

1933.

Kenya

No. 3299.

SUBJECT

C0533/439

Mairobi Omnibus Service.

Previous

see 3066/33.

Subsequent

38126/36.

(P.M.)

To Honourable Govt. of Mysore

8 July 1953

State agreement provides for the formation of a local company in which 50% of shares held would be provided by the Owner of the project to the request for information & financial soundness of the Company.

Major State may have information about the Company, but it would be better, I suggest, to ask Col. to make the credit inquiries. It is better to complete negotiations & get the contract briefly, so the information required.

Approved  
1077/53

(as - with [confidential] stamp) saying that negotiations are proceeding between the Mysore State Council of Ministers and local rep. of the Overseas State Transport Co. Ltd. with a view to the establishment of a road passenger transport service in Mysore; in this connection S.G.B. has recd. a tel. (copy enclosed) in wh. O.M. asks for info re to the financial soundness of the Co.; S.G.B. will be glad to receive any info wh. C.D. may be in a position to furnish.

A. A. Patel  
11/7/53

Commander Hare (card attached) called this morning, sent over by Dr. - On the

occasion of a previous (very brief) visit)

- gathered that he was interested in this because you supplied of the horses to the Overseas Film Transport Co. This morning,

however, he told me that, he is Chairman of the Co.!

As I had already given some indication of the cause of delay, I thought it better to tell him the whole story. I gave him the substance of No. 9 - It's quite a different story. I told me ~~an~~ good deal about his Company (which is a private concern). He agreed to my suggestion that we should now write to him, asking for assurance etc., he will write in reply giving the information communicated to me in conversation etc.

I have spoken to Dr. Flood, who agrees to the course proposed. No need to write to C.A., at any rate until Commander Hare has replied.

Dr.

J. R. Martin

14/4

To Commander F. Hare - London - 14/7/23

13 Overseas Film Transport Ltd. 15 July 23  
REPRODUCED UNDER THE STATE BANKS ACT. THESE WILL ONLY BE FILLED & REQUESTS FOR COPIES MAY BE REFERRED TO FOR DESIRED INFORMATION.

4th Bonds Here 18 July 23.

Confirms No. 9, gives details of the Company & proposed. Hare to receive a statement of assets by 100 accounts etc.

The Company's organization & position appears not enough to fire by O.A.G. The assurance required in No. 9 without reference to the Bank.

The statement indicates that the Company has liquid assets amounting to £20,780 & owns shares in the Cairo Gas Co. being said to be worth £1,300. Against this there are debts which are due 5 & 10 years respectively amounting to £15,000.

I submit a draft telegram to the

C. P. I. with  
19/7/23

If the tel<sup>o</sup> goes, we should so inform Commander Hare, and a copy of <sup>and</sup> <sup>in short date</sup> <sup>4/7/23</sup> go to Kenya by air mail.

J. R. Martin  
19/7

Sir J. Campbell

You have not yet seen these papers, because no financial question has arisen till now. The Nairobi Municipal Council has got power under a

recent Ordinance to make a contract for a bus service within the Municipality, and it is proposed to make an agreement for a period of ten years for the formation of a Company in which ~~50%~~ of the capital is to be provided by the Overseas Motor Transport Company, 10 Victoria Street. It is anticipated that the service will begin with a loss, and therefore the Government of Kenya are naturally anxious to know something about the stability of the Overseas Motor Transport Company.

The normal course of action would be to approach the Crown Agents and ask them to make enquiries, but in this case Commander Hare, one of the Directors, called here to ask how the thing was getting on, and was accordingly told what the situation was. He has now submitted details of the Company, and the question arises whether we can tell Kenya it is satisfactory. It being a private concern, I very much doubt whether the Crown Agents would be in a position to add to the information given, but the Chartered Accountants' statement is a fairly wobbly document and, further, the Crown Agents for the Colonies are the S. of S's financial advisers on such matters, and before we say anything to Kenya I suggest that we should refer to them, sending copies of the correspondence, No. 9, 10, and 12, and ask them to report as quickly as they can upon the financial stability of the Company, if they can obtain any information from what is contained in No. 12.

On the face of it, the Company appears to have £26,000 worth of Debentures and liquid assets amounting

amounting to £20,000, including £8,858 due for repayment on a month's notice, with further shares in Cairo Omnibuses, in which concern it is understood that the Overseas Transport Company is mixed up. I think myself that it is probably all right, and that this concern, which has had experience of bus services in Cairo and elsewhere, is more likely to do a good job for Nairobi than any other, but I should be glad to have your comments

21-7-33.

✓ 14. O.A.C. (1) 1211 (Kenya)  
RECORDED UNDER STATION  
(Ask for early reply 1/8)

(Copy included in off. on 224.)

Patty's  
Babu  
etc  
224)

14 To B.A. (224.12.13) Recd. 26/7/33

27 July 33  
To A.G.Tel 119/33

State conclusion of negotiations with Overseas  
Tele Transport Co. would act as local representative  
only on a Eng. request immediately.

I have telephoned C.R. &  
explained the position to  
Mr. Ransom. He feels that they  
must take up the Banker's reference,  
& promised to telephone on Monday 31/7/33  
the result of their enquiry.

R 247 to  
B.P.C. 119  
Mowat 23  
3.7.33

C. Fornwith  
27.7.33

To Overseas Tele Transport Co. 27/7/33

Request matter may be submitted as their resident  
agents will have Kenya on Aug 1<sup>st</sup>.

9/7/33  
Crown Agents  
Any details of financial position of the Overseas Teleport  
Co. Ltd. should apply from Barclays Bank.

Tel. to Mowat (2nd) 160 by 29 July 1933

Dear Agent  
V. ready on 1st  
18/7 to 18/7/33

I submit draft draft to Kenya  
in confirmation of No. 18 of  
Draft letter to Mr. C.R. &  
in reply to 22 & 23.

