

EAST AFR. PROT  
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C O  
3051  
ST. PAUL, ILL.

Indian Concern  
Crosby

Removal of Undesirables Order 1919

1920

21 Jan'y

Last previous Paper.

As copy telegram recd from Indian Community  
and protest against order & request to  
be held back pending introduction of resolution  
regarding rights of subjects also case of  
M. K. W. P. removed during war

Dr. H. Head Dr. J. Fisher

I have supposed that the  
order will be the result of our  
all sorts of things being done, but  
all sorts of things being done, but  
all sorts of things being done, but

It is of course your responsibility  
for the Indian Community & we are  
that it is a matter of your own  
and that we will be able to find out

Dr. H. Head Dr. J. Fisher  
I have supposed that the  
order will be the result of our  
all sorts of things being done, but  
all sorts of things being done, but  
all sorts of things being done, but

Feb 15-1920  
Feb 20  
Feb 25

Small subscription Paper

21  
5084

President of Council

Chairman of Executive Committee

M. H. THE AGA KHAN.

Deputy Chairman:

MR. M. BHOWNAGREE.  
R.C.I.E.

Hon. Secretary and Treasurer

MR. S. L. POLAK.

# Indians Overseas Association.

47-48, Dance Inn House,

265, Strand, London, W.C.2

January 21st.

1930.

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

Sir,

My Association has received the following telegram from Mr. C. F. Andrews at Louhassa, on behalf of the British East African Indian Community:-

"Full draft proposed Ordinance menacing Indian political freedom reads thus: '1. This Bill may be cited as Removal of Undesirables Ordinance, 1919. 2. Any person within East African Protectorate not being native who, from information officially received, is deemed by Governor in Council undesirable may be ordered by Governor remove himself from Protectorate before date prescribed in such Order. 3. Any person contravening Order given liable on conviction fine Rs. 1,500 or imprisonment either description not exceeding six months or both together. Such conviction shall not affect Governor's power issue further Order under preceding section against same person.' Legislative Council meets January 19. This Ordinance entirely lacks safeguards against political misuse. Immediate action needed prevent impending danger of drastic alteration in Bill itself through Colonial Office intervention."

My Association realizes from past experience, both in South Africa and in East Africa itself, the grave danger threatened by legislation of the sort contemplated. My Associa-

tion has specially in mind the procedure adopted to secure the removal from British East Africa of Mr. L. W. Ritch, Bar-at-Law, and certain Indian gentlemen resident in the Protectorate, during the War. No reasons were ever given to them for their removal from the Protectorate, but it is currently believed in the Indian Community that they were removed because they were men of influence in the Community, whom it was desired to get rid of because certain officials and others found their presence uncomfortable for reasons which would not have stood investigation by any impartial tribunal.

Having regard to the great powers that will, in any case, be vested in the Governor in Council by legislation of the kind proposed, it is, in my Association's humble opinion, contrary to the spirit of the times, to administrative requirements, and to the demands of justice that such an Ordinance should conceivably be used for purely political purposes, and my Association, therefore, respectfully urges that telegraphic instructions be issued for the holding back of this measure pending the introduction of reservations safeguarding the rights of the subject, and preventing the use of the powers proposed for political purposes.

You will observe that, though the telegram is dated the 7th instant, there has been a delay of thirteen days in transmission.

I have the honour to be,

Sir,

Your obedient Servant,



Hon. Secretary,

*Amid 8459*

*Amid 14027*

Paraphrase telegram from the Secretary of State for the Colonies to the Officer Administering the Government of the West Africa Protectorate.

(Sent 4.15 p.m. 4th February 1920)

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16 February. Representations received from Indians through the Indian Association regarding proposed removal of undesirable Ordinance on information from Andrews who states no safeguards against political misuse i.e. as against Indians. State by telegraph purpose of Ordinance and whether it is possible to reassure Indians.

President of Council

Chairman of Executive Committee  
H.H. THE AGA KHAN  
Deputy Chairman  
Sir M. W. BHOWMAGREE  
K.C.I.E.

Hon. Secretary and Treasurer  
By S. L. POLAK

# Indians Overseas Association.

Office: Kaloph, Strand, London  
Central Office

47-48, Danes Inn House,  
265, Strand, London, W.C.2

RECEIVED  
FEB 10  
COL. OFFICE

February 9th, 2 1920.

*Mr. Polak*  
*S. L. Polak*  
*16*

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

Sir,

I beg to acknowledge with thanks the receipt of your letter 3651/1920 of the 6th instant in regard to a cablegram received by my Association from Mr. C. E. Andrews on the subject of a Bill, which it is stated is being introduced in the Legislative Council of the East Africa Protectorate entitled "The Removal of Undesirables Ordinance" and note therefrom that the Secretary of State is in communication with the Officer administering the Government of the Protectorate on the subject.

I have the honour to be,

Your obedient Servant,

Hon. Secretary.

President of Council:

Chairman of Executive Committee  
H.H. THE AGA KHAN  
Deputy Chairman:  
Sir M. M. BHOWNAGGREE,  
K.C.I.E.

Hon. Secretary and Treasurer:  
Mr. S. L. POLAK

# Indians Overseas Association.

Calcutta, Calcutta, London.  
Bombay, London.  
Central Office.

47-48, Danes Inn House,  
265, Strand, London, W.C.2

RECEIVED  
15 DEC  
COL OFFICE

December 12th. 1919.

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

Sir,

I beg to acknowledge with thanks the receipt of your letter (67820/1919) of the 8th instant with reference to matters affecting the Indian Community in British East Africa. I am placing your letter before my Executive Committee.

I am, Sir,

Your obedient Servant,

Hon. Secretary.

MJ EAP  
3651  
20

75

Su Feb 1920

DRAFT.

The Hon. Sec.  
Indians Overseas Association

MINUTE.

- Mr. Jessell 5.2.20
- Mr. Parkinson
- Mr.
- Mr. Gemitt
- Mr. B. Lamb
- Mr. B. East
- Mr. D. Fisher
- Mr. Avery
- Lord Mount

I am directed to read the rest of your letter of the 21st of Jan. forwarding a copy of a tel. rec'd by the Indians Overseas Assocn from Mr. C. F. Andrews on the subject of a Bill, which it is stated is being introduced in the Legislative Council of the E.A.P., entitled "The Removal of Unsoundable Ordinances".

The Bill is in

CO 533 248

the draft  
of the  
tel. sent to  
draft but any

COLONIAL OFFICE, WHITEHALL.

