

1921

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KENYA

C O
28147
HL 7 EN I

FROM
CROWN AGENTS

DATE
6TH JUNE 1921

FOR CIRCULATION

SUBJECT
UASHI SIGHE RAILWAY

LEGAL EXPENSES

Enclosed copy of corres. with Consulting Engineers re Contractors' legal expenses under Survey Report. Explains that the whole charge is no in respect of agreement actually in force.

- Mr.
- Mrs.
- Mr.
- Mr. Grindle.
- Sir H. Lambert.
- Sir H. Road.
- Sir G. Fiddes.
- Col. Amery.
- Mr. Churchill.

Previous Paper

MINUTES

Go
27225

I am advised Gages, Harrow,
there is no money and as the money
has been paid,

Copy of dft. in 22786 1 copy

sent 15/5 for review etc.

G.A.S.
8/6/21
ant

~~Copy~~ 205 2/1

Copy & disp. ends 205 9/24 - 13 June 21 1/4

Subsequent Paper

28749

416/1



300

C.O.
28147

A. MILLBURN,
WESTMINSTER,
LONDON, S.W. 1.

6th June, 1921.

Sir,

I have the honour to acknowledge the receipt of your letter No. 22786 of the 17th May transmitting for our observations a copy of a despatch from the Governor of Kenya on the subject of a charge of £262.10s.0d. from the legal advisers of Messrs Griffiths & Company Limited in connection with the negotiations regarding the Uasin Gishu Railway.

2. In reply I enclose a copy of correspondence with the Consulting Engineers dealing with the question of the Contractors' legal expenses under the Survey agreement.

3. It will be seen from our letter of 21st December that so far as this agreement is concerned our view coincides with that of the Colonial officials quoted in the despatch under reference and we have no doubt that it is correct.

4. It appears, however, from subsequent correspondence that the charge in question was not incurred (except to a limited extent as explained hereafter) in connection with the survey agreement, but in the preparation of the originally contemplated combined survey and construction agreement, subsequently abandoned when it was decided to adopt instead two separate

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

separate agreements for survey and construction respectively. The Colonial Government benefited by this change of policy and Messrs Griffiths & Co., Ltd. were thereby put to unproductive expense; the Consulting Engineers are therefore of opinion that the charge in so far as it was incurred in connection with the abandoned agreement is fairly debitable to the Government and we think they are right.

5. With reference to the second paragraph of the Consulting Engineers' letter of 27th May I may explain that they understood in the first place that the whole charge concerned the abandoned agreement, but on going into details with Messrs Griffiths it was found that £71.8s.6d. thereof was incurred in connection with the Survey agreement and the Contractors accordingly refunded this amount.

6. The Colonial Government are clearly under the impression, as we ourselves were at first, that the whole charge was incurred in respect of the Survey agreement actually in force.

I have the honour to be,

Sir,

Your obedient servant,

W. G. Watson

for Crown Agents.

MESSERS RENDEL, PALMER & TRITTON TO THE CHIEF ENGINEER,
CROWN AGENTS FOR THE COLONIES.

18-18 Dartmouth Street,
Westminster,
London. S.W. 1

16th December, 1920.

201-1881

Uasin-Gishu Railway Survey

Sir, (Subject: Uasin-Gishu Railway Survey)

Referring to our letter of 16th November, we have received a request from Messrs Mott Hay & Anderson for a further sum of £500 to be placed to the credit of Sir John Norton Griffiths on account of the above Survey. The funds are required to meet expenditure on account of legal charges in connection with the Survey Contract, the provision of instruments and sundries and certain estimated expenditure, for which the present balance in hand is insufficient. We shall no doubt receive a Statement of Account from Messrs Mott Hay & Anderson in due course, and we recommend that this further credit be issued.

We understand you will notify the Contractors direct, and we shall be glad to know in what form, in whose name, and at what Bank the credit is placed, in order that we may keep our records in order.

Yours faithfully,

RENDEL, PALMER & TRITTON.

(Sgd.) R.M. Gale.

THE CROWN AGENTS TO MESSRS RENDLE, PALMER & TRILLION.