1) hand delivery Tel (2d) 119  
F. Fornwith  
27.7.33

By Air Mail  
9/8/33 119

To Kenya Conf (1/10/33, 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60, 62, 64, 66, 68, 70, 72, 74, 76, 78, 80, 82, 84, 86, 88, 90, 92, 94, 96, 98, 100, 102, 104, 106, 108, 110, 112, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 136, 138, 140, 142, 144, 146, 148, 150, 152, 154, 156, 158, 160, 162, 164, 166, 168, 170, 172, 174, 176, 178, 180, 182, 184, 186, 188, 190, 192, 194, 196, 198, 200, 202, 204, 206, 208, 210, 212, 214, 216, 218, 220, 222, 224, 226, 228, 230, 232, 234, 236, 238, 240, 242, 244, 246, 248, 250, 252, 254, 256, 258, 260, 262, 264, 266, 268, 270, 272, 274, 276, 278, 280, 282, 284, 286, 288, 290, 292, 294, 296, 298, 300, 302, 304, 306, 308, 310, 312, 314, 316, 318, 320, 322, 324, 326, 328, 330, 332, 334, 336, 338, 340, 342, 344, 346, 348, 350, 352, 354, 356, 358, 360, 362, 364, 366, 368, 370, 372, 374, 376, 378, 380, 382, 384, 386, 388, 390, 392, 394, 396, 398, 400, 402, 404, 406, 408, 410, 412, 414, 416, 418, 420, 422, 424, 426, 428, 430, 432, 434, 436, 438, 440, 442, 444, 446, 448, 450, 452, 454, 456, 458, 460, 462, 464, 466, 468, 470, 472, 474, 476, 478, 480, 482, 484, 486, 488, 490, 492, 494, 496, 498, 500, 502, 504, 506, 508, 510, 512, 514, 516, 518, 520, 522, 524, 526, 528, 530, 532, 534, 536, 538, 540, 542, 544, 546, 548, 550, 552, 554, 556, 558, 560, 562, 564, 566, 568, 570, 572, 574, 576, 578, 580, 582, 584, 586, 588, 590, 592, 594, 596, 598, 600, 602, 604, 606, 608, 610, 612, 614, 616, 618, 620, 622, 624, 626, 628, 630, 632, 634, 636, 638, 640, 642, 644, 646, 648, 650, 652, 654, 656, 658, 660, 662, 664, 666, 668, 670, 672, 674, 676, 678, 680, 682, 684, 686, 688, 690, 692, 694, 696, 698, 700, 702, 704, 706, 708, 710, 712, 714, 716, 718, 720, 722, 724, 726, 728, 730, 732, 734, 736, 738, 740, 742, 744, 746, 748, 750, 752, 754, 756, 758, 760, 762, 764, 766, 768, 770, 772, 774, 776, 778, 780, 782, 784, 786, 788, 790, 792, 794, 796, 798, 800, 802, 804, 806, 808, 810, 812, 814, 816, 818, 820, 822, 824, 826, 828, 830, 832, 834, 836, 838, 840, 842, 844, 846, 848, 850, 852, 854, 856, 858, 860, 862, 864, 866, 868, 870, 872, 874, 876, 878, 880, 882, 884, 886, 888, 890, 892, 894, 896, 898, 900, 902, 904, 906, 908, 910, 912, 914, 916, 918, 920, 922, 924, 926, 928, 930, 932, 934, 936, 938, 940, 942, 944, 946, 948, 950, 952, 954, 956, 958, 960, 962, 964, 966, 968, 970, 972, 974, 976, 978, 980, 982, 984, 986, 988, 990, 992, 994, 996, 998, 1000, 1002, 1004, 1006, 1008, 1010, 1012, 1014, 1016, 1018, 1020, 1022, 1024, 1026, 1028, 1030, 1032, 1034, 1036, 1038, 1040, 1042, 1044, 1046, 1048, 1050, 1052, 1054, 1056, 1058, 1060, 1062, 1064, 1066, 1068, 1070, 1072, 1074, 1076, 1078, 1080, 1082, 1084, 1086, 1088, 1090, 1092, 1094, 1096, 1098, 1100, 1102, 1104, 1106, 1108, 1110, 1112, 1114, 1116, 1118, 1120, 1122, 1124, 1126, 1128, 1130, 1132, 1134, 1136, 1138, 1140, 1142, 1144, 1146, 1148, 1150, 1152, 1154, 1156, 1158, 1160, 1162, 1164, 1166, 1168, 1170, 1172, 1174, 1176, 1178, 1180, 1182, 1184, 1186, 1188, 1190, 1192, 1194, 1196, 1198, 1200, 1202, 1204, 1206, 1208, 1210, 1212, 1214, 1216, 1218, 1220, 1222, 1224, 1226, 1228, 1230, 1232, 1234, 1236, 1238, 1240, 1242, 1244, 1246, 1248, 1250, 1252, 1254, 1256, 1258, 1260, 1262, 1264, 1266, 1268, 1270, 1272, 1274, 1276, 1278, 1280, 1282, 1284, 1286, 1288, 1290, 1292, 1294, 1296, 1298, 1300, 1302, 1304, 1306, 1308, 1310, 1312, 1314, 1316, 1318, 1320, 1322, 1324, 1326, 1328, 1330, 1332, 1334, 1336, 1338, 1340, 1342, 1344, 1346, 1348, 1350, 1352, 1354, 1356, 1358, 1360, 1362, 1364, 1366, 1368, 1370, 1372, 1374, 1376, 1378, 1380, 1382, 1384, 1386, 1388, 1390, 1392, 1394, 1396, 1398, 1400, 1402, 1404, 1406, 1408, 1410, 1412, 1414, 1416, 1418, 1420, 1422, 1424, 1426, 1428, 1430, 1432, 1434, 1436, 1438, 1440, 1442, 1444, 1446, 1448, 1450, 1452, 1454, 1456, 1458, 1460, 1462, 1464, 1466, 1468, 1470, 1472, 1474, 1476, 1478, 1480, 1482, 1484, 1486, 1488, 1490, 1492, 1494, 1496, 1498, 1500, 1502, 1504, 1506, 1508, 1510, 1512, 1514, 1516, 1518, 1520, 1522, 1524, 1526, 1528, 1530, 1532, 1534, 1536, 1538, 1540, 1542, 1544, 1546, 1548, 1550, 1552, 1554, 1556, 1558, 1560, 1562, 1564, 1566, 1568, 1570, 1572, 1574, 1576, 1578, 1580, 1582, 1584, 1586, 1588, 1590, 1592, 1594, 1596, 1598, 1600, 1602, 1604, 1606, 1608, 1610, 1612, 1614, 1616, 1618, 1620, 1622, 1624, 1626, 1628, 1630, 1632, 1634, 1636, 1638, 1640, 1642, 1644, 1646, 1648, 1650, 1652, 1654, 1656, 1658, 1660, 1662, 1664, 1666, 1668, 1670, 1672, 1674, 1676, 1678, 1680, 1682, 1684, 1686, 1688, 1690, 1692, 1694, 1696, 1698, 1700, 1702, 1704, 1706, 1708, 1710, 1712, 1714, 1716, 1718, 1720, 1722, 1724, 1726, 1728, 1730, 1732, 1734, 1736, 1738, 1740, 1742, 1744, 1746, 1748, 1750, 1752, 1754, 1756, 1758, 1760, 1762, 1764, 1766, 1768, 1770, 1772, 1774, 1776, 1778, 1780, 1782, 1784, 1786, 1788, 1790, 1792, 1794, 1796, 1798, 1800, 1802, 1804, 1806, 1808, 1810, 1812, 1814, 1816, 1818, 1820, 1822, 1824, 1826, 1828, 1830, 1832, 1834, 1836, 1838, 1840, 1842, 1844, 1846, 1848, 1850, 1852, 1854, 1856, 1858, 1860, 1862, 1864, 1866, 1868, 1870, 1872, 1874, 1876, 1878, 1880, 1882, 1884, 1886, 1888, 1890, 1892, 1894, 1896, 1898, 1900, 1902, 1904, 1906, 1908, 1910, 1912, 1914, 1916, 1918, 1920, 1922, 1924, 1926, 1928, 1930, 1932, 1934, 1936, 1938, 1940, 1942, 1944, 1946, 1948, 1950, 1952, 1954, 1956, 1958, 1960, 1962, 1964, 1966, 1968, 1970, 1972, 1974, 1976, 1978, 1980, 1982, 1984, 1986, 1988, 1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020, 2022, 2024, 2026, 2028, 2030, 2032, 2034, 2036, 2038, 2040, 2042, 2044, 2046, 2048, 2050, 2052, 2054, 2056, 2058, 2060, 2062, 2064, 2066, 2068, 2070, 2072, 2074, 2076, 2078, 2080, 2082, 2084, 2086, 2088, 2090, 2092, 2094, 2096, 2098, 2100, 2102, 2104, 