Referred to:-

SIR ROBERT A. REEL,  
(in the Chair).

Supported by:-

SIR EDWIN NORTHLEY,  
MR. BUSHE,  
MR. W. C. POTCOMLEY,  
MR. NICHOLSON, and  
MR. RIDGE.

IN THE MATTER OF THE BRITISH  
ELECTRIC POWER & LIGHTING Co. Ltd.

IN THE MATTER OF THE  
ELECTRICITY ORDINANCE, 1926.

Monday 19th January 1926.

123456789

10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100



Monday, 19th January, 1920.

IN THE MATTER OF THE NAIROBI  
ELECTRIC POWER AND LIGHTING COMPANY, LIMITED.

IN THE MATTER OF THE ELECTRICITY  
ORDINANCE, 1918.

BEFORE:-

Sir HERBERT A. READ: (In the Chair)

Supported by:-

- Sir EDWIN NORTHY,
- Mr. BUSHN,
- Mr. W.C. BOTTOMLEY,
- Mr. McBLAIN, and
- Mr. RIDER.

(Transcript of the Shorthand Notes of Mr. William Rogers,  
8, New Court, Carey Street, London. W.C. 2.)

Mr. LESLIE SCOTT, K.C., B.P., & Mr. HILDESLEY  
instructed by Messrs. Lea & Lee, appeared for the Nairobi  
Electric Power & Lighting Company, Limited.

I ought to say at first that I am not  
dealing with the powers, and that any agreement that we  
came to in the afternoon has to be sent on to the powers that  
be. I do not intend to waste any time in giving my report  
of this question. I think we are all pretty

familiar with its nature. I want to go straight away to what seemed to me to be the points at issue between the company and the Government. Those seem to me to be four. There is the question of the extension of the Company's tenure; the question of monopoly; the question of conversion; and, finally, the question of expropriation. I should think from the letter that the company itself sent me, those are the four essential points, but from your point of view, the most essential is the question of extension. I have not the terms of the license here at the moment, but perhaps you would like to see that.

Mr. LESLIE SCOTT:- I think that would be the simplest way.

THE CHAIRMAN:- You can see the license. I understand it is on its way. It practically proposes to extend the tenure of the company for 42 years. You will want to see the terms of it, naturally. I have not seen them myself.

Mr. LESLIE SCOTT:- While that is coming, would it be convenient for me to state shortly the position in the matter at the present moment, or would you like me to wait till the license arrives.

THE CHAIRMAN:- I would rather wait for Mr. Balamley, as he is the head of this Department.

Mr. LESLIE SCOTT:- When you used the expression "extension of tenure", you meant the extension of tenure under a license under the new Ordinance.

THE CHAIRMAN:- I think perhaps you might just go on just to the same of these other things.

Mr. LESLIE SCOTT:- If you please.

THE CHAIRMAN:- Then we come to the question of monopoly. Assuming that your contention is that the concession has been unconditionally extended till 1911, that would be only a monopoly of a supply of electricity in Hong Kong up to that date. That is agreed.

Mr. LESLIE SCOTT:- Yes, the Edison Company has a 15 mile

radius, and 3 miles each side of the main line.

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THE CHAIRMAN:— The arrangement we contemplate subject to the passing of the proposed amended Ordinance, will give you 42 years from the date of the license with a virtual monopoly; that is, you will not be subject to competition so long as you maintain a satisfactory supply. We admit that the wording of the Ordinance does give the Governor power to use a competing license if he thinks fit, but we are quite prepared to give you an assurance that there is no intention of making use of this power so long as your power is adequate. That is really, quite shortly, what we have to say on that point.

MR. LESLIE SCOTT:— Would that be on the basis of change of system of pressure, or on the basis of continuing the existing system of pressure?

THE CHAIRMAN:— We hope to get in return for that the conversion, but of course, I am coming to that presently.

MR. LESLIE SCOTT:— Quite so.

THE CHAIRMAN:— We are wanting to get some more information from you on that point. What I understand is that you are not content with the provision that you should be allowed 7 years or such longer period as the Governor in Council may decide in each case. That is for conversion. While we are very glad to agree you should be assured that the Governor would give in your case all possible latitude for converting the apparatus, we have an impression that your estimate of £25000 for conversion, is excessive, and I should rather like to hear your experts on that point. What I rather gathered in talking this over was that you had already converted at the source of power. It was really more a question of conversion of the installation in Nairobi itself.

MR. MONKHOUSE:— May I explain the way I read this. I read the proposed Ordinance in this way, that so far as our generating station and extra high tension mains are concerned they would not be affected by the introduction of this

## Proposed Ordinance.

THE CHAIRMAN:- That is what I rather gathered.

Mr. MONKHOUSE:- I am going to read other. I also read out that our high tension distribution in Nairobi, that is to say, 2500 volt distribution which have three wire phases, will not be affected, but I gather that the whole of the low tension distribution will be affected, beginning at the transformers which transform from 2500 volts.

THE CHAIRMAN:- That you have made no start on?

Mr. MONKHOUSE:- None whatever.

THE CHAIRMAN:- You have not touched that?

Mr. MONKHOUSE:- We have touched nothing. We have made no start on anything at all.

THE CHAIRMAN:- I see. I thought you had begun already in Nairobi.

Mr. MONKHOUSE:- No, the system is as it always has been. Nothing has been done.

THE CHAIRMAN:- Then I quite understand that. You do not consider this figure of £25000 excessive?

Mr. MONKHOUSE:- I do not, for this reason. As I have been able to interpret the Ordinance first of all I might say that when I gave that figure I was not aware, and I do not know to-day to what extent the Ordinance is going to affect the Company. I am not able to interpret the whole of the clauses of the Ordinance. I did not know to what extent these clauses were going to hit us. I was asked by the Company to give them a figure. I gave them what I considered was a tolerably close figure for the alteration to the transformers, and I told them that I considered they ought to reserve a certain sum of money to be applied in re-arranging the low tension distribution system to work in accordance with what I gathered to be the terms of the Ordinance. I was not in giving the rough estimate, I was to be on the right side, but I do not think I was extravagant either.

right side. The estimate I gave was, as far as I could make it at the time, an honest estimate of what I thought it would cost. When you consider that the cost of everything to-day is three times what it was in pre-war times, I do not think you yourself, or your advisers, will consider that it is really very excessive.

Mr. RIDER:- what amount of transformers would you have to alter?

Mr. MONKHOUSE:- How many transformers?

Mr. RIDER:- The capacity?

