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Crowdy W.M.

Interview

1919

4 Nov

Last previous Paper.
C
54509

Requests on Wednesday or after
to discuss Electric Supply Order

Advised by Mr. S. J. ...
v. after
... ..

Interview
Mr. Blain

Major Crowdy called on the 7th and discussed the matter with Mr. McBlain and me.

This case is like the Nairobi case in that each turns ^{involves} on the question whether the original concession was renewed. The preliminary period expired in 1917 and apparently the concession stated that the Gov. shall extend it for a period of 45 years, provided that the Company had discharged its obligations. Mr. Cobb states that in the belated (June 1918) reply to his application for renewal no allegation of nonfulfilment was made, and that therefore the contract was automatically renewed for the 45 years. On this point Mr. McBlain's recollection was clear that the letter of June 1918 definitely referred to breaches of covenant, and

Next subsequent Paper

Major Crowdy (who knows Mr. Cobb well) seemed quite prepared to accept Mr. McBlain's statement. It appeared ^{however} that during the interval up to June 1918, while the Attorney General was considering the position the Public Works Dept. had written to the Company authorising them to carry on from year to year. I did not ask Mr. McBlain before Major Crowdy whether these annual letters contained any reference to breaches of covenant, but this is a possibility which we may have to go into. If no such statement was made, Mr. Cobb may well argue that the allegation of breach of covenant in June 1918 was out of date.

Mr. McBlain made it clear that there was no "deliberate procrastination" as is alleged on page 2 of Mr. Cobb's telegram in 54509. So far as the P.W.D. was concerned the matter was dealt with with all expedition and the delay in the Attorney General's office was due to pressure of other work. (On this and other points see Mr. McBlain's memo. attached to this paper.)

As regards page 3 of the telegram, Major Crowdy admitted that the existing plant was not obtained from any first class maker, and that Mr. Sankey had agreed to the source of supply selected by Mr. Cobb (with some reluctance). The unsuitability of the plant is referred to in Mr. McBlain's memo. I pointed out Mr. Cobb's estimate of £75,000 ^{for new plant} and asked whether this was well founded. Mr. McBlain was definite that to cope with the present demand in Mombasa Island, it would cost £2,000 to adapt the existing machinery to the conditions of the Ordinance, and £10,000 to augment it, so as to cope with the demand. It seemed clear that nothing like £75,000 would be required until the business extended with the development of the Island, so as to require a really first

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first glass plant. This would take something like 10 years.

Page 4 of telegram. Refusal of priority. This was explained by Mr. McBlain as in his memo. That is to say, Mr. Cobb did not ask for the support of the P.W.D. for his application for a new boiler, and when he asked for their support for boiler tubes he got the priority certificate the same day.

As regards the emergency ordinance passed when the Company threatened to cease supply, Major Crowdy recognised that this was the only possible course for the Govt. to adopt in order to prevent Mombasa being plunged into darkness. He accepted my assurance that there was no question of the Govt. taking over permanently but that the Ordinance was simply intended to keep things going in the face of a deliberate refusal on the part of the Company to supply electricity.

As regards the proposed enquiry, I said that I felt certain that after the provisions of the Ordinance had been fully understood, there would be no difficulty in coming to a friendly arrangement. Mr. McBlain and Major Crowdy discussed at some length the provisions of the Ordinance and Major Crowdy was satisfied that they were reasonable, except that he considered that the period of 25 years after which the local authority may take over from a distributing licensee, was too short to enable the Company to raise the new capital which it required. After discussion on this point, Mr. McBlain said that he would be prepared to recommend that the period should be extended to 42 years and also that the licensee should be entitled to have 5 years notice before that time of the intentions of the local authority

authority. This would enable the licensee to avoid any loss by undertaking fresh expenditure during the expiring period of the license.

Mr. McBlain will write to us on this point. Major Crowdy borrowed a copy of the Ordinance and will discuss any points of difficulty with Mr. McBlain and will then apply for another interview here with a view to settling the terms of the telegram which he proposes to send to Mr. Cobb. My idea is that we should telegraph to the Govr. at the same time with a view to a discussion on outstanding points being arranged locally with Mr. Cobb so that the whole question can be settled, as it certainly can if Major Crowdy is able to bring Mr. Cobb to the same point of view as himself.

Went West 8/11/49 J. J. J.

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Wait. L.S. 8/11/09 Jones

H. Undersecretary of State
The Colonial Office

London SW1
25th 5/1919

5 Stone Row
London SW1
NORTH BARRACKS
DEVONPORT



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Sir
I regret to say that my only absence abroad did not receive your letter offering me an opportunity of an interview with the E. Africa Department until long after the date suggested in it and has not since then been in London. I had visited there three weeks in the hope of receiving a reply to my letter of 20th September.

I am returning to London tomorrow next and should be glad if you would kindly make an appointment for any day subsequent to that within a week from now.

I have the honor to be, Sir,

your obedient servant
Wm Croxall

Downing Street,
5 November, 1919.

DRAFT.

W.M. CROWLEY, Esq.