2106, 2108, 2110, 2112, 2114, 2116, 2118, 2120, 2122, 2124, 2126, 2128, 2130, 2132, 2134, 2136, 2138, 2140, 2142, 2144, 2146, 2148, 2150, 2152, 2154, 2156, 2158, 2160, 2162, 2164, 2166, 2168, 2170, 2172, 2174, 2176, 2178, 2180, 2182, 2184, 2186, 2188, 2190, 2192, 2194, 2196, 2198, 2200, 2202, 2204, 2206, 2208, 2210, 2212, 2214, 2216, 2218, 2220, 2222, 2224, 2226, 2228, 2230, 2232, 2234, 2236, 2238, 2240, 2242, 2244, 2246, 2248, 2250, 2252, 2254, 2256, 2258, 2260, 2262, 2264, 2266, 2268, 2270, 2272, 2274, 2276, 2278, 2280, 2282, 2284, 2286, 2288, 2290, 2292, 2294, 2296, 2298, 2300, 2302, 2304, 2306, 2308, 2310, 2312, 2314, 2316, 2318, 2320, 2322, 2324, 2326, 2328, 2330, 2332, 2334, 2336, 2338, 2340, 2342, 2344, 2346, 2348, 2350, 2352, 2354, 2356, 2358, 2360, 2362, 2364, 2366, 2368, 2370, 2372, 2374, 2376, 2378, 2380, 2382, 2384, 2386, 2388, 2390, 2392, 2394, 2396, 2398, 2400, 2402, 2404, 2406, 2408, 2410, 2412, 2414, 2416, 2418, 2420, 2422, 2424, 2426, 2428, 2430, 2432, 2434, 2436, 2438, 2440, 2442, 2444, 2446, 2448, 2450, 2452, 2454, 2456, 2458, 2460, 2462, 2464, 2466, 2468, 2470, 2472, 2474, 2476, 2478, 2480, 2482, 2484, 2486, 2488, 2490, 2492, 2494, 2496, 2498, 2500, 2502, 2504, 2506, 2508, 2510, 2512, 2514, 2516, 2518, 2520, 2522, 2524, 2526, 2528, 2530, 2532, 2534, 2536, 2538, 2540, 2542, 2544, 2546, 2548, 2550, 2552, 2554, 2556, 2558, 2560, 2562, 2564, 2566, 2568, 2570, 2572, 2574, 2576, 2578, 2580, 2582, 2584, 2586, 2588, 2590, 2592, 2594, 2596, 2598, 2600, 2602, 2604, 2606, 2608, 2610, 2612, 2614, 2616, 2618, 2620, 2622, 2624, 2626, 2628, 2630, 2632, 2634, 2636, 2638, 2640, 2642, 2644, 2646, 2648, 2650, 2652, 2654, 2656, 2658, 2660, 2662, 2664, 2666, 2668, 2670, 2672, 2674, 2676, 2678, 2680, 2682, 2684, 2686, 2688, 2690, 2692, 2694, 2696, 2698, 2700, 2702, 2704, 2706, 2708, 2710, 2712, 2714, 2716, 2718, 2720, 2722, 2724, 2726, 2728, 2730, 2732, 2734, 2736, 2738, 2740, 2742, 2744, 2746, 2748, 2750, 2752, 2754, 2756, 2758, 2760, 2762, 2764, 2766, 2768, 2770, 2772, 2774, 2776, 2778, 2780, 2782, 2784, 2786, 2788, 2790, 2792, 2794, 2796, 2798, 2800, 2802, 2804, 2806, 2808, 2810, 2812, 2814, 2816, 2818, 2820, 2822, 2824, 2826, 2828, 2830, 2832, 2834, 2836, 2838, 2840, 2842, 2844, 2846, 2848, 2850, 2852, 2854, 2856, 2858, 2860, 2862, 2864, 2866, 2868, 2870, 2872, 2874, 2876, 2878, 2880, 2882, 2884, 2886, 2888, 2890, 2892, 2894, 2896, 2898, 2900, 2902, 2904, 2906, 2908, 2910, 2912, 2914, 2916, 2918, 2920, 2922, 2924, 2926, 2928, 2930, 2932, 2934, 2936, 2938, 2940, 2942, 2944, 2946, 2948, 2950, 2952, 2954, 2956, 2958, 2960, 2962, 2964, 2966, 2968, 2970, 2972, 2974, 2976, 2978, 2980, 2982, 2984, 2986, 2988, 2990, 2992, 2994, 2996, 2998, 3000, 3002, 3004, 3006, 3008, 3010, 3012, 3014, 3016, 3018, 3020, 3022, 3024, 3026, 3028, 3030, 3032, 3034, 3036, 3038, 3040, 3042, 3044, 3046, 3048, 3050, 3052, 3054, 3056, 3058, 3060, 3062, 3064, 3066, 3068, 3070, 3072, 3074, 3076, 3078, 3080, 3082, 3084, 3086, 3088, 3090, 3092, 3094, 3096, 3098, 3100, 3102, 3104, 3106, 3108, 3110, 3112, 3114, 3116, 3118, 3120, 3122, 3124, 3126, 3128, 3130, 3132, 3134, 3136, 3138, 3140, 3142, 3144, 3146, 3148, 3150, 3152, 3154, 3156, 3158, 3160, 3162, 3164, 3166, 3168, 3170, 3172, 3174, 3176, 3178, 3180, 3182, 3184, 3186, 3188, 3190, 3192, 3194, 3196, 3198, 3200, 3202, 3204, 3206, 3208, 3210, 3212, 3214, 3216, 3218, 3220, 3222, 3224, 3226, 3228, 3230, 3232, 3234, 3236, 3238, 3240, 3242, 3244, 3246, 3248, 3250, 3252, 3254, 3256, 3258, 3260, 3262, 3264, 3266, 3268, 3270, 3272, 3274, 3276, 3278, 3280, 3282, 3284, 3286, 3288, 3290, 3292, 3294, 3296, 3298, 3300, 3302, 3304, 3306, 3308, 3310, 3312, 3314, 3316, 3318, 3320, 3322, 3324, 3326, 3328, 3330, 3332, 3334, 3336, 3338, 3340, 3342, 3344, 3346, 3348, 3350, 3352, 3354, 3356, 3358, 3360, 3362, 3364, 3366, 3368, 3370, 3372, 3374, 3376, 3378, 3380, 3382, 3384, 3386, 3388, 3390, 3392, 3394, 3396, 3398, 3400, 3402, 3404, 3406, 3408, 3410, 3412, 3414, 3416, 3418, 3420, 3422, 3424, 3426, 3428, 3430, 3432, 3434, 3436, 3438, 3440, 3442, 3444, 3446, 3448, 3450, 3452, 3454, 3456, 3458, 3460, 3462, 3464, 3466, 3468, 3470, 3472, 3474, 3476, 3478, 3480, 3482, 3484, 3486, 3488, 3490, 3492, 3494, 3496, 3498, 3500, 3502, 3504, 3506, 3508, 3510, 3512, 3514, 3516, 3518, 3520, 3522, 3524, 3526, 3528, 3530, 3532, 3534, 3536, 3538, 3540, 3542, 3544, 3546, 3548, 3550, 3552, 3554, 3556, 3558, 3560, 3562, 3564, 3566, 3568, 3570, 3572, 3574, 3576, 3578, 3580, 3582, 3584, 3586, 3588, 3590, 3592, 3594, 3596, 3598, 3600, 3602, 3604, 3606, 3608, 3610, 3612, 3614, 3616, 3618, 3620, 3622, 3624, 3626, 3628, 3630, 3632, 3634, 3636, 3638, 3640, 3642, 3644, 3646, 3648, 3650, 3652, 3654, 3656, 3658, 3660, 3662, 3664, 3666, 3668, 3670, 3672, 3674, 3676, 3678, 3680, 3682, 3684, 3686, 3688, 3690, 3692, 3694, 3696, 3698, 3700, 3702, 3704, 3706, 3708, 3710, 3712, 3714, 3716, 3718, 3720, 3722, 3724, 3726, 3728, 3730, 3732, 3734, 3736, 3738, 3740, 3742, 3744, 3746, 3748, 3750, 3752, 3754, 3756, 3758, 3760, 3762, 3764, 3766, 3768, 3770, 3772, 3774, 3776, 3778, 3780, 3782, 3784, 3786, 3788, 3790, 3792, 3794, 3796, 3798, 3800, 3802, 3804, 3806, 3808, 3810, 3812, 3814, 3816, 3818, 3820, 3822, 3824, 3826, 3828, 3830, 3832, 3834, 3836, 3838, 3840, 3842, 3844, 3846, 3848, 3850, 3852, 3854, 3856, 3858, 3860, 3862, 3864, 3866, 3868, 3870, 3872, 3874, 3876, 3878, 3880, 3882, 3884, 3886, 3888, 3890, 3892, 3894, 3896, 3898, 3900, 3902, 3904, 3906, 3908, 3910, 3912, 3914, 3916, 3918, 3920, 3922, 3924, 3926, 3928, 3930, 3932, 3934, 3936, 3938, 3940, 3942, 3944, 3946, 3948, 3950, 3952, 3954, 3956, 3958, 3960, 3962, 3964, 3966, 3968, 3970, 3972, 3974, 3976, 3978, 3980, 3982, 3984, 3986, 3988, 3990, 3992, 3994, 3996, 3998, 4000, 4002, 4004, 4006, 4008, 4010, 4012, 4014, 4016, 4018, 4020, 4022, 4024, 4026,