Mr. MONKHOUSE:- I cannot tell you now, but I will give you the figure.

Mr. RIDER:- Does it mean scrapping the old and putting new ones in?

Mr. MONKHOUSE:- I am afraid it does. I have made inquiries of all the transformer makers. With the exception of the British Westinghouse company, none of them will undertake to supply us with new coils so that we can re-wind the transformers for the new pressure. There is not the room on the transformers for the new coils to come in.

Mr. RIDER:- The new pressure would be higher than the old pressure?

Mr. MONKHOUSE:- The new pressure amounts to 415 volts between phases, and 240 volts any phase wire to neutral. At present we are 300 volts through our low tension. There will be more wire insulation, and there is not room on the transformers to get this.

Mr. RIDER:- That is a substantial increase.

Mr. MONKHOUSE:- I can assure you I have made inquiries of all transformer makers to ascertain whether they could re-wind these transformers before I give you the figure.

Mr. RIDER:- If you could get an idea up to the full capacity of the transformers, you would have to change or replace, it would give you some idea of what the cost would be.

Mr. MONKHOUSE:- I can give it you with pleasure, but I cannot give it you off-hand.

THE CHAIRMAN:- Naturally it is to the advantage of both sides if a smaller figure is required. That makes agreement much more easy.

Mr. LESLIE SCOTT:- I think that is enough to show you it was an honest figure.

THE CHAIRMAN:- It is an expert question which I do not profess to know anything about.

Mr. MONKHOUSE:- I should like to go a little further. In addition to the question of changing the mains, and re-organising the mains, and changing the transformers, and so forth, there is this very big question of the company being obliged to provide customers with new apparatus free of charge. That is going to be a very serious question.

Mr. RIDER:- What about your meters?

Mr. MONKHOUSE:- The meters we have sent out recently I have arranged so that they can be run at 240 volts through 220 volt meters, as a matter of fact.

Mr. RIDER:- You have many customers without any meters at all?

Mr. MONKHOUSE:- We have.

Mr. RIDER:- You charge them upon the ordinary lamp rate.

Mr. MONKHOUSE:- We have a great many customers without meters running on a flat rate system. If you have read the correspondence in the papers, though I do not suppose you have, you will have seen it is proposed to put them on that estimate meter rate. It was a suggestion made by the company's engineer and approved of by the Government engineer as being a way of reducing the peak load.

Mr. LESLIE SCOTT:- That figure was £5000, you remember.

Mr. RIDER:- For meters.

Mr. LESLIE SCOTT:- For customers.

THE CHAIRMAN:- Shall I go on?

Mr. LESLIE SCOTT:- If you please.

THE CHAIRMAN:- The last point is the question of expropriation. I understand that the company complains that the provision as to the 25 per cent addition for compulsory purchase and goodwill under the 1906 concession is lost to them if they come under the Ordinance. We hold that at the expiration of the license you only receive the valuation price of your plant, which you would not receive at the expiration of your 1906 concession, you stand in a very favourable position if you are bought out by the Local Authority under the Ordinance before the expiration of the license. The Local Authority would have to agree with you on a price. Therefore, the company would be able to make its own terms. That is our view on that point.

Mr. LESLIE SCOTT:- There is nothing in the Ordinance providing for the Local Authority buying us out. Is there, - not compulsorily? It does not automatically work, does it?

THE CHAIRMAN:- It must be so, I think. Is not it so?

Mr. RIDER:- No, that is land.

THE CHAIRMAN:- Shall we let that stand over for the moment when Mr. MacLaine comes he can put his finger on the point.

Mr. LESLIE SCOTT:- The point from the Company's point of view as to its rights at the expiration of its concession is that the option given to the Governor to exercise the right to buy is an option which he can hardly avoid exercising, because if he does not exercise it, the company receives the whole of its plant and everything else, and for practical purposes

Mr. RIDER:- That is under the concession terms.

Mr. LESLIE SCOTT:- That is under the concession terms. For practical purposes nobody would contemplate removal. No doubt it was understood when the concession was granted that the option though phrased as an option meant really if the Company stayed in at the end of its term there would be 25 per cent for good will and so on, in addition to the other items. The Ordinance in many respects makes the Company's position very very difficult, as I shall be able to show you quite conclusively. I am told by my friend Mr. Hildsley that the provision that you had in mind is Article 19 of the Ordinance, page 10.

Mr. RIDER:- That is merely for the purchase of a distribution licence, is not it?

Mr. LESLIE SCOTT:- I am offering no information as to where it is. Perhaps you would let that stand over for the present until the other gentlemen come. I rather gather from what you are saying that you are inviting me to state the Company's view.

THE CHAIRMAN:- Mr. McClain is here now. Have you got the licence, Mr. McClain?

Mr. McCLAIN:- Yes, I have it.

THE CHAIRMAN:- I think that is the most essential thing of all.

Mr. LESLIE SCOTT:- I should like to see that.

THE CHAIRMAN:- It depends so much on that as to how far you are prepared to meet us on these other points. (Document handed to Mr. Leslie Scott).

Mr. LESLIE SCOTT:- By your leave might I read it so as to get it on the shorthand note.

THE CHAIRMAN:- By all means.



Mr. LESLIE SCOTTS - East African Protectorate, Electric Power Ordinance 1919. Draft of the Local Generating Licence being applied for. (1). Local Generating Licence granted by the Governor in Council in respect of a Generating station or stations constructed or to be constructed on the Ruira River and/or constructed or to be constructed at Parklands Nairobi. (2). This Licence may be called as the Nairobi district Local Generating Licence. (2a). The provisions contained in the Electric Power Ordinance 1919 are incorporated with and form part of this Licence. (3). The Licensees for the purposes of this Licence are the Nairobi Electric Power and Lighting Company Limited of Nairobi. (4). The Generating station or stations authorised by this Licence and more particularly described in the first Schedule annexed hereto is or are those constructed or to be constructed on the Ruira River about ( ) and on the land abutting ( ) Parklands Nairobi. (5). Provision as to land not Crown Land, (if any) to be brought in. (7). The Licensees are hereby granted the occupation of (describing the Crown lands) for the period and for the purposes of this Licence. (8). The Licensees are hereby authorised to use lands so comprised and included in the works under this Licence for the purpose of constructing and operating the Generating station or stations before mentioned. (9). The electric energy to be generated under this Licence shall be available in giving a supply to the authorised distributors, being the Licensees under this Licence, for the purposes of their distributing Licence or Licences before the expiration of two years from the date of this Licence. (10). The Licensees may establish and maintain a system of telephones or signals for the purposes of this Licence, separately or in co-operation

