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Colonial office

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Colonial Paper
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Partnership Service

Some necessary interview with the British staff
among Castle Co. service, with A. Service
who wishes to have an opportunity of submitting
proposals in the event of the Castle Co. withdrawing
their service

W. Fiddle

Pub Coy?

H. J. R.

10/II

See J. Hayward
[1910] ...
with the]

Gift

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STEAMSHIP SERVICE TO EAST AFRICA

Mr. Molteni called upon me at 11.30 this morning by appointment. He professed to be genuinely concerned because difficulties had been made by the Crown Agents in giving Government cargo, on the ground that the Government might lose the advantage of the rebates granted by the British India Company. He said that it was very hard that they should be treated in this way when they were at the commencement of a great struggle with Germany which might cost them a quarter of a million. He added that so far the total amount of Government cargo which had been given to their ships to carry, one having already gone, and another being shortly due to start, was only just over 30 tons.

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I replied to him that he must not expect everything to be done all at once, that we adhered to our decision to assist ~~that~~ on the lines which we had laid down in previous correspondence, and that, with regard to rebates, I was writing officially to-day

Mr. Minicelli

to ~~the Crown Agents~~ by Lord Greve's direction, informing them that the question of rebates was not to

interfere with the shipping of cargo to Louisa of the Union Castle Line on suitable occasions.

Mr. Molteno appeared to be much relieved by this information, and then referred to statements which had appeared in the press about their withdrawing from the service. He assured me that this was not the case, and that they meant to go through with it whatever the cost.

Mr. Charles Barrie called upon me at 12.15 today and said that he had been informed by the City yesterday that the Union Castle Company were about to abandon their proposed East Africa service since they could not fit them in with the German Company.

I informed him that as I had no special information, he might be more confident in his own opinion. In point of fact, the Union Castle Company were in such an exceedingly vulnerable position that they could not afford to indulge in any considerable conflict with the German Line.

Mr. Barrie then said that in the event of the Union Castle abandoning the Service, he hoped

should be able to send Government cargo by his steamers. He had already made arrangements to send steamers through the Canal at regular intervals during the next few months. ^{obtained cargo} having ~~some~~ ⁽

contracts in the country
~~of~~ ^{of} General and machinery he believed that he would obtain from twelve to fifteen hundred tons of cargo for Port Sudan and the adjoining ports. Under these circumstances it would be a good plan for us to assist with cargo with a view to ultimately receiving a mail subsidy and instituting a regular line. ^{per month}

It is noted that at present the subsidy had been granted to the British India Company by the Treasury, and that, as he knew we had no control of the matter, it was not a part of the business which we should look after. But with regard to cargo, we proposed to continue to send Government cargo whenever convenient, by the British India Company's steamers, and that until we had some notification that they proposed to abandon the service there was nothing more to be said on this point either.

Mr. Barrie then asked that in the event of his

with regard to the withdrawal of the Union Castle Co

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information proving accurate, no steps should be taken by us to make arrangements finally with any other ~~company~~ for the carriage of Government cargo, or the transferring of the postal subsidy without his being informed, so that he might have advance of tendering.

I told him that we could certainly give him this undertaking, as it would be obviously unreasonable that he should not have the same chance as others of tendering in any arrangements that might be made with regard to British shipping to East Africa.

I have also received a letter from Mr. Martin Miller, informing me that in his opinion there still is going to come to East Africa, and that he might assist in founding a service. I have replied, inviting him to come and see us as he suggests.

4. Y. J. H.

J. H.
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