14. A/Cess Deputy Wade 530 \_\_\_\_\_ 12 Sept. '33.

Summarise details of Agreement between Nairobi  
Specified Council & Overseas Motor Transport to Ltd which  
was approved on 2<sup>nd</sup> Aug. by the A/Governor.  
(Copy, original report 3066/33 Kenya).

Order. Has been rendered at  
No. 10 on 3066/33 Kenya.

? put by  
H. G. Whendon

31. 10. 33

Par. Date 3/10  
Name

Copy of report from Kenya attached original  
35836/34 - Retained - P.W.  
Refer

2.8.

O/B.G.82.

18

THE COLONIAL SECRETARY, KENYA TO THE CROWN  
AGENTS.

The Secretariat,

Nairobi, Kenya,

30th May, 1934

When replying  
please quote  
No. S C/MUN.2/14  
and date.

~~CONFIDENTIAL.~~

~~AIR MAIL.~~

Gentlemen,

I have the honour to refer to your Confidential letter No. O/B.G.82 of the 15th May, in which you ask for information regarding the operation of a motor omnibus service in Nairobi by the Overseas Motor Transport Company Limited.

2. The Company entered into an agreement with the Nairobi Municipal Council in 1933 under the provisions of the Local Government (Municipalities) (Amendment) Ordinance, 1932 which enables a Municipal Council to enter into an agreement with a company or person for the conduct of an omnibus service, the terms of the Agreement being subject to the approval of the Governor, and to prohibit, subject to the approval of the Governor, the carrying on of such a service by any other company or person during the period of the Agreement. The Agreement concluded between the Company and the Council provides for the establishment and maintenance by the Company of an efficient service of twelve motor omnibuses, routes and time tables being subject to the Council's approval. Maximum fares are fixed in the Agreement. The Council

on their part undertake to prohibit (and have prohibited) the carrying on of any service for the carrying of passengers for hire by any other person during the period of the Agreement, and ~~to~~ erect an omnibus garage on land belonging to the Council at a capital cost not exceeding £4,900, for which the Company agree to pay as rent £120 per annum in the first three years, £240 per annum in the next three years and £480 per annum for the remaining four years of the period of the Agreement.