Mr. LESLIE SCOTT:- "East African Protectorate. Electric Power Ordinance 1919. Draft of the Local Generating Licence being applied for. (1). Local Generating Licence granted by the Governor in Council in respect of a Generating station or stations constructed or to be constructed on the Ruire River and/or constructed or to be constructed at Parklands Nairobi. (2). This Licence may be cited as the Nairobi district Local Generating Licence. (2a). The provisions contained in the Electric Power Ordinance 1919 are incorporated with and form part of this Licence. (3). The Licensees for the purposes of this Licence are the Nairobi Electric Power and Lighting Company Limited of Nairobi. (4). The Generating station or stations authorised by this Licence and more particularly described in the first Schedule annexed hereto is (or are) those constructed or to be constructed on the Ruire River about ( ) and on the land abutting ( ) Parklands Nairobi. (5). Provision as to land not Crown land, (if any) to be brought in. (7). The Licensees are hereby granted the occupation of (describing the Crown lands) for the period and for the purposes of this Licence. (8). The Licensees are hereby authorised to use lands so comprised and included in the works under this Licence for the purposes of constructing and operating the Generating station or stations before mentioned. (9). The electric energy to be generated under this Licence shall be available for giving a supply to the authorised distributors, being the Licensees under this Licence, for the purposes of their Distributing Licence or Licences before the expiration of two years from the date of this Licence. (10). The Licensees may establish and maintain a system of telephones or signals for the purposes of this Licence, separately or in conjunction

with any other such system authorized for the purposes of a Licence. (11). The Licensees officers servants employees or works ~~may~~ engaged employed or used for the purposes of this Licence, may be engaged employed or used for the purposes of any other Local Generating Licence or any Distributing Licence granted to the Licensees provided that where so engaged employed or used for any of the purposes of any such other Licence a true allocation of the expenses or value of such engagement employment or use shall be made and appear in the accounts under this Licence and under such other Licence. (12). The Licensees officers ~~an~~ servants employees or works may also be engaged ~~an~~ employed or used for purposes other than the purposes of this or any such other Licence as aforesaid, provided that such engagement employment or use shall not prejudice in any way the performance by the Licensees of their duties or obligations under this Licence, and provided also that such engagement employment or use shall not be permitted by the Licensees unless the person or persons requiring the same or for whom it is proposed that the same shall be permitted or performed shall guarantee that there shall be paid to the Licensees a price or sum commensurate with the value of ~~or~~ as shall be usual for such or similar engagement employment or use. (13). The provisions of the two preceding clauses shall not be held to apply to the Auditors or Consultants of the Licensees. (14). If in the opinion of the Governor in Council the Licensees make default in the observance of clauses 11 and 12 hereof the powers granted therein shall cease and be null and void and shall not be again exercisable by the Licensees until application has been made as provided for by the provisions of the Electric Power Ordinance. (15). This Licence shall come into force upon the

date hereof, subject to the provisions of the Electric Power Ordinance and for the purposes of that Ordinance the date hereof shall be the commencement of this Licence". There is nothing about the period of years there. You mentioned 42 years.

Mr. McBLAIN:- No period is stated. The Ordinance adds that only in respect of the urban area the right remains to the local authority to purchase in the time stated by the Ordinance. With respect to the rest of the area the Licence is in perpetuity until such time as a township may spring up. There is no time stated in the Ordinance. The Ordinance gives the local authority a right to expropriate the works in the distributing area, that is the township area in a period of at present 25 years which it is proposed to alter to 42; with respect to the rest of the area the Licence is perpetual.

Mr. LESLIE SCOTT:- Would Mr. McBlain be so good as to refer us to the clause of the Ordinance where that appears.

Mr. RIDER:- Page 10, sub-Section A of Clause 19. The 25 years is mentioned at the top.

Mr. LESLIE SCOTT:- That applies to distributing Licences, does not it?

Mr. RIDER:- Yes, the whole of that clause.

Mr. McBLAIN:- We have two Licences which the Company would require. One is the local Generating Licence, and the one you have been modifying, the skeleton form, the distributing Licence. The authorised distributor, the Licensee, has a Licence ~~and~~ in perpetuity except with reference to the rural area, and there is the local authority.

Mr. LESLIE SCOTT:- I want to see where it is provided that the Licence is perpetual in the rural area, and ~~xxx~~ where

it is provided in the urban area the authority may take over the Licensees position.

Mr. RIDER:- Clause 18, 3 "The distributing Licence may be for any period whether limited or unlimited".

Mr. LESLIE SCOTT:- That seems to point to the Licence itself stating the period for which it is granted.

Mr. McELAIN:- In British practice <sup>no</sup> ~~max~~ period is stated, and the only authority who can expropriate the Licensee or the holder of the provisional order in England, is the local authority after the maturing of his statutory right.

Mr. LESLIE SCOTT:- I really wanted to follow what was proposed. I was not arguing the point.

THE CHAIRMAN:- Yes, the more definite the thing is made the better.

Mr. LESLIE SCOTT:- Would Mr. McElain kindly point to the paragraph where rural and urban areas are distinguished.

THE CHAIRMAN:- I was considering whether I would be prepared to put in these 42 years if you want it. I do not think we need waste time over that.

Mr. LESLIE SCOTT:- I am much obliged. It is very desirable to get the Ordinance clear.

THE CHAIRMAN:- Subject to the power under the Ordinance of the local authority to take over.

Mr. LESLIE SCOTT:- Quite. In that event I presume you would give us the same rates of compensation as under the concession.

Mr. McELAIN:- In Section 19 provision is made in detail as to the powers of the local authority and the procedure for taking over the Company's works. In Section 20 it is stated "Notwithstanding anything in the last preceding Section or in Section 134 hereof contained, the Governor, in Council may by

it is provided in the urban area the authority may take over the Licensees position.

Mr. RIDER:- Clause 12, 3 "The distributing licence may be for any period whether limited or unlimited".

Mr. LESLIE SCOTT:- That seems to point to the licence itself stating the period for which it is granted.

Mr. McBLAIN:- In British practice <sup>no</sup> under period is stated, and the only authority who can appropriate the licensees or the holder of the provisional order in England, is the local authority after the maturing of his statutory right.

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THE CHAIRMAN:- Yes, the more definite the thing is made the better.

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THE CHAIRMAN:- Subject to the power under the Ordinance of the local authority to take over.

