

1921

E. AFRICA

528

46581

SEP 21

FROM
CROWN AGENTS

DATE
16TH SEPTEMBER 1921

FOR CIRCULATION :-
Mr. *Bottomley*
Mr. *Bottomley*
Mr.
Mr. Grindie 20
Sir H. Lambert
Sir H. Read
Sir G. Fiddes
X Mr. Wood
Mr. Chichehill

SUBJECT

STEAMER SERVICE VIA SUME

Reports on present position and advisability of using the Holland N.A. Line. Suggests placing facts before U.C. Line and I. Line and asking if they can improve their services as set to compel the use of the Dutch Coy.

Previous Paper

MINUTES

cc
4587

Mr. Bottomley

Mr. Bottomley:

as per by letter 4587.

It is clear that the position is serious. Even if we make use of all the alternatives suggested in this letter by the Crown Agents, - and I confess I do not like the idea of using a cargo boat without a Surgeon even for single men - it is plain that we shall not have nearly enough accommodation for our officers, and the situation will shortly become critical gravely affecting the proper administration of the East African Protectorate. The Union Castle ~~no doubt~~ ^{perhaps} hope to force us into granting them a subsidy, but that, I assume, can be ruled out of the question in present financial circumstances. I do not at all like the idea of giving our business to a Dutch Company in preference to a British line, and we must hope that the threat of an arrangement with the Dutch

Company

Subsequent Paper

Ca
4710

Copy to (Mipman) 15 of 17s of 23 Sept 21
Copy to D.O.T. comm 23 Sept 21

C.O. 533 266
PUBLIC RECORD OFFICE LONDON

MINUTES.

MINUTES NOT TO BE WRITTEN
ON THIS SIDE.

Company will be sufficient to bring the Union Castle to terms.

The suggestion in the last paragraph of the Crown Agents' letter is, I think, right; and as a first step it would seem desirable to have a friendly conversation with the Union Castle and British India, in order to clear the ground. We do not want those Companies to be in a position to say that we concluded an agreement with the Dutch line without giving them a chance to do business, though I confess that I think that they have treated us extremely badly by withdrawing their services without giving us any warning.

We do not, however, want to be drawn into ~~discriminations~~ ^{discriminations}. The line of argument I would suggest for our conversations with the Union Castle and the British India is simply - We understand that you have withdrawn temporarily your passenger sailings to East Africa ^{and that this may be a prelude to your withdrawing them altogether.} On the other hand, a Dutch line have expressed themselves anxious to enter into an agreement with us for a regular service,

to further discuss whether it may be better not to say this. M.D. Shows what the first intention of the Crown Agents was if it can be avoided.

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service, and seem likely to offer satisfactory terms. Of course, we would prefer to do business with a British Company, but we must have a regular service for our officers and stores. What have you got to say about it? As to cargo, you will no doubt bear in mind that large public works are being undertaken, which mean of course a considerable amount of outward freight for some time to come.

As to cargo, the position is as follows: -

(1) Kilindini Harbour Works.
Arrangements for shipping the necessary materials are in the hands of Paulings, and I do not suppose that we can disturb this arrangement now. But I suggest that we might ask the Crown Agents to find out what arrangements Paulings are actually making with regard to shipping.

(2) Usin Glou Railway.
As the contract stands, the shipping arrangements are in the hands of Norton Griffiths but Colonel Robertson tells me that Norton Griffiths have already said that they would be grateful for any help that the Crown Agents could give them with regard to shipping, and, in fact, would be ready to take

over

over the whole business to them, though this, of course, we do not want. I do not think, however, that there would be any difficulty in getting Norton Griffiths to sign an undertaking in some form that they would not make any shipping arrangements except in consultation with the Crown Agents. If I have authority I will ask Colonel Robertson to sound Norton Griffiths as to this.

(3) Rolling stock, etc., to be provided out of the loan.

The shipping arrangements for all these will of course be in the hands of the Crown Agents.

Before, however, taking any step at all, I think that it would be well to bring the Board of Trade into this. In fact, Mr. Hipwood at my interview with him a little while ago (see my Minute of 21.3.21 on 6330/21), asked that we would do so. I suggest that a friendly talk with Mr. Hipwood would be sufficient in the first instance. Time is precious and we do not want to waste it in official correspondence.

N.B.

19. 12. 21.

