

EAST AFR. PROT

436

C/O
23186

23186

10 MAY 20

McGREGOR ROSS

W.

NOMBASA ELECTRIC LIGHT AND POWER COY.

1920

7th MAY

Last previous Paper.

Suggests terms of reply to Coy on subject of Agreement, charges, license, and Power station

R. Ross

Letter received from Nombasa Coy on 11/5/20

W. Ross

Please see 14/5/20 for the letter from Nombasa Coy which we desire to answer.

(1) Can you say when the amending notes will be ready?

(2) Have you any answers on W. Ross' proposed reply to Nombasa Coy's letter.

The general time for the reply should, I think, be as in minute on 14/5/20.

W. Ross

12.5.20

P.S.P.

659

March 25, the Company were asked, which one of the alternatives they would adopt. In reply they suggest applying for a little of both, and they raise three new heads of both indefinite and indefinite street names.

the continuance of the Company's present supply, so long as it is economical for it to do so, in the due course of ordinary business;

provision by Government to meet a pressing need for the overhaul of its plant coupled with an act on their behalf suggestion that Government action has deprived it of opportunity to do this latter,

and

dependance upon an extensive town-planning scheme for the Island of Honiara which is understood to be under consideration.

To deal only with the last, it is the case that satisfactory town planning in Honiara Island will involve a great deal of work and it is not at all unlikely that negotiations on this subject require to be begun at an early date.

I suggest that the Government of Communication and Commerce in any contract which it may make with the Company in connection with the supply of a cheap and reliable power supply, and well aware from past experience, that negotiations with this company under its present Directorate, unless Government makes up their minds for them, are likely to prove interminable, and I suggest some such reply as the following:—

I am directed to acknowledge in reply

(2) It is the intention of Government the companies operating in the islands' electric power in the East India Protectorate shall be defined under the obligations imposed by the Electric Power Ordinance, 1920, or on the other hand voluntarily to waive the privileges conferred on it, or on any of its successors, at the time of its incorporation by your Company upon the present and future terms of the original agreement and a

~~and~~ variation or extension of powers would in the case of your Company, as in that of others, involve the cancellation of all existing powers and agreements entered into by the Government in strict conformity with the requirements of the Statute of 1920.

(3) Government is unable to hold out any offer of the amount of money to charge up to the Government and is charging a sum for a period of the cost of the same.

(4) It is not [unclear] intended that any existing [unclear] should be [unclear] in terms of 1920 and 1921 and 18 of the Statute of 1920.

(5) The [unclear] [unclear] in my letter of the 20th December 1920 were that the Company should agree to [unclear] rights in the form of a licence under the new Ordinance that it should agree to [unclear] operations under the terms of its original Agreement and in a contingency Government would retain the right to take such actions as the requirements of administration and commerce in the island of Hong Kong might seem to require. The Government would be unwilling to accept the compromise advanced in your third paragraph unless it had been made by public advertisement or otherwise, that no likelihood existed of the [unclear] inauguration of an ample and [unclear] supply by a licence under the [unclear] 1920 Ordinance. Government will therefore not consider itself [unclear] in [unclear] engines as to [unclear] on the [unclear] of these letters to apply for such a licence.

(6) I must state that I must convey to you that it is considered to be [unclear] the most [unclear] site for a central power station is [unclear] the expected rate of [unclear] in the [unclear] future.

I have the honor to be Sir,
Your most obedient servant
[Signature]
Director of Public Works

Under Secretary, State
in the Colonies

19

Downing Street,

20 May, 1920.

SE

(Signature)

Amad 29/5/20

DRAFT.

Sir,

ALY ESQ.,

(20024)

With further reference to your letter of the 20th of April regarding the Mombasa Electric Light and Power Company, Limited, I am directed by Viscount Milner to inform you that it is intended that companies operating in the supply of electrical energy in the East Africa Protectorate shall be definitely under the obligations imposed by the Electric Power Ordinance 1920, or, on the other hand, definitely outside the privileges conferred by it. There is no intention that any amending Ordinance should modify sections 50, 108, 137 and 138 of the principal Ordinance; but the proposed amending Ordinance would at the most provide for continued operation by the Mombasa Electric Light and Power Company, Limited, upon the precise terms of the original Agreement. It is possible, however, that the Ordinance will provide that, if occasion arose to vary or extend the powers provided for under that Agreement, the whole of the operations of the Company must there-
after

MINUTE.

brearily 17th May.

Parkinson,

Bottomley,

Trindle,

Lambert,

H. Hood,

Piddis,

Emery,

Milner.

18.6.20

(Handwritten scribble)

Copy sent to Mr. Amad on 19 June 20

consideration.

thereafter be conducted in accordance with
the Principal Ordinance, all special powers and
agreements being cancelled.

2. I am to point out that the alternatives
advanced in the letter from this Department of
the 25th of March were that the Company should
apply for fresh operation - rights in the form of
a license under the new Ordinance or that it should
apply for continued operation - rights under the terms
of its original Agreement. Lord Milner is unable to
consider the suggestions contained in your letter,
and he desires it to be made clear that no hope
can be held out that powers will be granted to
charge up to the ²Equivalent of 1/- a unit for the
period of the extension.

3. I am to express regret that your enquiries
as to the most suitable site for a central power
station and as to the expected rate of development
of a power load in the early future are not matters
upon which Lord Milner is prepared to advise.

4. I am to request that the Company will now
indicate which of the two courses proposed in the
letter from this Department of the 25th of March
they desire to accept.

I am, etc.

(Signed) H. J. READ.