Mr. LESLIE SCOTT:- Quite. In that event I presume you would give us the same rates of compensation as under the concession.

Mr. McBLAIN:- In Section 12 provision is made in detail as to the powers of the local authority and the procedure for taking over the company's works. In Section 20 it is stated: "Notwithstanding anything in the last preceding Section or in Section 134 hereof contained, the Governor in Council may by

any distributing licence to be granted by him under this Ordinance, if he thinks fit vary the terms upon which any local authority may require the authorised distributor to sell, and upon which the authorised distributor shall be required to sell to the said local authority his undertaking or so much of the same as is within the jurisdiction, for

other purposes, of such local authority, in such manner

as may have been agreed upon between such local authority

and the authorised distributor. That is a British

provision. So that the terms can only be altered from

the provisions of the Ordinance by agreement between

the parties.

THE CHAIRMAN: No doubt Mr Scott would like to have a copy of this. If we can have an agreement on the general principles, then I think the details can very well be worked out between the legal advisers on both sides.

Mr RIDER: What is the effect if you give 42 years' term to the licence, and at the expiry of that period the Governor in Council does not want to buy, and the company will not keep on?

Mr MOBLAIN: That is the reason why the British Acts on which we are based do not state the terms.

Mr RIDER: That is what I was leading up to.

Mr MOBLAIN: So that if the Local Authority was not in a position to raise the money, and the Government is not buying, the company must carry on.

Mr RIDER: That is the point.

Mr MOBLAIN: The British Acts have been so well tested that we are based on those.

Mr LESLIE SCOTT: I think under the circumstances what would be desirable is, that I should just point out to you what our objections were to the terms that were proposed to us, in order that I may see how far those objections are met under the present proposal.

THE CHAIRMAN: Yes.

Mr LESLIE SCOTT: I gather from your present proposal that one point that was made against the Nairobi Company is now assumed for practical purposes anyhow, namely, that the company is in default?

THE CHAIRMAN: I think  
want to leave all

Mr LESLIE SCOTT: I think I have read your intentions in this matter.

THE CHAIRMAN: For the purpose of this discussion, I say that



without prejudice at all, but this afternoon I simply wanted to concentrate on what are the essential points; and then if we are by way of coming to an agreement here, that matter more or less goes into the background, surely?

Mr LESLIE SCOTT: I want to make the position of the company quite clear on that point also without prejudice to the present discussion. Unless that contention is dropped, it would be necessary for the company to call for Arbitration under the terms of the concession, which we are entitled to do, so that that might be referred to an independent tribunal to deal with. It is not necessary, if you bear that in mind, to say anything more about it this afternoon; but the legal right of the company is to have this matter arbitrated upon, if it is put forward by the Government seriously; because our view is that there is no substance at all in it. This proposal that you are now making, so far as I can see, does not meet directly any of the objections which were raised. The objections that were raised were that we had a certain vested right under our concession, and that the concession was a contract made with the Local Government for a certain length of time, that we should have certain rights, and after the expiration of that time, we should have certain further rights as to compensation. The proposal of the ordinance by the Local Government would take away that right which they had contracted to give us, which I do not think is necessary to point out would not be tolerated for our part by Parliament here. As a lawyer's business matter, the proposal proposed does not meet the necessary objection as to that question of the basis of compensation, or the reservation of the company's rights during the concession. I think you will agree it is obvious that it does not, because

it asks us to come in under the Ordinance. The only difference between the present proposal and the previous proposals is, that you offer to allow the thing to stay for 42 years from the date of the Ordinance, say till 1962, instead of only to the end of the concession, namely, 1931. The Company themselves feel that they have been so badly treated in the matter by the Local Government, that they are very loath to assume the responsibility of a longer period -- very loath indeed.

THE CHAIRMAN: I thought we were making rather a valuable concession there.

Mr LESLIE SCOTT: That is the reason I am saying what I am, because I observed you made it in the belief that you were offering something which we should like very much. I wish to assure you that the position of the company is, that having been one system, they are twice so. Their position is that the Local Government is bound by contract to them, and in honour also, to carry out the terms of the concession as arranged. They feel very, very strongly indeed that where the Government occupies the three positions of Legislative Authority, Executive Authority and Contracting party, it is a most unconstitutional thing for that Government to legislate so as to alter its contracted obligations. What we want is to be allowed to carry on as we were. What we have asked for is a protective clause, which we would be given as a matter of course in Parliament here in England, to exclude from the operations of the Ordinance for the time of our concession, or as we put it in our letter originally, if there is any definite ground of public interest which would justify that there should be a change of electric system, or of electric supply, that that change should only be imposed upon the Company upon the terms of full compensation. That is what we want.

asked for, and that is what the company feel very, very strongly is the only just and constitutional course to be adopted here. Of course, we should be ready to meet you on terms of fair compensation for the extra cost in any way that was decided to be necessary for Nairobi. You appreciate that when the company went there in 1902, and introduced the system which it now has, and the pressure it now uses, electrical science had not progressed quite so far as it has now; and secondly, Nairobi was a very, very small place. There was no reason then to anticipate so large a growth as has taken place since. We cannot help thinking that it would be a saving of public money to continue the present system for the term of our concession; and that it is really sufficiently good; but — and upon this the Government must decide — if the Government are satisfied that it is worth while making the change before 1931 to the proposed system, which Mr. Monkhouse does not criticise as a system for a moment — he is of opinion that the electric system indicated in the ordinance is a good system — if you do want to change before then, then I do submit that in common justice it ought to be that the terms of paying full compensation to the company for the cost that they are put to, in carrying here, as you appreciate, in a purely professional capacity, and not by any voice cannot be carried in the House of Commons in any other capacity upon a matter in which I have been professionally engaged; but the matter is one obviously of great public importance, and, of course, there are many Members of the House who would take a very, very strong view about it. Indeed I know that that is the case in regard to certain Members of the House, and I want to put it to you that you should consider this proposed legislation, which does not give the company any of the things which have been asked for, so far

as I can read it. I have read the Lines Reports, and I ask you to consider it from the point of view (1) that the Company is not anxious to go on after 1931, because it has not that sense of confidence and security which comes of continuous fair treatment in the past, which would warrant it going on with security. It regards what has happened since 1914 with the utmost misgiving. I am going to remind you of one thing that took place in 1914.

THE CHAIRMAN: I feel that we are getting on very contentious matter here. There is a great deal to be said on either side about that. I thought we were going to try and come to some agreement. Apparently from what you say you simply wish to carry on as you are, and simply let the Concession run out?

