

DESPATCH

EAST AFR. PROT.  
No. 44405

C. O.  
44405  
15 JUL 0



No. 624

(Subject.)

1905

Electrical Concession  
W. C. Hertzels

of previous Paper.

Transmit copy letter from D.S. Works deprecating any further indulgence to Concessionaire in view of delaying and unsatisfactory nature of his past proceedings.

(Minutes.)

Mr. Read

This is to state to be considered

now.  
Say that the S.P. was advised that the concession was practically definitively granted before the administration of the Protectorate was handed over to this Dept. that efforts have been made to refer the concession to the Dept. of the Interior, & that as well as seen from our desk of 27 Nov the Concession will probably be warranted at an early date

MOR 18/11  
T.O.

of subsequent Paper.

as  
7/3/2  
/06

S. Antunes

So proceed? The Director of Public  
Works is proceeding on the assumption that  
all the delay is due to Mr. Hartog's  
action, but this is far from the case, as  
he takes time to get the agreement  
from you. We might add something to  
effect to the proposed reply.

H. J. R.  
19/12

Yes. The Director of Public Works  
does not seem to have gone far  
enough into that question. We  
should get out of the confusion  
but we have induced Mr. Hartog  
to present modifications which  
improve the position of the  
Govt.

W.H. Lee Esq  
at once

Mr. Rantoul

So proceed? The Director of Public  
Works is proceeding on the assumption that  
all the delay is due to Mr. Hitzel's  
action, but this is of course not the case, as  
it has taken time to get the agreement  
with him. We might add something to  
the effect of the proposed reply.

H. J. R.

1912

See. The Director of Public Works  
does not seem to have gone far  
enough into the substance. We  
should get out of the conception  
but we have induced Mr. Hitzel  
to consent to modifications which  
improve the position of the  
Govt.

What do you  
think

44405

Commissioner's Office,  
16 Feb 05  
Mombasa,

November 17th 1905.

AFRICA PROTECTORATE.

Confidential No. 624

(Enc. 1.)



Sir,

With reference to your Confidential despatches of April 28th and June 28th respecting Mr. Clement Hirtzel's Electrical concession, I have the honour to transmit herewith a copy of a letter from the Director of Public Works deprecating any further indulgence to the concessionaire in view of the dilatory and unsatisfactory nature of his past proceedings.

I am quite in agreement with Mr. Rosa's remarks and trust that it may be found possible to break off negotiations with Mr. Hirtzel.

I have the honour to be,

Sir,

Your most obedient,  
humble servant,

Principal Secretary of State  
for the Colonies,  
Downing Street,  
LONDON.

\* No. 10205419639

20/11/05  
12/11/05  
No. 57

44405

No. 97

Public Works Office,

Nairobi, 1st November 1906.

Sir,

I have the honour to return herewith the correspondence relating to Mr. Clement Hirtzel's concession for electric lighting and power distribution in and around Nairobi.

I notice with considerable dismay that there is some suggestion as to the concession being considered "practically definitive" and that therefore "cannot be cancelled without paying compensation to Mr. Hirtzel." I am sure that this will be a huge surprise and something of a shock to everyone involved in the granting of the original concession. I sincerely trust that you will strongly protest against this interpretation being put upon the present state of affairs.

The bald facts are as follows:-

Mr. Hirtzel asked for a monopoly concession for the supply of electricity in and around Nairobi and was given it for the asking. (Favour No. 1)

He asked for an extension of time for the manipulation of this concession and was granted it. (Favour No. 2).

H. M. Acting Commissioner,

N o m b a s a .