W. G. G. G.

If complete with Board
(unless we get a subsidy)
is seriously contemplated
it may be desirable to present

The whole requires
examination in
light of the
Committee's report
It might come
under the
loan to board.

W.G.G.

on Dr. O. Phillips's paper
use brotherly share
on the strength of our
probable cargo. 530

But I think that
for the present
we should confine

ourselves to the present

problem of the money

of foreign currency

the suggestion to

Committee by Mr. Hipwood

should be adopted.

[I may note that, if
in order to get a good
British service we had
to offer our cargo, we
may be prejudicing the
ability of the British
cargo lines (Hutchinson-
Clarke-Sherman) to carry
on - we should have to
find out to what extent
that group has been
used with cargo.]

19. 12. 21.

Here again we are brought

Mr. Pittman

Since writing my points
 above I have heard that
 the U.C. are sending a
 cargo boat - the 'Banting Castle'
 to East Coast ports via Singapore
 to 25th Dec - to deliver
 to take out Paulding's stuff
 for the island. The U.C.
 who have been Secretaries of C.A.
 in the past confirm this but
 say that the U.C. has no ^{purpose} ~~purpose~~
 accommodation, then the
 C.A. asked them why, if they
 were sending a cargo boat,
 they could not send one of their
 cargo ~~boats~~ ^{boats} ~~boats~~ ^{boats}
 they have always mentioned
 the fact that the U.C. have
 no accommodation because they could

not get sufficient cargo,
 they could not deliver
 the cargo out of their
 cargo ~~boats~~ ^{boats} ~~boats~~ ^{boats}
 except that it was cheap
 to send a cargo boat.
 When referred as to the
 probable next date of departure
 a passenger boat they stated
 'Antares' but they added
 it could not be before the
 end of November or December.

This information does
 not make the position any
 more satisfactory, and
 the situation may be in the
 hands of the U.C. it
 seems important to take
 action as proposed above
 without delay

MWS

10/12/20
 Here again we are brought

up against the fact that
the Dutch can earn ships on
a route which does not pay
over people & premiums that
amount to

(a) cost of coals

(b) high rates of wages

(c) requirements of the
Merchant Shipping Act

all of them matters outside
our sphere.

As proposed, but also call

the attention of the D. O. T.

to this further illustration

of the difficulty into which

they are inquiring in connection

with the W Indian mail service,

& ask them if they can explain

this case also?

20.9.21 *lg* G.B.

As proposed

See 21.9.

Mr. Bottomley,

I have had a preliminary talk
about this with Mr. Hipwood this
morning. He finds the Union Castle
action difficult to understand - if

we

^{are} we ~~were~~ able to fill up their ships
with passengers, and there is plenty
of freight offering, there ought to
be no difficulty about making the
ships pay at present rates - and
he thinks that there must be some
reason for their action, which we
have not yet been able to fathom.
The Government apparently have had a
dispute with Sir Owen Philipps over
another matter, and this may
conceivably have something to do with
it. Prima facie, he is indeed opposed
to any idea of a subsidy, and thinks
that the best line of policy probably
will be to threaten the Union Castle
with an agreement with the Dutch
line unless they improve their
service as suggested in the above
minutes; but before we take any
step he suggests that we should have
a conference with him and Mr. ^{Caughan} ~~Salisbury~~
Director of Transport.

I have promised to send him
before then copies of our correspondence
with the Crown Agents - see draft
herewith

herewith - so that he and Mr. Faulkner may be able to study the facts for themselves before we meet them. He would also be glad to know before then exactly what we should offer in the shape of passengers and I have asked Mr. Boosey for a memorandum as to this.

Draft also herewith to the D.O.T.

Adh.

22.12.21

*Note be memo by Co. attached
Giving number of passages booked
last year Copy sent to Mr. Hipwood*

Adh.

26.12.21

Mr. Bottomley.

You and I saw Mr. Hipwood and Mr. Faulkner yesterday afternoon on this subject and discussed the question generally. It was agreed that Mr. Faulkner was to make semi official enquiries of the Union Castle (without mentioning in the Secretary of State in any way) as to the reasons which had led the Company to suspend temporarily their East African Service; while we on our part should:

- (1) Find out from the Crown Agents -
- (a) What was the average amount of Government freight offering monthly apart from the special freight

- freight in connection with the Harbour and Railway works now being put in hand.
- (b) What arrangements for freight were being made by Paulings.
- (2) Ascertain from Colonel

Robertson:-

- (a) What was probable amount of freight involved in the Uasin Gishu contract and in what proportion it was likely to be distributed over the period of construction.
- (b) What arrangements Norton Griffiths are making with regard to shipping and whether there was likely to be any objection on their part to signing an agreement to the effect that they would not make any shipping arrangements except in consultation with the Crown Agents.