MR LESLIE SCOTT: We would prefer to do so.

THE CHAIRMAN: That is putting it in a totally new light to me. I should like to hear what Sir Rowland Northey has to say about that?

SIR ROWLAND NORTHEY: My own position as governor -- I am Chairman of the Council out there -- is one absolutely unbiased, simply wishing to help the public. I have been there for four years, and night after night continually I have had to go to work, except with a candle. That is my own experience and it has been absolutely essential for something to improve matters. We maintain it. I had a very bad time in my own examination there as compared with others, to make sure that we were safeguarding the company. I should say it is quite impossible for me to go back and tell the public that it is intended it should be run on the same lines as in the past. It is quite impossible to do that.

THE CHAIRMAN: I suppose in any event things will improve now that the war is over.

SIR EDWIN NORTHBY: They have not much.

MR RIDER: Will any of your objections be removed if you were allowed to maintain the same standard working pressure as you are now using, if you came under the terms of the Ordinance, so far as regards variations of pressure. Take that as one point.

MR LESLIE SCOTT: Would Mr Monkhouse answer that?

MR MONKHOUSE: They are the ordinary Board of Trade variations, are not they?

MR RIDER: Yes.

MR MONKHOUSE: I think we do not object to that.

MR RIDER: Would that remove any of the objections you have to coming under the Ordinance?

MR MONKHOUSE: No.

MR RIDER: There are other objections besides that?

MR MONKHOUSE: You have heard that there are, from Mr Leslie Scott.

MR BUSHEE: You were saying just now that the Ordinance takes away rights which were given by contract. Do you think we might come down to a few of the most important of those rights, which you state are taken away by the Ordinance?

MR LESLIE SCOTT: Would you look at the letter which the Company wrote on the 26th May, 1919? I understand those are the figures for the Government of ice at Nairobi (document handed to Mr Rider)?

MR McHARR: That is possible: but I assure you it was not so when I was out there.

MR RIDER: It was nothing to do with the war. This is all recent. You have put your house in order since then, apparently.

MR LESLIE SCOTT: May I say in answer to His Excellency the Governor, that I have here the recent voltages, in Kilowatts of last year, just handed to me. They are sent over by the

regularly, October and November, into December last. The technical advisers tell me that will save the Governor the necessity of using candles. These voltages are quite good, are not they?

Mr RIDER: Quite.

Mr McBLAIN: In a period every year they are always odd.

Mr LESLIE SCOTT: This is October, November and December.

Mr McBLAIN: They are good just now, probably.

Mr LESLIE SCOTT: I am reading from October, November and December.

Mr McBLAIN: They are always good at that time.

Mr LESLIE SCOTT: That is after the raising?

Mr McBLAIN: That is after the raise.

Mr LESLIE SCOTT: That do you refer to that?

Mr McBLAIN: They will be all right.

Mr McBLAIN: You have the little ruins in that line of the spar you have mentioned.

Mr. BUSHE:- Are not these your three main objections?

1. That the Ordinance took away the monopoly rights which you had;
  2. That the eventual terms of expropriation were different;
  - and, 3. That they put you to various expenses in relation to conversion which, under the concession you were set out.
- Are not those the main things?

Mr. LESLIE SCOTT:- I think you are probably right in saying these are the most important ones. But we ought almost to put a fourth in; That under the Ordinance the licensee was very much under the discretion of the Government. Under the contract it is a contractual right which is for practical purposes, absolute. I do not want to go into back history, to put it simply, to make bad blood in the matter; but you ~~know~~ <sup>know</sup> the history of the Thika concession agreement. In February, 1914, an advertisement was put in the local press with the approval of the Government - they settled the terms of it out there - saying that the Thika agreement had been entered into, and in consequence of the new agreement between the Government and the company, the supply would be improved in the future. The sequel to that was that the draft lawyers' document to carry out that agreement was exchanged backwards and forwards till in 1915, it was sent back to the Colonial Office or the Colonial Government, who said sat on whilst they watched the Ordinance. Instead of our getting Thika concession back, we got the Ordinance. It is that kind of treatment that has made the Company extremely anxious as to their position, if they are in the discretion of the Government. I am sure Mr. McBlane will not speak in a franking quite frankly in another matter. Mr. McBlane is a Government servant and there, and he has been saying very, very strong things about the Company. He has expressed himself in an action that is pending out there, extremely strongly. In many occasions he has used language which I cannot tell whether it was a little too strong. The result of it is to make

the Company feel that their shareholders' money, for which they are trustees, would be better returned to the shareholders in 1931. That is really the position.

THE CHAIRMAN:- That is really your desire?

Mr. LESLIE SCOTT:- Yes. If you ask us to go on for a term of 42 years, that is quite a different thing. We will consider it as a new proposal. But I do think that it is very desirable that the Colonial Office should understand the feeling of the Company in the matter, and that we stand on our rights here. Quite candidly, I venture to think that the Company are entitled to stand on their rights if they choose, in this matter. On the other hand, we recognise that the Protectorate must be properly served by a good electric supply, and, of course, we shall do our very best to give them good service. You understand that.

THE CHAIRMAN:- Yes, later on.

Mr. LESLIE SCOTT:- I think those records I have just handed in show that the service at the present time is good.

Mr. BUSHNE:- What I was going to suggest is this. With regard to the grievance as to the monopoly, that would be removed, would it not, if you were given a license which protected you from competition for the remainder of your concession, whether it was for 42 years, or whether it was for 12 years? So long as it gave you the license, that difficulty would be removed.

Mr. LESLIE SCOTT:- The license could certainly be so expressed as to put us in the same position as regards rights.

Mr. BUSHNE:- Monopoly rights - I am only dealing with monopoly rights.

Mr. LESLIE SCOTT:- Yes, purely.

Mr. BUSHNE:- With regard to the question of extra revenue, Mr. McBlane says that he has dealt with that in his report and will leave that for the Government to handle. With regard to the question of expenses to which you will be put as the



Ordinance in the way of conversion, I would suggest that whatever value you may attribute to these words, at the end of Clause 15 of the concession; they at least amount to this, that they are a contract by the company to submit themselves to any future legislation tending, at any rate, to regulate the supply of electricity.

Mr. LESLIE SCOTT:— Quite clearly that sentence at the end of clause 15: "Nothing herein contained shall exempt the contractor from any future legislation or regulations applicable to Electric Undertakings in the Protectorate," <sup>would</sup> ~~is~~ extend to all legislation of a similar character to the Indian Electricity Act of 1887" which dealt with safety, and so on. That would clearly be included. I would go further and say that no doubt it would include some further regulations.