3. The period of the Agreement is ten years from the date of commencement of the service, the Council having the right to take over the service and assets of the Company as a going concern at any time after the expiry of seven years un-giving six months' notice, the purchase price, failing agreement, to be determined by arbitration. If at the end of ten years the Council have not exercised their right of purchase, the Company have the right to renew the Agreement for a further period of five years. The Agreement further provides that if at any time the Governor shall notify the Council that having regard to all prevailing circumstances and conditions he is satisfied that the Omnibus Company is not maintaining an efficient service, the Council shall thereupon give to the Company six months' notice in writing requiring the Company to improve the service, and if at the expiration of the period of six months the service shall, in the opinion of the Governor, still be unsatisfactory the Council may determine the Agreement by giving one month's notice in writing.

on their part undertake to prohibit (and have prohibited) the carrying on of any service for the carrying of passengers for hire by any other person during the period of the Agreement, and to erect an omnibus garage on land belonging to the Council at a capital cost not exceeding £4,000, for which the Company agree to pay as rent £120 per annum in the first three years, £240 per annum in the next three years and £480 per annum for the remaining four years of the period of the Agreement.

The period of the Agreement is ten years from the date of establishment of the service the Council having the right to take over the service and assets of the Company as a going concern at any time after the expiry of seven years on giving six months' notice, the purchase price, failing agreement, to be determined by arbitration. If at the end of ten years the Council have not exercised their right of purchase, the Company have the right to renew the Agreement for a further period of five years. The Agreement further provides that if at any time the Governor shall notify the Council that having regard to all prevailing circumstances and conditions he is satisfied that the Omnibus Company is not maintaining an efficient service, the Council shall thereupon give to the Company six months' notice in writing requiring the Company to improve the service, and if at the expiration of the period of six months the service shall, in the opinion of the Governor, still be unsatisfactory the Council may determine the Agreement by giving one month's notice in writing.

8

4. The omnibuses have been exempted from vehicle taxation under the Traffic Ordinance of 1928 for a period of five years. This taxation, if paid, would amount to approximately £420 per annum, one half of which would be payable to the Council. The financial assistance provided by the Government and the Council is, therefore, represented by exemption from vehicle taxation for five years and the capital cost of the garage, for which the council receive a fair rent. The Company's profits are limited to 12½% in the following way:-

If in any year the profit shown in such balance sheet after adequate and reasonable provision for depreciation and reserve has been made as aforesaid bear a larger proportion than twelve and one half per cent (12½%) to the paid up capital of the Company, the amount by which such profit exceeds twelve and one half per cent (12½%) shall be applied either to the reduction of fares or the improvement of the service at the discretion of the Directors, provided that, if in any year the profit shall be less than twelve and one half per cent (12½%) or there shall have been a loss, then the amount by which the profit falls short of twelve and one half per cent (12½%) and the losses (if any) shall be made up in succeeding years before the percentage of profit to capital in such succeeding years is calculated for the purpose of ascertaining the amount of the excess profits to be applied as hereinbefore mentioned.

5. For the purpose of operating the service a Local Company entitled "Kenya Bus Services, Limited" has been formed. This Company, to the initial issued capital of which the Overseas Motor Transport Company Limited have contributed not less than 80%, has been operating the

service

service since its commencement in February. The short experience so far gained gives every cause for satisfaction. From reports communicated by the Company to the Press it appears that the service is carrying nearly 100,000 passengers monthly, at which figure it is understood the proposition becomes a paying one. The Company have given evidence of a real desire to maintain an efficient service and of competence in handling the business. They have themselves trained native drivers and conductors, and in general, so far as can be ascertained without reference to the Company, are running the service on sound and up to date lines.

I have etc.  
(sgd) H.G.Pilling,  
for COLONIAL SECRETARY.

Duplicate

Original 3064/33

10

17

KENYA

NO. 530.

13<sup>th</sup> September, 1933.

SIR,

With reference to the first paragraph of my despatch No. 400 of the 13th May last, I have the honour to transmit two authenticated copies of Ordinance No. XIV of 1933, entitled An Ordinance to Amend the Local Government (Municipalities) Ordinance, 1922 which passed its third reading in the Legislative Council on the 15th August and was assented to in His Majesty's name on the 6th September last, together with the original in duplicate.

Twelve printed copies of the Ordinance being transmitted under separate cover.

Section 6 of this Ordinance follows the instructions contained in my despatch No. 184 of the 8th March, 1933. In this connection I may mention that the terms of the agreement between the Nairobi Municipal Council and the Overseas Motor Transport Company limited were approved on the 2nd August by the Acting Governor, who also approved the exercise by the Council of its power of prohibition for the period of the Agreement. Provision is made in the Agreement for the establishment before the 31st May, 1934 and maintenance by the Company of an efficient service of twelve motor omnibuses, the Agreement to run for ten years from the date of establishment of the service. The Municipal Council retains the right to take over the service and assets as a going concern at any time after the expiry of seven years on giving six months notice, the price, failing agreement, to be determined by arbitration. Provision is also

Made -----

THE RIGHT HONOURABLE

MAJOR Sir PHILIP CHILLYE-LISTER, P.C., O.B.E., M.C., J.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOMINION TRADE,

LONDON, S.W.1.

- 8 -

made for cancellation of the Agreement in the event of the Governor being satisfied that the Company is not maintaining an efficient service.

5. Section 6 provides that in future the Chairman and Deputy Chairman of a Municipal Board (~~Municipal Committee~~) shall be elected.

The Local Government Commission, 1927 recommended that the Chairman of a Municipal Board should be nominated by the Governor. It was, however, provided in sections 94(1) and 18 (1) of the Local Government (Municipalities) Ordinance, 1929 that the Chairman of a Municipal Board should be the District Commissioner. Municipal Boards are in existence at Mombasa, Nakuru and Eldoret. At Nakuru and Eldoret the change is welcomed both by the administrative staff and by the Municipal Boards, and will be convenient administratively. It may also be calculated to promote among the unofficial members of these boards a full sense of responsibility for the efficient administration of municipal affairs.

The reason for excluding Mombasa, where the local authority has to deal with problems of a special nature, is that neither the Government nor the Mombasa Municipal Board desires the change.