I have set the necessary enquiries in motion both with regard to (1) and (2).

! Wait till Mr. Faulkner reports the result of his talk with the Union Castle Company.

*Robertson has been told to see
and that (L) Mr. Faulkner
in the latter has been long enough
to allow that this matter
is not to be left to
L. G. H. H.*

S. J. G. H.

L. G. H.

27.12.21

Mr. Batterbee,
Colonial Office.

With reference to your enquiry by telephone yesterday afternoon, a table is given below showing the numbers of passages booked to the various East African Colonies and Protectorates during the period 1st September, 1920 to 31st August, 1921:

<u>Colony</u>	<u>First class</u>	<u>Second class.</u>
Kenya	279	167
Uganda	114	43
Zanzibar	26	5
Tanganyika Territory.	172	128
Total	591	343

C. A. R.
 "M" Department.
 Crown Agents.
 23. 9. 21.

Mr. DeLoach,
Colonial Office.

With reference to your enquiry by telephone yesterday afternoon, a table is given below showing the number of passages booked to the various East African Colonies and Protectorates during the period 1st September, 1952 to 31st August, 1953.

Colony	First class	Second class
Kenya	279	167
Uganda	114	43
Kenya	24	6
Tanganyika Territory.	172	128
Total	589	344

Yours faithfully,
R. G. H.

A. 275



C O
46581
MILLBANK
WESTMINSTER.

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ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
CHIEF AGENTS FOR THE COLONIES.
THE ABOVE REFERENCES AND THE
DATE OF THIS LETTER BEING QUOTED.
TELEGRAMS: GROWN, LONDON.
TELEPHONE: 7750 VICTORIA.

IMMEDIATE

LONDON. S.W. 1.

15th September 1921

CONFIDENTIAL

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Sir,

I have the honour to acknowledge the receipt of your letters No. 41308/21 of the 27th August, and of the 13th September, respecting the possibility of using the Holland East Africa Line of steamers for passages of Government officials between this country and East Africa, and the present position generally in connection with the steamer sailings for East Africa, via Suez.

The services to East Africa by this route are maintained by the Union Castle Line, The British India Line, and the Messagerie Maritime, and the Holland East African Line.

2. The Union Castle Line had departures scheduled for the latter part of September and mid October, but these have been cancelled, and at the moment, the Company are unable to give any information as to when the next sailing is likely to be.

3. The last British India passenger sailing was in March last, and there is no prospect at present of another passenger carrying ship being placed on this service. With regard to paragraph 4 of your letter of the 13th September, it is correct that this Company are despatching a cargo ship shortly, but she will carry no passengers, and it is understood unofficially that

Under Secretary of State,
Colonial Office.

2.

that owing to the heavy passenger traffic on their other services, they are unable to spare a passenger ship for the East Africa voyage.

4. The Messageries Maritimes maintain a service, approximately monthly, from Marseilles, and we hope to secure an allotment in the steamer due to sail on the 23rd November, this being the earliest date on which any accommodation is available.

5. As regards the Dutch Line, a representative of this Office has interviewed the Company's Agents in London, and it has been ascertained that a four weekly service is at present maintained by cargo steamers, carrying only a limited number of passengers, sailing alternately via Suez and via the Cape. The passengers are berthed mostly in two-berthed rooms, and have the use of a Saloon, which has to serve the purpose also of lounge and smokeroom.

6. The fare to Mombasa, Zanzibar, or Dar-es-Salaam by either route is £58, and the length of the voyage to Mombasa is approximately four weeks via Suez, and six weeks via the Cape, which compares favourably with the period taken by ships of the other lines. The ships do not carry Surgeons or Stewardesses, and it would appear that the service, as at present maintained, would not be suitable for Colonial Officials except in special cases.

7. We have, as arranged with them verbally, written to this effect to the London representatives of the Company who are consulting their Head Office in Holland regarding the possibility

3.

possibility of improving the service, and on receiving a reply we will communicate with you again.