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Now it is suggested that the granting of these two signal favours to a "bona fide traveller" who happened to be passing through the country but who, otherwise, had done absolutely nothing to earn or deserve them, is to entitle him to claim such compensation if he is refused a third favour of the type of No. 2 above. The Crown Agents will be able to say whether there is any legal claim to compensation. Obviously there is no moral right to it. It would be more to the point to come on to the man for damages for non-fulfilment of his contract. The effect of this series of free gifts to Mr. Hirtzel has been the postponement, if not the abandonment, of improvement schemes which otherwise might have been in operation by now. That is all that Mr. Hirtzel has done for the community at Nairobi. Whence then the claim for compensation?

The latest news points to the conclusion of a contract (though there is no definite news of this having been signed by Mr. Hirtzel) in a form drafted by Messrs. Sutton Gunnay and Randall. Clause 2 of this contract provides that the Contractor shall "before April 2nd 1900 provide such generating stations, transformers, engines, dynamos, mains, lines, wires, cables, poles and other equipment as shall be capable of producing and maintaining an amount of electricity sufficient for all reasonable requirements of the Nairobi District for the purpose of lighting and power." It can now be demonstrated to the complete satisfaction of anyone, however optimistic, that it is utterly impossible for this programme to be carried out within the appointed time. Cannot the concession be therefore cancelled absolutely and at once?

To the best of my knowledge and belief, Mr. Hirtzel's schemes command very little attention and absolutely no

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enthusiasm in this country. I think it would be more correct to say that they are viewed with considerable distrust. I consider for instance that he has wildly overestimated the horse power obtainable from various small waterfalls in the Kikuyu country and I suggest that intending subscribers would do well to insist on his submitting his observations, measurements and calculations for check and confirmation by some competent authority before they promise financial support.

I may add that it was clearly recognized by Mr. Hirtzel's solicitors (Messrs. Radcliffe Carter and How) in their letter of March 29th 1906 that the extension of the concession beyond March 31st 1906 was only made "in view of the approaching transfer of the Protectorate to the Colonial Office" so as to allow of "the consideration of the matter by the Secretary of State for the Colonies." So I hope that it will be found possible to countermand further proceedings under this concession at once. Mr. Hirtzel cannot possibly comply with the requirements quoted above in the form of contract, so he should not be allowed to make a start just before his second term of grace expires for the obvious purpose of supporting a claim for a further extension of time.

I have the honour to be,  
Sir,  
Your most obedient servant.

*W. H. D. Jones*  
Director of Public Works.

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Common  
44405

J. G. P.

323



DRAFT.

J. G. P. to the Compt.  
Ch. Sadler

22 December 05

MINUTE.

- Mr. *W. H. 21/12*
- Mr. *Read 21*
- Mr. Antobus.
- Mr. Cox.
- Mr. Lucas.
- Mr. Graham.
- Sir M. O'Malley.
- The Duke of Marlborough.
- Mr. Lyttelton.

For Mr. the Compt. to  
ack the receipt of Mr.  
Jackson's copy of  
of the 17<sup>th</sup> ult<sup>o</sup> forwarding  
a memorandum from  
the Director of Public  
Works on the subject  
of the proposed concession  
for electric lighting  
& power distribution  
in the Nairobi dis-  
trict.

2 May further for a  
was advised that  
the concession had

244 - 15

x no 40-20



already been, in its  
isolated features,  
definitively granted  
before the control of the  
affairs of the U. A. P.  
was transferred to  
this Dept. and all  
that remained to be  
done was to endeavor  
to safeguard the interests  
of the Protestant Govt  
by insisting on securities  
for the due performance  
of the contract.

As you will have  
learned from my despatch  
No 53, of the 24th ult  
such securities as seemed  
practicable have now  
been obtained, and  
the Convention will probably  
now be executed at  
an early date.

39979

In fairness to Mr  
Herzfeld it should  
be stated that the  
delay of which Mr  
Rop complains was  
not altogether his  
fault. It was  
due mainly to the  
demand for better  
securities, including  
the substitution of  
another firm of engineers  
for the originally sug-  
gested by Mr  
Herzfeld, which  
involved the preparation  
of a fresh draft of  
the Convention.

J. M. ...  
of ...