Sir,

MINUTE.

I am etc. to ack. the recd. of your letter of the 4th of November and to inform you that he will be glad if you will call at this Office on Friday the 7th of November at 3 p.m. in order to discuss the position of the Mombasa Electric Power Company with the Head of the East Africa Department of this Office and Mr. McBlain, the Electrical Engineer of the Government of the East Africa Protectorate.

I am, etc.,

- Mr. Bottomley, 5/11/19
- Mr.
- Mr.
- Mr. Grindle.
- Sir H. Lambert.
- Sir H. Read.
- Sir G. Fiddes.
- Col. Amery.
- Lord Milner.

drafts.

DRAFT.

Downing Street,

J. McBlain, Esq.
c/o The Standard
Bank of S.A.

9 November, 1919.

MINUTE.

Mr. Battersley, 5/1/19

Sir,

With reference to your various discussions at this Office on matters connected with the electricity in the E.A.P., I am etc. to inform you that he will be glad if you will attend at this Office on Friday the 7th of November at 3 p.m. when ^{Mr.} W.M. Crowdy will call in order to discuss the position of the Mombasa Electric Power Company.

I am, etc.,

Mombasa Electric Light & Power Co. Ltd. Agreement

The Electric Power Ordinance 1919

The Maintenance of Electrical Supply Ordinance 1919

Their respective covenants, conditions, obligations and liabilities under the agreement which provided that after a preliminary period of 7 years the agreement would be extended for a further term of 43 years if the Corporation had performed certain specified covenants, and in effect had given supply and performed its obligations in such manner as in the opinion of the Government the same ought to have been stipulated and performed.

The agreement was granted to a gentleman named Anderson who formed a small company in Mombasa and purchased the absolute plant of the town at Mombasa. Later when the whole of the plant was acquired by the Government, the terms of the agreement were altered and Anderson the Director of the Corporation at the time of the alteration was taken out of the agreement.

Mr. P. K. ... was a Director of the Corporation and a letter dated 25th June 1919 is an employee of Mr. ...

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... in the ... of the Corporation ...

... of the Corporation ...

... of the Corporation ...

28th August 1911.

The Director of Public Works,
Nairobi.

Sir,

We have the honour to refer to your letter of the 20th instant, and to your telephonic request for an interview to discuss the arrangements it might be necessary to make in view of our notice to discontinue the supply of Electricity after September 15th.

1. Our object in presenting our views in the form of our letter of the 11th instant, and in giving notice to discontinue supply, was to secure that full consideration of our case which we have been endeavouring vainly to obtain for over 21 years, and to prevent a further postponement of a settlement, which postponement must bring disaster to ourselves and serious inconvenience to our customers.

2. The Government having considered the position to be so serious as to warrant special legislation of a most extraordinary character, we believe it may now be willing to grant such full consideration to our case. We therefore have the honour to apply for a full, public and impartial enquiry into the extent to which the terms and conditions of the agreement, dated 8th August, 1910, between the Government and ourselves, have been carried out by each party thereto, into the manner in which we have conducted the undertaking, and into the terms, if any, on which the agreement should be extended for a further period. If our request for a public enquiry be granted we ask that it should not exclude any matter which might enable us to justify our attitude in the negotiations for an extension of our Concession. We maintain that we have been very unfairly treated by the Government and we wish for an opportunity of having this publicly proved or disproved.

3. In order to remove any difficulty in the way of such an enquiry we shall forthwith withdraw the public notice to discontinue the supply of electricity on September 15th, and an announcement to that effect will be sent to the press today. This is done with the sole view of facilitating an enquiry as we have no desire to continue to carry on the undertaking under the conditions of insecurity which have for so long existed.

4. In view of the possibility of our continuing the supply during the suggested enquiry it is necessary to state again that our existing plant is now fully loaded and we therefore cannot attach new consumers, as if we were to do so it would injuriously affect the supply to existing consumers. In addition, it would be necessary for a time to give a reduced supply to enable necessary work to be done on our engines and boilers, but we believe that with the co-operation of the Consumers this could be arranged without very serious inconvenience.

We have the honour to be, Sir,

Your obedient servants,

THE MOMBASA ELECTRIC LIGHT AND POWER CO., LTD.

(sd) A. P. Constantine,

DIRECTOR

POWER RECORD OFFICE, LONDON

SECRET

The following information was obtained from a confidential source who has provided reliable information in the past.

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53274/1919.

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5, SUSSEX MANSIONS,
SOUTH KENSINGTON, S.W.7.

TELEPHONE:- KENSINGTON 3429.

Secretary
State for the
Colonies

6. Nov 1919

Sir

I have the honour to acknowledge
your letter of the 5th Nov and to say
that I shall be happy to call on
Mr Bottomley at the time named
in it to suit him.

I have the honour to be Sir,
Yours obedient servant
T. H. Crody

3274/1919.

496

5, SUSSEX MANSIONS,

SOUTH KENSINGTON, S.W., 7.

TELEPHONE:- KENSINGTON 2028.

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State for the
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