I have the honour to be,

Sir,

Your most obedient, humble servant,

A. DE V. WADE

ACTING GOVERNOR'S DEPUTY.

made for cancellation of the Agreement in the event of the Governor being satisfied that the Company is not maintaining an efficient service.

6. Section 8 provides that in future the Chairman and Deputy Chairman of a Municipal Board (except ~~Nombasa~~) shall be elected.

The Local Government Commission, 1927 recommended that the Chairman of a Municipal Board should be nominated by the Governor. It was, however, provided in sections 8(1) and 18 (1) of the Local Government (Municipalities) Ordinance, 1928 that the Chairman of a Municipal Board should be the District Commissioner. Municipal boards are in existence at Nombasa, Nakuru and Eldoret. At Nakuru and Eldoret the change is welcomed both by the administrative staff and by the Municipal boards, and will be convenient administratively. It may also be calculated to promote among the unofficial members of these Boards a full sense of responsibility for the efficient administration of Municipal affairs.

The reason for excluding Nombasa, where the local authority has to deal with conditions of ~~an~~ ~~any~~ nature, is that neither the Government nor the Nombasa Municipal Board desire the change.

I have the honour to be,

Sir,

Your most obedient, humble servant,

A. DE V. WADE  
ACTING GOVERNOR'S DEPUTY.

LEGAL REPORT.

THE LOCAL GOVERNMENT (MUNICIPALITIES)  
(AMENDMENT) BILL, 1933.

The object of this Bill is to make certain amendments to the Principal Ordinance and more particularly to that portion of the Ordinance which empowers a municipal council or board to grant exclusive licences for the conduct of omnibus services within a municipality.

Clause 2 - The reason for this clause is that the election date for municipal councillors is the first working day in June, whereas the candidates then elected do not take their seats until 30th June.

Clause 3 - At the present time the chairman of a municipal board is the District Commissioner. It is proposed to provide that the members of a municipal board may elect their own chairman instead in place of the Municipal Board of Ministers of which the District Commissioner shall continue to be chairman.

Clause 4 prohibits a councillor from acting as auditor to the council of which he is a member, either himself or through any person in whom he is directly financially interested.

Clause 5 - This clause replaces sub-section (5A) of Section 52 of the Principal Ordinance which sub-section was enacted last year for the purpose of allowing a municipal council to grant exclusive licences for the conduct of omnibus services and to prohibit persons or companies other than an exclusive licensee from conducting such services. It is considered that sub-section 5A as it stands does not sufficiently

safeguard the interests of the public, and it is therefore proposed that in sanctioning a proposal for the exercise by a municipal council of the powers of prohibition contemplated, the Governor should be empowered to place some limit upon the period of prohibition. This suggestion has been given effect to in this Bill, and, among other alterations that are made in the sub-section, provision has been made for the period of prohibition to be extended from time to time subject to the Governor's approval.

It also makes further provision empowering a council to run a by-products plant and to purchase animals for conversion into by-products, and to expend money on services, whether within or without the municipality in order to improve the amenity of the municipality.

In my opinion, His Excellency the Governor may properly assent to this Bill in the name and on behalf of His Majesty.

Nairobi,

15th August, 1953. (Sd.) A. D. A. MacGregor,

ATTORNEY GENERAL.

STANFORD

C. O.

3066/53 R

8/0 for Mr. Davis signature

4 *True*  
15 *True*

Mr. Davies 1579 to

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permit. U.S. of S.

Parly. U.S. of S.

Secretary of State.

## DRAFT

R. J. Lawrence, Esq

Estates Gazette Dept

(B. of Trade)

9 Clements Lane

E.C. II

F. T. & Co. No 18 July  
No. 6 W. enc.

F. T. & Co. 2nd July - were  
No. 9. The DUPLICATE on  
No. 9. is FILED we  
haven't

CONFIDENTIAL *get*

15 *Get* 1933

Dear Mr. Lawrence,

In accordance with my former  
arrangement with you, I forward  
on the telephone  
for your consideration  
a copy of a letter from Mr.

W. J. Richardson, Transfer  
to you with the enclosed  
enclosure, a copy of a letter from

W. J. Richardson, account of the  
your consideration

We have made inquiries respecting

Transfer through the Goss Agency  
to Canada, and also consider

for the transfer, from time, with  
a copy of a letter from him, with

the enclosed, about the Goss Agency

Financial horizon

Yours sincerely

(Signed) T. W. Davies

200  
C. O.

Mr. Grossmith

2/67/33

3066/33

Mr. Gueston

2/18/33

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permit. U.S. of S.

Party. U.S. of S.

Secretary of State.

**DRAFT.**

THE CHAIRMAN AND MANAGING DIRECTOR,  
~~HISTOR~~  
OVERSEAS MECHANICAL TRANSPORT  
COMPANY LIMITED.

*[Signature]*  
Sir,

I am etc. to ack.

the receipt of your letters

(Reference H/P.1) of the 18th and 29th of

July relative to the

inauguration of a passenger

vehicle service in Nairobi

and to inform you that a tele-

was sent to the O.A.C. of

Kenya on the 29th of July

notifying him of the result of

the enquiries made in this

country in the matter.

I am, etc.

(Signed) J. E. W. FLOOD

260  
c/o.

Mr. Grossmith

Mr. Freston

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permit. U.S. of S.

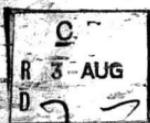
Permit. U.S. of S.

Secretary of State.

3066/33.

16

211



Sir,

8 August  
1933.

DRAFT.

KENYA.

CONFIDENTIAL.

O.A.C.

I have etc. to confirm my telegram No.160 Confidential of the 29th of July in which I informed you as follows:-

"Your telegram No.149 Conf.

Financial position of Overseas

Motor Transport Company considered

sound. Despatch follows.

2. I enclose, for your information,

copies of correspondence relative to the

enquiries made in this country regarding

the financial stability of the Overseas

Mechanical Transport Company Limited.

I have, etc.

(Sgd.) P. CUNLIFFE-LISTER.

C. O.

3066/33

10<sup>17</sup>

Mr. Penruddick 29/7/33

Mr. Head 29 above

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bonar Law.

Sir J. Shand-Burgh.

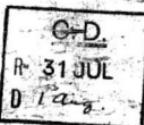
Postmaster U.S. of S.

Parlty. U.S. of S.

Secretary of State.

Colonel (Sav)

5.0 pm 29/7/33



No. 160 Confidential

DRAFT.