Mr. BUSH:— Such as a new phase.

Mr. RIDER:— You could not ask them to change the character of their supply under that. You might ask them to change the quality of it.

Mr. LESLIE SCOTT:— That is the sort of thing.

Mr. McBRIDE:— The 1887 Act is purely an emergency Act to India to enable the ~~Executive~~ Governor in Council to make regulations for the public safety. They proceed then to elaborate it by other Acts — there have been three passed since that — by none of the operators who operated in 1887 when that Emergency Act was passed, were exempted from the ~~provisions~~ provisions.

Mr. RIDER:— They were not an ~~operator~~ operator.

Mr. McBRIDE:— It was the usual type of legislation ~~enforcing~~ enforcing a regular and sufficient supply.

Mr. LESLIE SCOTT:— I am not sure if I introduced ~~any~~ any think that clause would justify any legislation ~~in~~ in with the fundamental terms of the concession.

Mr. McBRIDE:— This Electric Power Ordinance, ~~to~~ to ~~regulate~~ regulate the works of the licensee are ~~concerned~~ concerned ~~with~~ with

legislation as has been applied in India subsequently, and  
has in Britain.

Mr. BRADLEY SCOTT:- That may be, but in certain respects  
we say it goes far and away beyond clause 15. We do not want  
to have litigation with the Government if we can possibly help  
it. That is the reason why we asked for this discussion to-  
day, to try and obviate litigation. Litigation does not pay  
anybody except the lawyers.

Mr. BUSHBY:- That about the expropriation?

Mr. McBLAIN:- On that question of expropriation, in the  
Company's letter of the 1st December, they said on pages 5 &  
6: "Briefly, the Company's contention amounts to this. The  
Ordinance will, in effect ~~not~~ result in confiscation of the  
Company's undertaking as authorized by the concession". That  
is quite wrong. There is no confiscation possible. The  
terms of expropriation are practically those of the British  
Act. To continue the letter: "we may add that apart from  
this, the position of the Company at the expiry of any term  
forced upon it by a license issued upon the terms contemplated  
by the Ordinance will be entirely different under Article 30",  
that is the Section 17 (a) of the Ordinance from that which  
is required to ~~have~~ under clauses 22 and 23 of their concession.  
Under Section 30 of the Ordinance there is no variation of  
the terms of sale and purchase possible as was remarked a  
little while ago except as has been agreed upon between the  
authorized distributor and the Local Authority. Coming to  
the provisions of their concession, as to clauses 22 and 23,  
those contemplate the Government being the purchaser. Through-  
out the period there has been a very considerable period  
of the last six years while this Ordinance was under  
discussion - the Company through their local agents in India  
has been intimately connected with, and aware of what has  
been going on. Since that time he has been perfectly aware

and the Company have as well by the fact of the Ordinance, that the Government has no intention of purchasing the works or conducting the supply of electricity. The only purchaser under these clauses contemplated is the Government, and that is very far removed from the Government's idea. So that, at the expiration of 1931, in April, the Company have no purchaser, and owing to the feeling, entirely of the Company's making, which exists between the Company and the Local Authority, the Local Authority, it may be relied upon, will not contemplate being a purchaser, and anyway, if they were a purchaser, they would not accept or pay <sup>the</sup> 25 per cent. bonus which is payable by the Government. As a matter of fact, the Local Authority have discussed their position, and would long before 1931 have made all arrangements for their supply that are incumbent upon them in the interests of the town, &c. So that they do not actually require one single item of the Company's plant. In April, 1931, under these conditions the Company would receive notice to remove their works. As against that condition of things, which is highly undesirable from everyone's point of view - to see money being wasted, the Company are offered a license for a very considerable period and with a <sup>very</sup> ~~large~~ extension, incomparable to anything in the world, subject to the ~~terms~~ <sup>terms</sup> of the license.

THE CHAIRMAN:- I do not see this carries us much farther. I understand from you, Mr. Scott, that this has no attraction for you - this extension. You simply want to complete your term and then wind up. Personally, I come here absolutely without any bias, simply trying to get a settlement. I am content, speaking from the point of view of the Governor, Sir Edwin Montagu, if anything, his bias is against the Company, because he has been very severely criticised here, I know, by the local people for what they considered his attitude

tenderness to the Company. I am certain that he, at any rate, has no personal feeling in this matter, but there it is. I really thought and hoped that this offer of this extension of 42 years was the sort of thing that the Company wanted, and in consideration of that there would have been no difficulty about these other things. Now all this is out away from under my feet, and I do not see that we can do anything there. We must reconsider the thing from this fresh aspect. Personally, I think there is something to be said for letting it run out. It has 11 1/2 years to run.

Mr. McBLAIN:- May I say I have some notes here on a memorandum as to the best way of dealing with the Company's apprehensions. Mr. Scott has not, by any means, got a few of the facts right. Now ill-founded these apprehensions are may be judged from the following facts, the recollection of which may be appreciated by the Secretary of State as enabling him by specific cases to repudiate any insinuation made by the Company that they have not obtained fair treatment in the Protectorate. Here follow sheets of acts of assistance on the part of the Government and Government officers.

THE CHAIRMAN:- Personally, I would really rather not get into this. The atmosphere will become somewhat electrically charged if we continue in this strain. We have come down to bedrock. This is my second attempt to settle this. Mr. Monkhouse will do me the justice of saying that I made a very good attempt the last time, when I think I had the best of the argument, but a concrete demand was made which I was unable to satisfy, but there is certainly something which I can do now.

Mr. McBLAIN:- The fact that the Company's Ordinance is not in force with the Company as licensee by the Government or Government officials, is totally impossible.

Mr. LESLIE SCOTT:- If that is the case that would be a very important fact. I do not want really to make a point

on the other side of the case that Mr. McLane has been indicating, though I have all the material to make it. For the reasons you suggest I do not think it is desirable. I did not come here for that purpose. I made up my mind that we would not have any such discussion.

THE CHAIRMAN:- That was my hope.

MR. LESLIE SCOTT:- I thought it very important that you should know the attitude of the Company in the matter, because the attractiveness of your offer is affected by that consideration. If you would not mind not adjourning this Conference, but letting me have a word with my people for a moment, we might come to some decision.

THE CHAIRMAN:- By all means. We will also consult on our

side.

(Council and Parties conferred.)

(Representatives of the Colonial Office and the Probedorate also retired in conference.)

THE CHAIRMAN:- We have had our consultation too, and come to a certain opinion.

