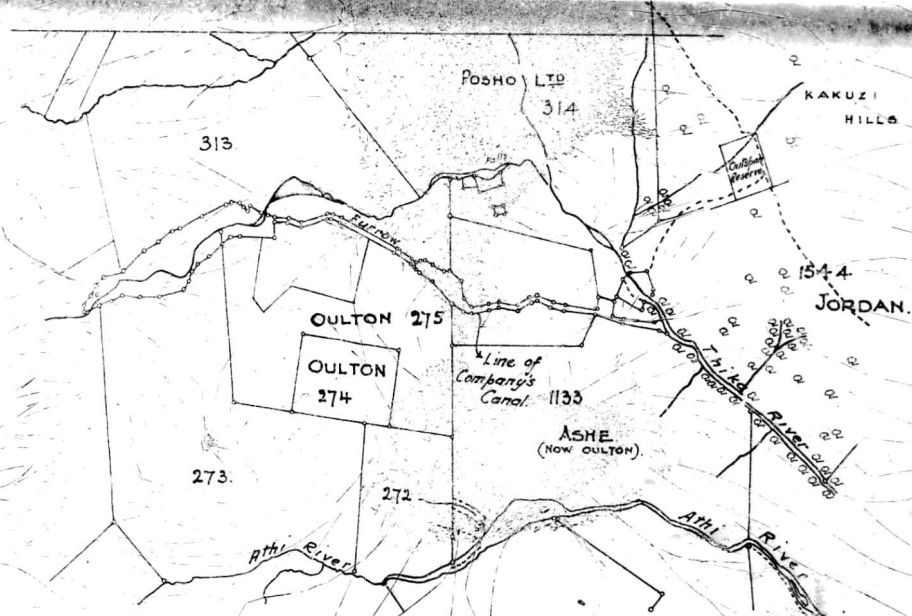


Diagram to accompany
D.P.W's No 210/III of
1917 to Am.C.S

22 August 1917

Gentlemen,

I am re. to say you
that the Com. of the R.M.
has requested that the
address of Mr. Rider of
the firm should be
obtained
of Messrs. Price, Carden,
Swell, and Rider, your
Consulting Engineers, should
be obtained as to the
terms on which it is
proposed to make the
concession held by the
Messrs. Hunter, Fowler
and Lighty (L.F.)
the supply of electricity

DRAFT

C.A. for the Com.

MINUTE

W.C.A. 2/18/17
Mr. Butler 21 f.3

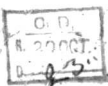
- Mr. Butler
- Mr.
- Mr.
- Mr. Grindell
- Mr. Lambert
- Mr. Read
- Sir G. Fables
- Mr. Sted-Mailand
- Mr. Long

[I aff. to C.A. as it
may see confusion
when the bid comes
in]
W.C.A.

G.A.C./40305/East Africa Protectorate

Downing Street,

25 October, 1917.



Ans'd 57279

Sir,

DRAFT.

THE SECRETARY,

THE NAIROBI ELECTRIC

POWER AND LIGHTING

COMPANY LIMITED.

- Ans. 18-10-17*
- Mr. Tompkinson
- Mr. Bottomley
- Mr. Fisher
- Mr. Grindle
- Mr. Lambert
- Mr. Road
- Sir G. Fidge
- Sir A. Street
- Mr. Long

Extract from Report 6423/17
 - as marked in pencil
 (See Sheet
 (The Committee))

With reference to the letter from this Department of the 4th of August, I am directed by Mr. Secretary Long to inform you that, at the discussion with Mr. E. F. Workhouse on the 15th of October, it was agreed that a letter should be sent to the Company setting out the points raised by the Officer Administering the Government of the East Africa Protectorate on outstanding questions connected with the revision of the Company's concession.

2. The Governor attaches primary importance to the question of the dates by which the Company should be required (1) to decide whether they will accept the Bill, and (2) to complete the move in their

generally as to the work which should be in hand in regard to the...
 for the... to call at this Office, at some time convenient to himself, when Mr. Bottomley, of the S. A. P. Dept., will be instructed to furnish him with papers on the points in question and some preliminary explanation of the circumstances.

[The bill of June 28
 329 34 need draft
 examine & bill

(Signed) G. GRINDLE

event of its being decided upon.

In view of the demands which are being made for the provision of power, the Officer Administering the Government is unwilling to accept the proposal that clause 8 of the agreement should be so worded as to allow the Company 7 1/2 years in all from the conclusion of the war before they should be required to complete their works on the Tika, and that during ^{first} the last five years of that period they may have an option on the Falls without arriving at any decision as to whether they will eventually move there or not. Mr. Bowring suggests that it might be possible, pending the completion of the move by the Company, for the available water power to be used by licensees from the Crown until and if required by the Company, with a proviso that the Company shall take over the licensees' plant on the completion of their works. He recognises that such a proviso will not be free from objections, since it will

~~necessarily~~ be loss of economy in capital expenditure through the necessity for ~~the~~ *separate small* out ~~the~~ temporary installations.

3. Mr. Bowring considers that a period of five years from the end of the war should be sufficient for the completion of the Company's work at the Thika Falls. That time could be divided into two periods of 2½ years each, one for arriving at the decision and the other for completing the work. If the Company within 2½ years from the end of the war were still unable to decide upon the move, he considers that the power should no longer be allowed to remain idle, but should be made available for use by persons who require it and are prepared to develop it.

4. A further question dealt with by the Officer Administering the Government is that of the amount of water to be left in the channel below the Company's intake for the purposes of riparian landholders.

An extract from a report on this subject,

to be done with the accompanying diagram, is proposed, and it will be observed that the Government are of opinion that an amount of 19 cucecs should be left in the river (out of the total quantity of 254 cucecs, which is stated to be the minimum flow of the river in the driest season).

5. The Officer Administering the Government is anxious that the terms of the draft Concession should be published locally for comment and criticism by the public in the Protectorate. He states that public feeling runs high on the subject of the concession, and he is anxious that, if it should appear that the Government has inadequately safeguarded the interests of the public, every possible effort should be made to rectify matters before the agreement is executed.

6. In addition, Mr. Bowring desires that the draft agreement should be so modified as to leave no doubt that

the Company under the new Concession will be bound by the terms of the New Electricity Ordinance which has been introduced in the Legislative Council and is now being considered by a sub-Committee of that body. Mr. Long does not consider that there could be any ground for holding that the Company should not be bound by the law of the Protectorate, either as it stands now or as it may be modified in the future, but in order to meet Mr. Bowring's wishes the terms of clause 13 of the draft Agreement will be modified in order to make the matter clear.

I am, etc.,
(SD)

*Bowring also
wants to see the
clause in the
proposed ordinance
inserted, any draft
which may exist on
this point.*

(Signed) E. J. BRAD