Re

Code

(5)

from telegram  
No 149 Confidential  
Financial position of  
Bassett Motor  
Transport Company  
Considered sound &  
Engaged to make up

Lewi:

STILL TIME ACTION.

RECEIVED  
by TELEGRAMS

ALL COMMUNICATIONS  
TO BE ADDRESSED TO THE  
CROWN AGENTS FOR THE  
THE FOLLOWING REFERENCE AND THE  
DAYS OF THIS LETTER BEING QUOTED.

O/Kenya 83.

TELEGRAMS: CROWN LONDON  
TELEPHONE: 7730 VICTORIA

IMPORTANT AND  
CONFIDENTIAL.



4. MILLBANK,  
WESTMINSTER,  
LONDON. S.W.1.

29TH July, 1933.

Sir,

With reference to your letter No. 3066/33 of the 26th July respecting the Overseas Motor Transport Company Ltd. I have the honour to report that this is a private Company registered in 1920 and the capital is stated to have been £60,000, increased in 1930 to £100,000. It is, we are informed, "holding company" to the Egyptian General Bus Company, which Company is held in satisfactory repute and is considered equal to its engagements. We have not, so far, been able to obtain copies of the report and balance-sheet and it is possible that none have been issued.

The reference given to Barclays Bank (Dominion, Colonial & Overseas) Ltd. has been taken up and a copy of the reply received is attached.

26.7.33.

I have the honour to be,

Sir,

Your obedient Servant,

J. J. [Signature]

FOR CROWN AGENTS.

The Under Secretary of State,  
Colonial Office,

S.W.1.

19

FROM BARCLAYS BANK(DOMINION, COLONIAL & OVERSEAS) TO THE  
CROWN AGENTS.

29 Gracechurch Street,  
Branch.

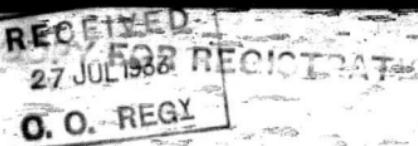
28th July, 1933.

PRIVATE AND CONFIDENTIAL.

S.M.T. Co. Ltd.

Respectable company who have kept a satisfactory account with us for some years. We have no knowledge of their present Balance Sheet position, but their balance with us is, at present, considerable and our experience has been that when necessary they have been well supported. They have experience in running buses as they have been doing this in Malta and in Cairo, where they obtained concessions. We understand that the company now running the Cairo service does so quite satisfactorily.

F.



475  
10

TELEGRAM from the Acting Governor of Kenya to the Secretary  
of State for the Colonies.

Dated 27th July.

(Received Colonial Office 11.40 a.m. 27th July 1938.)

No. 149 Confidential.

My telegram No. 141. Overseas Motor Transport  
Company has agreed to the provision for the termination of  
the Agreement in the event of services proving unsatisfactory  
in the opinion of the Governor. Conclusion of negotiations  
is now urgent in view of the arrangements local  
representative sails for England 5th August. Grateful for  
very early reply.

10  
1000

C. O.

3026/83

Mr. Farnsall  
Mr. Froston 2/7/33  
Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permit. U.S. of S.

Parly. U.S. of S.

Secretary of State.

DRAFT.

Crown Agents.

8/7/33

for O.R.C. Bureau (N.Y.)

for Canada House (N.Y.)

for A.M.T. Office (N.Y.)  
with enc.

from O.R.C. 2/7  
(S)

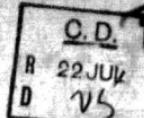
FURTHER ACTION.

Copy of note & Kewya (S)

Confidential

26

July 1933



Gentlemen.

I am etc to transmit  
to you copy of a telegram  
from the O.R.C. Bureau  
regarding information  
relative to the financial  
soundness of the  
Ottawa Motor Transport  
Co. Ltd., to Victoria  
Ltd., together with  
copies of correspondence  
with the Company.

(2) The Agent will be  
glad if you will now  
forward him a copy  
of his report, with a  
report on the financial stability  
of the Company and  
any information which

which you may be able to obtain  
with regard to the  
Company's association  
with the Cairo <sup>airlines</sup>  
Service.

3 You will convey etc.  
enclosed copy of a telegram which  
is from the Acting Governor that  
an early reply is desired.

(Signed) J W FLOOD

# Overseas Motor Transport Co Ltd

10. Victoria Street,  
London S.W.1.

July 18th., 1933.

OUR REF. YOUR REF.  
H/P.I. 3568/33.

(Q) The Under Secretary of State,  
Colonial Office,  
LONDON. S.W. 1.

RECEIVED

19 JUL 1933

O. O. REGY

ACKD. BY P.C.

NOTE  
Note:

In reply to your letter of the 14th July, and further to our letter of July 15th, I confirm that Barclays Bank (D.C.&O) of 29, Gracechurch Street, E.C.3, will give you any information you require in regard to this Company.

It is my opinion that the Company to be formed in Nairobi to operate the buses may possibly be forced to bear a loss for the first three years. I do not think however that there will be an actual cash loss during this period, and the loss will be reflected in so far that it might not be possible to write off the full amount of depreciation, viz. 20% per annum, from the cost of the vehicles. This depreciation, which is a statutory depreciation in England, is however a very conservative basis, and the writer, who has had experience in bus operation since 1919 knows of vehicles which have lasted 10 or 12 years, and which are still running.

The cost of running the 13 buses which comprise the first series should be somewhere in the nature of £250 per week. If fares can be maintained and the buses are patronised by English and natives alike, and the Municipality and the Government of Kenya encourage these services, the revenue should be sufficient to pay all out of pocket expenses.

Out of the above figure of £250 per week, interest and depreciation would account for no less than a quarter of this amount. The assumption of the cost estimate is based on wide experiences of bus operation. The writer was primarily responsible for commencing the bus services in the City of Cairo, where there are now some 200 buses in operation.

With regard to the liquid assets of this Company, a statement of our investments is enclosed herewith and is self explanatory.

It would be very much appreciated, if, having considered your suggestion into our standing, a cable could be sent to the

# Overseas Motor Transport Co Ltd

DIRECTORS:

H. W. G. Smith  
G. F. Smith  
A. S. Birrell

10. Victoria Street.

London. SWI

July 18th., 1933.

OUR REF. YOUR REF.  
H/P.1. 3056/33.

① ②  
The Under Secretary of State,  
Colonial Office,  
LONDON. S.W. 1.

RECEIVED

[19 JUL 1933]

O. O. REC

ACKD. BY P.C.

Sir,

P.C

Re Omnibus Services in Nairobi.