Mr. LESLIE SCOTT:- Would you give me your ultimate view.

THE CHAIRMAN:- I am bound to state that we have come round to your view, and we think the best thing is to let this present concession run out and exempt the Company from the operation of the Ordinance. But in connection with that there is something I gather from my legal adviser that I ought to make quite clear. If your concession does run out, the Government is under no obligation to take over at the end of the ~~xxxxxx~~ concession.

Mr. LESLIE SCOTT:- We shall merely enforce the concession.

THE CHAIRMAN:- I just wanted to say that.

Mr. LESLIE SCOTT:- In spite of Mr. McHain I think that will be good enough for us. Then may I take it that that is agreed?

THE CHAIRMAN:- That is what we should recommend to the authorities here. I gather that is really what you want.

Mr. LESLIE SCOTT:- That is what we want.

THE CHAIRMAN:- We think on the whole that would be the best thing.

Mr. LESLIE SCOTT:- Then on behalf of my Company I desire to say we very much welcome that decision. We feel that it is in accordance with British justice. There is one point still left that I want to call attention to, and that is as to the Ordinance that was passed - I call it the Mombasa Ordinance. That is the Ordinance which is now a public general Act of the East African Protectorate. Under that Ordinance you have powers, or rather the local Government have powers, to deprive us of all the advantages of the

concession for practical purposes, or many of them. I know that was not passed for the purpose of dealing with the Nairobi Company at all. The Colonial Office wrote and told us it was purely an emergency measure, and I may take it, I am sure, from you that you will give us a perfectly clear undertaking that that Ordinance shall not be utilised to prejudice the settlement now made.

Mr. W.C. BOTTOMLEY:- If the Nairobi Company goes on strike as the Mombasa Company intended to do -----

Mr. LESLIE SCOTT:- If the Nairobi Company goes on strike, yes; if its employees go on strike that is another matter again; then that Ordinance must not be applied to alter the terms of the concession. Under the concession if the Nairobi Company make default you have very drastic powers. What I am asking is, Sir Herbert, that a clear undertaking should, for the purpose of perpetuity, be put in writing upon that point.

THE CHAIRMAN:- I will look into that, but really I did not know this was coming up this afternoon. It has just come before me. I really am not ~~in a position~~ <sup>in a position</sup> to fall with it.

Mr. LESLIE SCOTT:- There was a letter from the Colonial Office saying it was to be mentioned to-day. Just for your information may I say under that Ordinance there is a provision that if on the determination of the agreement the supply is discontinued the Government may then intervene and pay us a sort of use and occupation allowance. There is provision that that is to be the whole of the payment, and nothing else is to be paid. I know that is not your intention, but the wording of the Ordinance is such that it could be so applied. It could be applied in 1931 on the expiration of our concession for the purpose of saying: You are not entitled even if the

municipality does want to ~~buy~~ your undertaking to anything, because we have put in people under this Ordinance. I know that was not intended, but I think as it is not intended and as the words would permit it, it is very desirable to put it on record that nothing of the kind should be done. That is my point.

SIR EDWIN NORTHEY:- You might like to hear from me what the reason and the object of that Mombasa Ordinance was. It was necessary to bring it in at very short notice simply to protect the public where the Company sent in a fortnight's notice, that ~~we~~ <sup>they</sup> were going to turn off the light.

Mr. LESLIE SCOTT:- I am sure, after Sir Edwin Northey's statement, the Colonial Office will be good enough to put that in writing.

Mr. McELAIN:- I take it that the Company will be exempted from the application of this Ordinance, and <sup>on</sup> the application of the Ordinance the maintenance <sup>of</sup> electric supply Ordinance will be repealed, because it is provided for here that the Company will be exempted from the whole of this Ordinance. The ~~Company~~ <sup>Companies</sup> are exempted from the operation of this and the maintenance of electric supply Ordinance is ~~expressly~~ repealed.

Mr. LESLIE SCOTT:- Then that will meet the position. I suppose a clause ~~will~~ will be put in the Ordinance saving the rights of the Nairobi Company under their concession.

THE CHAIRMAN:- Of course I have to send all this to the powers that be.

Mr. LESLIE SCOTT:- I quite appreciate that. It is a <sup>reference</sup> ~~reference~~.

THE CHAIRMAN:- Would you perhaps send us a copy of the ~~Chairman's~~ <sup>Chairman's</sup> note.



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Mr. LESLIE SCOTT:- With pleasure. I am instructed, though we are not to go into it, that we are in a position to give a thoroughly satisfactory supply.

THE CHAIRMAN:- So much the better.

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MEMORANDUM.NAIROBI ELECTRIC POWER COMPANY.

The position with regard to this Company under the Ordinance was discussed by Sir H. Read, Sir J. Norton, Mr. Bottomley, and Mr. Bushe and Mr. McClain on the 18th December preparatory to the meeting with the Company which was originally proposed for the 19th but since postponed.

The main points seem to be as follows:-

1. Licence.

The Company insist in knowing beforehand the terms under which they will operate. It was agreed that Mr. McClain should draft a licence which could be shown to the Company.

It was also agreed that the Company's request that their licence should be scheduled to the Ordinance could not be accepted.

2. Monopoly.

Assuming the Company's contention that their original concession has been automatically extended to 1931 they have a monopoly of the supply of electricity in Nairobi to that date. The arrangement in contemplation (subject to the proposed amending Ordinance if passed) will give them 42 years from the date of the licence with virtual monopoly, i.e. they would not be subject to competition so long as they maintained a satisfactory supply. The wording of the Ordinance, it is true, gives the Governor power to issue a competing licence if he thinks fit, but the Company could be assured that there is no intention of issuing such a licence so long as their supply is adequate.

as the Governor in Council may decide in each case". It was agreed that they should be assured that the Governor would give in their case all possible latitude for converting their apparatus. Mr. McBlain was satisfied that their estimate of \$25,000 for conversion was excessive, and he understood that orders had already been placed with manufacturers for apparatus of the type required under the Ordinance.

#### Expropriation.

The Company complain that the provision as to 25% addition for compulsory purchase and good-will under their 1908 concession is lost to them if they come under the Ordinance. Mr. McBlain pointed out that while it is true that at the expiration of the licence they only receive the valuation price of their plant which they would not receive at the expiration of their 1908 concession, they stand in a very favorable position if they are bought out by the local authority under the Ordinance before the expiration of the licence. The local authority will have to agree with them on a price and therefore the Company would be able to make its own terms.

