

1921

KENYA

42138

REC'D
REG'D 22 AUG 21

FROM
NORTHEY, SIRE.

DATE
21 AUGUST 1921

FOR CIRCULATION:-

SUBJECT

- Mr.
- Mr.
- Mr.
- Mr. Grindle
- Sir H. Lambert
- Sir H. Bond
- Sir G. Piddie
- Mr. Wood
- Mr. Churchill

UNFINISHED RAILWAY

Copy of proposed contract has been through
it with the S.A. and is satisfied with it. 21

Previous Paper

MINUTES

leo
41361

See minute book

M.S.

20 Aug 21

See on CO. 4236 31/21

Pattby
G.S.

21 2 21

Partly

M

Subsequent Paper

leo
42240

VASIN GIENG RAILWAY.

The Treasury having now agreed to a loan of 28,000,000 it became possible to proceed immediately with the construction of the proposed new railway, and it is necessary to ask the Secretary of State's authority -

(1) For the principle of giving the contract to Norton Griffiths on a costs + 5 per cent. basis, viz. the contractors will receive actual costs of construction as certified by the Consulting Engineers + $1\frac{1}{2}$ per cent for Head Office expenses + 5 per cent for profit with a provision that the contractor shall receive a percentage on any saving that may ultimately be effected on the final revised estimate of £2,302,615, the percentage increasing with the amount of saving, and with a further provision for a bonus for quicker construction than that provided in the contract, viz., three years. Norton Griffiths received the contract for the survey, which is now completed, but we are in no way legally bound to give them the construction contract. It is, however, agreed, I think, that we are morally bound to them. Compare Minutes of the third Meeting of the Colonial Economic Development Committee held on the 20th February, 1920, which Sir John Norton Griffiths attended. "He (viz. Sir John Norton Griffiths) was informed that the Secretary of State was disposed to give him the contract

contract subject to the satisfactory settlement of specifications, estimates, and other conditions"; and I understand that the Minute under-stated rather than over-stated the assurance given to Sir John Norton Griffiths. At that time the matter was regarded as urgent, and in the then situation of the industrial market it was impossible to get tenders quickly. It was thought, therefore, to be the best plan to give the contract to a young and pushing firm, who would be anxious to make a success of it with a view to getting further business in Africa. It would, of course, be possible to call for tenders now but this means delay and Colonel Robertson's memorandum in 41301 has shown the importance from the point of view of economy and of the labour supply of the earliest possible start of construction, which, indeed, is desirable on every ground. Everything is now ready for the word "Go" and the Governor urges most strongly for the good of the country that the contract should be given to Sir J. Norton Griffiths on the above basis.

(2) If the above principle is approved, for concluding at once with Sir John Norton Griffiths the draft contract which has now been submitted by the Governor, see 42138. The Governor, the Consulting Engineers and Colonel Robertson are now entirely agreed on its terms, and there appears no reason why it should not be signed at once.

If the contract is signed now, it is estimated that about £250,000 will be required in the

the

the next three months. It is understood that the Crown Agents will be prepared to provide funds to the extent of £250,000 for the temporary financing of the work pending the issue of the loan.

NS

23. 10. 21

9 Bruton St. W. 1

21. Aug. 21

249A

U/s of state for the MA 2138

Herewith copy of proposed
contract for construction of
Main Gucho Plateau Railway
have been through it most
repley with The Comm Agents
and am satisfied with it.

Edward Nathan
Governor Kenya.