

EAST AFR. PROT
29053

C. O
29053
REC'D
RE: 12 JUN 20

PAULING & CO LTD

UASIN GI SHU RAILWAY

1920
9th June

last previous Paper.
26949
29053

States is disappointed at not being granted an interview and considers it grossly unfair that a firm with very little railway experience in Africa should be offered the work

Major Thornton
Believed by the Public
Sir H. Resni. Sir S. Piddas

It is true that Paulings were first in the field, with a local offer to finance and to construct on a basis of 8% on cost. Offers were referred at the time whether it would be provident to employ their financiers. - Resni's Entanglement.

No action was taken as to the Uasin Gishu project until Lord Aulieu's return from Paris and in the meantime Sir J. Norton Griffiths had approached Col. Henry

subsequent Paper.
29057

Lord Aulieu decided that he would be best for Col. Henry to discuss with Sir J. Norton Griffiths and

Sir S. Piddas with Messrs Pauling. The latter

Collier's discussion, with his Scott & Thorne
 Exchange, broke down on the financial
 finance. The discussion with Sir
 J. Norton Euffell was taken up by
 a sub C² of the Development C²,
 and, although in this case also nothing
 could be done as regards finance
 (which it was decided to handle
 by a Govt loan after a negotiation),
 negotiations for construction continued
 on a basis of 5% of cost with
 a 25% bonus on savings.

The C.C. papers do not reveal below
 precisely whether the next step was
 the discovery that, whoever was
 employed, the first step must be
 a joint survey to agree on a ~~contract~~,
 or how Pauling's offer (1978) to
 contract for 4% to bid with a
 50% bonus. I think the former,
 but in any case it was decided
 on 1978 that we could only
 negotiate with one firm at a
 time, & the £20 survey contract
 (or we have heard since 1492
 25/129 was
 awarded) has been signed.

As both statements that the
 best examination of figures was
 unable to make a contract in, I am

Or rather, the
 financial side
 would have
 stopped then
 the case, as
 idea of a survey
 was worked out
 then that the
 letter & the
 stopped. But
 JWS's offer
 that was to
 letter it was
 to continue

I think the E.C.
 regarded this
 attempt to
 then rejected
 after they
 their work
 way of getting
 work. 1/2

negotiation that (for the full line to
 business) the loan revised estimate
 was £2,400,000, & Sir Scott's estimate
 (in consultation & with Sir E. Thorne)
 was £3,750,000.

If Sir Thornton considers that
 an answer to Sir Euffell's letter is
 required, it can only be that how
 unless reports their disappointment,
 but that he can say that the
 contract with Euffell, Ltd. for the
 point survey of the route has already
 been signed.

C.E.W. 19.6.20.

H. J. D.
 19/6/20

Mr. Collier

I have shown Lord Palmer who
 would like Sir Euffell to see the pro-
 posed answer in sent.

H.E.
 25/6/20

I do not like Sir Euffell's letter. He certainly
 had no right to think that "all was going well"
 and was to expect that his proposal

should have all railways - Africa
in of right. As a matter of fact
has been when leaving the matter
to be 9 Fiddes + myself agreed that
if there were within 5 or 10 percent
of being equally good we should give
the preference to Parly's as some
experiment. But the discussion led
to the rate on cost of construction
(5% vs 5.2%) and to the view that
such a divergence that Parly's were
missed, + only hard signs of life
+ made a small offer when they had
the work but hardly get it. The
contrast between the matter + the 4.4%
great owing to get the best contract +
justly being as a rapid construction also
inflamed the S.D.C.
I would not say that I regret
the disappointment but would point out
that the original offer was to
rate of payment on construction and finance
as well as the 9 Fiddes was so much
less favorable than those made by the
competitors that they were not further
considered, + that in any case the
contract for the first railway has been signed

Mr. Thomson

Jan 24

H. B. Thomson

Lord Fisher would like a reply
drafted conceding in my signature on
the lines of Mr. Amery's minute. The
letter should express regret at Lord
Parker's disappointment but should
point out that whilst we recognize
to the full the good work done by the
firm in Central Africa in the past
we are sure that they would not feel
justified or that we could in drawing
on that account a monopoly in
railway contracts.

Net
5/7/20.

[Sir S. Fiddes
Mr. Amery and
Lord Fisher have drafted]

Communications to be addressed to the Company.

26 Victoria Street.

S.W.1.

PAULING & CO LIMITED

Telegraphic Address:

CLAMATORS VIC LONDON

Telephone:

NO 4945
4946
4947 } VICTORIA

C O
29053
REC'D
JUN 20 1920

9th June 1920.

DL/WV.

H. C. Thornton Esq.,
Colonial Office,
Downing Street.

Dear Sir,

I am in receipt of your letter dated June 5th 1920 with reference to my letter to Lord Milner asking for an interview regarding the Uasin Gishu Railway, B. E. A.

I am very disappointed that Lord Milner finds it impossible to fix a time when I could see him, as I think a few minutes conversation would clear up this matter. Judging by your letter it certainly wants clearing up, otherwise it can only leave a feeling of unfair treatment.

Messrs Pauling & Co have already gone into the question of building this Railway with Mr Church, the Chief Engineer of the Uganda Railway on his survey and detailed quantities which are very full and ample to base a contract on. After all this spade work has been done by Pauling & Co, who were under the impression that all was going well, they hear that another contractor who has

H. C. Thornton Esq.,
Downing Street.

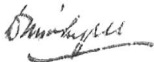
9/6/20.

never carried out railway work in Africa of any magnitude is being offered the work.

I think you will agree with me that this does not appear quite fair seeing that Pauling & Co have carried out far more railway work in Africa than any other firm of Contractors, and that they are always ready to meet any situation in a fair spirit.

I am quite sure that it is not Lord Milner's wish to treat anyone unfairly, and it was with that in view that I wished to lay my point in front of him, which I am quite sure would help to clear the situation.

Yours faithfully,



Downing Street,

10 July 1920.

to
for King's Theatre
ES
aman 35255

Dear Sir,

I am sorry that I have not been in a position to reply at an earlier date to your letter of the 9th of June on the subject of the Uasin Gishu Railway contract.

DRAFT.

J. LYELL, ESQ.,

Lord Milner, who has seen your letter,

desires me to express his regret at Messrs Paulings' disappointment at not receiving the contract, but, while he recognizes to the full the good work which the firm have done in Central Africa in the past, he is sure that they would not feel justified in claiming on that account a monopoly in railway contracts in that field.

MINUTE.

- Mr. *Boston* 6/1/20
- Mr.
- Mr.
- Mr. Grindle.
- Sir H. Lambert.

- + Sir H. Road. *6/1/20*
 - + Sir G. Fiddes. *6*
 - + Col. Amery. *8/1*
 - + Lord Milner. *M 7/1/20*
- for com*

He also wishes me to explain that the original offers, both as to payment on ~~construction~~ ^{construction} and finance, as made by the firm to Sir George Fiddes were so much less favourable than those made by their competitors that they were not

further

C.O.
533
254

further considered.

In any case the contract for
the joint survey of the route has now
been signed, so ^{that} ~~that~~ nothing more can
be done in the matter.

HCT