

33082

CO 533/480  
KENYA

38082

EAST AFRICAN POWER & LIGHTING CO., LTD.

DEVELOPMENT OF MARAGUA - TANA POWER STATION

Previous

1936

Subsequent

R. 297

R. 309

R. 220

12/10/37  
25/10

Extract from Minutes on 42171/37 T.T.

There is one point to which I might call attention.

It will be seen from 40,42, and 43 on 38082/1/36 Kenya that, at the suggestion of Sir W.Gowers, we asked the Government of Kenya to withhold from publication the opinion submitted by Sir H.McGowan concerning the proposed renewal of the licences of the East African Power and Lighting Company Limited, in Kenya. This was done because it was felt that it might be possible to use as a bargaining factor with the Corporation, in the negotiations over the Pangani concession, the request of its subsidiary for extended facilities in Kenya. Doubt was felt here as to the wisdom and propriety of this course - see the minutes below 1 on this file.

It seems to me that having regard to the virtual impasse that has been reached in our discussions with the Company, we ought now to discard this potential bargaining factor ( it has always seemed to me of doubtful efficacy) and to tell the Kenya Government that it is not now desired that they should withhold the McGowan opinion from publication if they wish to publish it.

? Proceed accordingly after consultation with the Crown Agents ( Mr. Rae).

(sd) F.G.Lee.

24.9.37.

Yes: but the Kenya unofficals, I gather from Mr. Harragin, are very pleased with themselves over their attitude and think the Company is being well treated

treated. They won't be convinced though one rose from the dead ! So it doesn't matter so much .

(sd) J.E.W.Flood.

24.9.

I have attached the letter from

33. Mr. Drayton to Mr. Lee of 21st September which has just come on to me. Mr. Drayton did not mention that he had written this letter when we had the discussion on the 22nd, but he covered all the ground orally.

(sd) E.B.Boyd.

24.9.37.

I agree with Mr. Lee's minute of the 24.9.37.

The 25th September, 1937.

(sd) J.Campbell.

25.9.37.

Curiously, we have been using the report of Lord McGowan's Committee's report against the Power Securities desire to take over Nigeria electricity. There would be some satisfaction in using his private opinion in their favour.

Consult Mr. Rae and let me see the result.

(Intld) W.C.B.

27.9.37.

I explained the position to Mr. Rae . He consulted Sir William Gowers and rang up yesterday morning to say that Sir William agrees that, in the circumstances, there seems no reason why the request of Kenya to withhold publication of the McGowan opinion should not be cancelled. Presumably, therefore, we should

need to telegraph. now telegraph to Kenya as proposed in Mr. Lee's (Intld) J.E.W.F.

minute

3  
minute of the 24th September ? draft herewith for consideration.

Mr. Rae, also at Sir William Gowers's request, raised the question of the position with regard to the application of Power Securities Corporation for a concession in regard to the establishment of a hydro-electric power station in Uganda ( vide 40022/37 Uganda and connected papers below). It seems that the Crown Agents have been holding up action on our letter of the 9th February in view of the Tanganyika controversy. They would like a letter from us to the effect that there is no longer any need for them to delay action on the Uganda scheme, and asking them to proceed with the negotiations with the Corporation.

I send on as directed in Sir Cecil Bottomley's minute of the 27th September.

(sd) M.A.Greenhill.

29.9.37.

There is no need to send a telegram to Kenya since the air mail will get there in a couple of days and it is not a bit likely that the Corporation will want to move. Further, the Kenya unofficials are still quite unrepentant and think that they have given the Company quite a fair offer. In this they are backed up by the late Postmaster-General, and I regret to say, to some extent, by Mr. Harragin, the Attorney-General. Accordingly I think it will take a good many months before anything happens, and when anything does happen there will be plenty of room for further hard bargaining.

(sd) J.E.W.Flood.

30.9.37.

Recirculate

Recirculate as to Uganda.

(Intld) W.C.B.I.10.37.

at once.

Returned for circulation  
behind 49022/37 Uganda  
on 21<sup>st</sup> Oct.

1. To Kenya Conf. — (Draft n ~~49022/37~~) — 7.10.37

MM

Draft on

42171/37 T.T.

DOWNING STREET,

7 October, 1957.

**CONFIDENTIAL**

Sir,

[40] - 38082/1/56

I have the honour to refer to my telegram No. 290 Confidential of the 4th of December last, in which I asked you to withhold from publication for the present the information given by Sir H. (now Lord) McGowan in regard to the proper length of duration for an electricity concession such as that sought by the East African Electric Light and Power Company in Kenya.

2. Since that date negotiations have been intermittently in progress between the Company and the Government of Tanganyika in regard to the Pangani Power Scheme, but these negotiations have not so far reached any conclusion, and the question at issue is now rather the quantity of water in the river. There seems little probability of any final agreement being reached for some time to come; and, in the circumstances, I do not think that Lord McGowan's opinion need be withheld any longer from publication, if an opportunity occurs for you to make it known.

3. It may be that the Company will proceed to make a fresh approach to the Government of Kenya, and I understand that it is possible that Mr. W. Shearer of Messrs. Balfour Beatty and Company may visit Kenya in order to discuss matters locally, but I am without information

GOVERNOR

AIR CHIEF MARSHAL

SIR ROBERT BROOKE-POPHAM, G.C.V.O., C.M.G., D.S.O., A.F.C.

etc.,

etc.,

etc.

information as to the intentions of the Company.  
will be that they have decided to wait before making any  
further approach to Government.

I have the honour to be,

Sir,

Your most obedient

humble servant,

(Signed, W. CRIMBY GORE.)