8. In view, however, of the present difficulty in obtaining passages via Suez, we are sending five officials in the s.s. "Baarn", sailing from Amsterdam on the 17th inst., and we are also endeavouring to secure an allotment of a few berths in the "Heemskerk" sailing on the 15th October via the Cape (without transhipment).

9. We arrange that single officers, or officers travelling without their wives are booked in these ships.

10. As regards the last paragraph of your letter of the 27th August, we are under no obligation to confine our East African bookings to the Union Castle Line, and it is possible that competition may have the effect of causing them to improve their service.

11. On the other hand, it is understood that the Union Castle Company's East Coast Service has always been financially unsuccessful, and if the Dutch Company were to enter into keen competition, supported more or less by the Government, it might result in the withdrawal of their service altogether, which would again leave practically the whole of the passenger carrying trade of Eastern Africa in the hands of a foreign Company, and cause serious delays in the shipment of cargo.

12. We suggest therefore that it should be considered whether it would be desirable to place the facts before the Union Castle and the British India Companies. (including the probability that in view of the programme of public works now being undertaken, there will be a large amount of outward freight on this account for a considerable time to come), and to ask them

RECORD OFFICE LONDON

then whether they can improve their services and not compel
us to make use of the facilities offered by the Dutch Company.

I have the honour to be,

Sir,

Your obedient Servant,

W. Blunt. J. Smith

for Crown Agents.

Card 58002

23

DOWNING STREET,

23 September, 1921.

DRAFT.

CONTROLLER GENERAL,
DEPARTMENT OF OVERSEAS TRADE.

*Do not
send*

MINUTE.

Mr. Batterbee. 22.9.21.

Mr.

Mr. *Batterbee* 22.9.21

Mr. Grindle.

Sir H. Lambert.

+ Sir H. Read. 23

Sir G. Fiddes.

Mr. Wood.

Mr. Churchill.

Union Castle Agreement
(Copy to be supplied by S.E.)

A. 27th August (on 41308).

A. 13th September (on 46687).

A. 16th September (on 46581).

To hand in to...

2 drafts

Sir,

With reference to the letter from this Department of the 6th September, with regard to the West Indian Mail Service, I am etc. to inform you that difficulty has also arisen with regard to the East African Service, via Suez, which has hitherto been carried on by the Union Castle Mail Steamship Company, with occasional boats run by the British India Steam Navigation Company. There was formerly an agreement with the Union Castle Company, a copy of which is enclosed, but this lapsed with the war and has not been renewed.

2. A copy of correspondence with the Crown Agents is enclosed from which it will be seen that the Union Castle Company have temporarily at least, withdrawn their passenger boats, and that the question has arisen whether

It will be necessary to enter into negotiations with the Holland East Africa line with a view to maintaining a regular service to East Africa, without which, of course, it is impossible to carry out an efficient administration in the East African Dependencies.

Mr. Churchill will be glad to be favoured with any observations you may have to offer, and in particular, to be furnished with any explanation which you may be able to afford as to the reasons why the Dutch Company are apparently able to ^{carry on} a service in which the British Company state ^{would be their loss} ~~it does not pay them to run~~

I am, etc.,

(Signed) H. J. READ

DOWNING STREET,

23 September, 1921

my sister
Lucy
Atter
DRAFT.

HIPWOOD, ESQ., C.B.
Board of Trade

MINUTE.

Mr. Batterbee 22/9/21.

Mr.

Mr.

Mr. Grindie.

Sir H. Lambert.

Sir H. Read.

Sir G. Fiddes.

Mr. Wood.

Mr. Churchill.

Union Castle Agreement
(copy to be supplied by S.R.)

To C.A. 27th August (on 41308)

To C.A. 13th September (on 45887)

By C.A. 16th September (on 46581)

Dear Mr. Hipwood,

With reference to our conversation this morning I send you as I promised copies of our correspondence with the Crown Agents with regard to the East African service. I also enclose a copy of the 1910 agreement with the Union Castle Company which came to an end at the beginning of 1915 on account of the Company no longer being able to maintain the service owing to war conditions.

I have asked the Crown Agents to copy out a memorandum as to the actual number of Government passengers sent to East Africa each month during the last 12 months, and I will send you a copy of it as soon as it is received.

Sy H. Batterbee

22/9/21