③ ④  
Note 1  
Note 2  
In reply to your letter of the 14th July, and further to our letter of July 15th, I confirm that Barclays Bank (D.C.&O) of 28, Gracechurch Street, E.C.3, will give you any information you require in regard to this Company.

It is my opinion that the Company to be formed in Nairobi to operate the buses may possibly be forced to bear a loss for the first three years.

I do not think however that there will be an actual cash loss during this period, and the loss will be reflected in so far that it might not be possible to write off the full amount of depreciation, viz: 20% per annum, from the cost of the vehicles.

This depreciation, which is a statutory depreciation in England, is however a very conservative basis, and the writer, who has had experience in bus operation since 1919 knows of vehicles which have lasted 10 or 12 years, and which are still running.

Copy to Kenya (2)  
Copy to S.A.  
Copy to Cairo  
  
The cost of running the 13 buses which comprise the first series should be somewhere in the nature of £230 per week. If fares can be maintained and the buses are patronised by English and natives alike, and the Municipality and the Government of Kenya encourage these services, the revenue should be sufficient to pay all out of pocket expenses.

Out of the above figure of £230 per week, interest and depreciation would account for no less than a quarter of this amount. The assumption of the cost estimate is based on wide experiences of bus operation.

The writer was primarily responsible for commencing the bus services in the City of Cairo, where there are now some 200 buses in operation.

With regard to the liquid assets of this Company, a statement from our Accountants is enclosed herewith and is self explanatory.

It would be very much appreciated, if, having concluded your enquiries into our standing, a cable could be sent to the

The Under Secretary of State.

- continued -

Kenya Government, as the negotiations have been very long drawn out and the inauguration of these services will mean a large order for manufacturers of vehicles, and all the accessories which appertain thereto.

I have the honour to be,

Sir,

Your obedient Servant,



Chairman & Managing Director.  
OVERSEAS MOTOR TRANSPORT COMPANY LIMITED.

CHAS. W. ROOKE, LANE & CO.

Chartered Accountants.

CHARLES ROOKE,  
P.C.T. LANE.

FL/AP/869

BRANCHES  
262, BALFRUAR HOUSE, E.G. 2  
FRANCE PARIS

24  
TELEPHONE: TEMPLE BAR 3200 (4 LINES)  
TELEGRAM: ACCOMPENDO STRAND, LONDON  
CABLES ACCOMPENDO LONDON  
CODE BENTLEY'S (SECOND)

AGENCIES  
U.S.A. New York  
Canada, Toronto  
Winnipeg  
Australia, Sydney  
S Africa, Johannesburg  
Ireland Dublin  
Belfast

2. NORFOLK STREET.

STRAND.

LONDON, W.C.2.

18th July, 1933.

The Managing Director,  
Overseas Motor Transport Co., Ltd.,  
10, Victoria Street,  
LONDON, S.W.1.

Dear Sir,

In compliance with your request we have caused an examination to be made of your books as at the 30th June, 1933, and in accordance with the information we have received, we have computed your present position, which appears to be as follows:-

Cash at Banks and in hand,  
Government Securities, and  
Amounts repayable in the course of trade. £13,633.

To this amount should be added a Loan Account, which we understand, subject to repayment on a month's notice, of £8,858. This sum is secured and is purely a temporary arrangement, so that the total liquid assets available to the Company appear in the sum of £22,491.

So far as we have been able to ascertain the total amount due to sundry creditors other than funded indebtedness by way of Debentures, is in the sum of £1,703. so that there is a net amount immediately available of £20,788.

We may say that in addition to the above liquid assets to which reference has been made, that you have the following interests in other omnibus services, all of which are fully paid and upon which no contingent or other liability exists:-

4,060 Ordinary Shares of £4 each in the Societe des Automobiles et des Omnibus du Caire  
1,120 Founder Shares of £1 each " " "

We understand that it is the opinion of the Directors that these shares are fully worth their nominal figure, which is £17,860.

In addition, you have a large claim arising out of a concession agreement now awaiting adjudication, under which we understand the Directors are confidently anticipating a substantial award.

The issue of the First Debenture of £2,600, has a maturity date in five years' time and the issue of the Second Debenture of £23,400, has a maturity date in ten years' time, subject to the Company retaining the option to redeem at any time on giving six months' notice.

We understand that you are negotiating for a concession in Nairobi to establish a bus service in that town.

Your estimate of expenditure in respect of the initiation of these services is approximately £13,000 to £15,000 and we gather that the suppliers of vehicles are anxious to obtain the order, and will give long term credit facilities.

It is our opinion from our knowledge of the facts and based on the estimate which you have put before us that the Company is in a position satisfactorily to finance its obligations under the proposed concession agreement within the municipal area of Nairobi.

Yours faithfully,

*John Cook*

Dly.

C. O.

3066

2  
26  
22

Mr. Freston 12 p.

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sgt. J. Shuckburgh.

Permit. U.S. of S.

Party. U.S. of S.

Secretary of State.

Kenya  
Powered by Doll 12



1 JUL 1933

DRAFT.

Commissioner F.T. Hare R.A. (part)

(to Victoria St.  
S.W.)

Sir

to you next visit E. Kenya Office

when the question was discussed  
of the inauguration in Nairobi

Kenya of - passenger vehicles  
service by - road company to be  
controlled by the Overseas Motor  
Transport Co. Ltd.

2. As was explained

to you during the interview,

the O.M.T. of Kenya, before

approving the terms of the

agreement with the Municipal

Council of Nairobi, desire

any assurance that the present

objection

long B.O.

Company is of sufficient financial  
stability to carry such losses as  
may be anticipated to occur during  
the first few years of the Nanchi  
service.

3. The S.O.S. will be glad to  
receive, for communication to the Government  
of Kenya, such evidence as you may  
be prepared to adduce of the financial  
position and prospects of the  
National Transport Co. Ltd.

(Signed) J. E. W. FLOOD

COPY FOR REGISTRATION

TELEGRAM FROM THE Acting Governor of Kenya to the  
Secretary of State for the Colonies.

Dated 6th July.

(Received Colonial Office 3.29 p.m. 6th July 1933)

No.129 Confidential.

W.O.8 Your despatch of the 6th June No.394

3066/53 Agreement between Council and Company has now been submitted to me for approval. Agreement provides

for the formation of a local Company in which 80 per cent of issued capital would be provided by the

Overseas Motor Transport Company Limited, 10, Victoria Street, London. As services will in all probability

be unremunerative for the first few years I am anxious to have some assurance that London Company is in the position to carry such early losses and I should be grateful for any information you can give me as to the financial soundness of this Company please.

Copy to S.C.