R
416/1

4 Hillbank,
Westminster,
S.W. 1
21st December, 1921.

Gentlemen,

I have to acknowledge the receipt of your letter dated 16th December recommending us to place a further sum of £500 to the credit of Sir John Norton Griffiths & Co. to meet expenditure on account of legal charges in connection with Uasin Gishu Railway surveys, the provision of instruments and sundries and certain estimated expenditure for which the present balance in hand is insufficient.

2. We will advance the above named sum accordingly and notify the Contractors and inform you in due course as to the bank at which the credit is placed.

3. In the meantime we have to point out that according to our interpretation of the Survey agreement, the contractors legal expenses cannot be paid from sums advanced under clause 7 of the agreement, but must be considered part of their Head Office expenses which are covered by the 3% on the cost of the survey specified under clause 8.

4. Any claim in respect of such expenses would have to be considered upon completion of the survey when the final balance is struck in accordance with the last paragraph of clause 8.

I am, etc.,
(sgd) W.I. PAISON

FROM MESSRS RENDEL, PALMER & TRITTON TO THE CHIEF ENGINEER,
CROWN AGENTS FOR THE COLONIES.

12/14 Dartmouth Street,
Westminster,
London, S.W. 1
4th March, 1921.

UASIE GISHU RAILWAY.

Sir,

In continuation of our letter of 16th December, 1920, we have now received a further statement on account from Messrs Mott Hay & Anderson, on behalf of Messrs Griffiths & Company showing an expenditure of £705.4.0d., under date of 31st December, 1920. We beg to hand you this statement together with copies of the vouchers referred to therein.

The item, Voucher No.21, for legal charges to which you refer in your letter of 21st December, was incorrectly described in our letter of 16th December as being in connection with the Survey Contract. It was, however, really in connection with the preparation of the original draft agreement for Survey and Construction, which was abandoned when it was decided by the Crown Agents to prepare separate agreements for the survey and for construction.

We are of opinion that owing to the change of principle adopted, the charge is in equity debitable to the work, and ^{we} accordingly approve of the expenditure covered by the statement.

The balance in hand is now £216.8.7d.

Yours faithfully.

(Sgd.) RENDEL PALMER & TRITTON.

p.p. R. Gales.

FROM THE CHIEF ENGINEER, CROSS AGENTS FOR THE COLONIES
TO MESSRS RENDLE, PALMER & TRITTON

4 Millbank,
 Westminster,
 S.W. 1
 21st May, 1921.

K.416/1

Gentlemen,

I enclose a copy of a letter from the Colonial Office and accompanying despatch from the Governor of Kenya, regarding the charge for legal expenses in connection with the Uasin Gishu Railway negotiations made by Messrs Griffiths & Company Limited as shown by voucher No. 21 of which a copy is attached.

2. We dealt with this question in our letter of 21st December 1920 and in your reply dated 4th March you explained why you considered the particular charge referred to in the enclosed correspondence as in equity debitable to this work. Before however replying to the Colonial Office we shall be glad to know if you have any further observations to offer.

Yours faithfully,

for Chief Engineer.

18-14 Dartmouth Street,
Westminster,
London, E.W. 1
27th May, 1921.

YAGIN-GISHU RAILWAY.

Sir,

In reply to your letter No. E.416/1 dated 21st May 1921, we can only amplify what was said in our letter of the 4th March 1921, that the charge for legal expenses, of which we approved after some correspondence, was one of £191.5.0d. incurred from December 1919 to May 1920, in connection with the preparation of the original draft agreement for Survey and Construction, which was abandoned when it was decided by the Crown Agents to prepare separate agreements for the survey and construction. We are of opinion that owing to the change of principle adopted, Messrs Griffiths & Co. had been put to unproductive expense, and that as the Crown Agents had benefited by the change of principle, the charge was in equity debitable to the work.

2. It will be observed that the amount paid on voucher 21 was £242.10.0d. for charges from November 1919 to August 1920, but Messrs Griffiths & Co inform us that the overpayment of £71.5.0d. has already been refunded.

3. The opinions given in the Governor's letter No.438 dated 31st March 1921, appear to depend on a very natural confusion between the original combined draft agreement for survey and construction, which is referred to in the bill for legal expenses as a contract for construction of the Railway, and the separate construction agreement which has since been under consideration and the terms of which are now practically settled.

Yours faithfully,

(Sgd.) Rendel, Palmer & Tritton.

R.R.Gales.