

EAST AFR. PROT
66821

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66820

See previous Paper.
66820
See app. 27 Nov 1919
Copy sent Dept. No. 18 Dec 19 70220

Coal for Rlys. 1920 Supply
Reports as to how coal supplies and prices
are. Authorized to offer coal at 2 1/2 per ton
with 250,000 tons at a min. & 500,000 tons at a
max. quantity. Recommends acceptance of the offer
as early as possible.

(To Sub 25/14)
See app. 27 Nov 1919
that they don't want without coal,
so it is no use telegraphing to them.

Revised for action on 66820, 1/2 per ton
action on this

Oct 25/19
See also of letter to the
and app. 5/19/19

Oct 26/19

66828

H. M. LEGGITT

12, ABINGDON
ROAD, WALL B'RD

12, ABINGDON
ROAD, WALL B'RD

12, ABINGDON
ROAD, WALL B'RD

88, GRESHAM HOUSE

OLD BROAD STREET

LONDON, E.C.2

21/11/19 19

101

Dear Mr. B. Romley

I have written you officially about the coal prices - am very pleased to have got them to come down $\frac{1}{2}$ below what I had expected to present to you last week.

May I suggest that you get the Crown Agents to hurry up and then boat to load a cargo - two if possible - on your 1919 contract ($25/9\frac{1}{2}$ Delays) - you have only taken so far about 20000 tons out of the 33000 you can claim on that contract for loading up to 31st Dec 1919.

It is a pity to let any of it lapse if can be helped. The coalowners' Assocn are very good in allowing a cargo last time at the previous year's price after the date but one can't make them do that.

Yrs sincerely
H. M. Leggitt

British East Africa Corporation, Limited.

H.T. PRESSMAN
 LONDON WALL 8175
 TRAIL AVE, LONDON
 INCREASE, LONDON
 CODE
 LONDON AND BROOMFIELD'S
 COMBINATION
 AND BY
 HANA, NAIROBI, KISUMU &
 EAST AFRICA PROTECTORATE,
 AND
 JINJA, MASINDI &
 SIVIVA PROTECTORATE.

20
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GOSWENAM HOUSE,
 LONDON November 21st. 1919.

In your reply please refer

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

110

Sir,

COAL FOR EAST AFRICAN RAILWAYS 1920 SUPPLY.

We beg to confirm the informal conversation of the signer with Mr. Bottomley on 12th. inst. re above.

The position is that the Natal Coalowners Association is now meeting to fix the basis of prices for 1920 supplies. An advance by them of at least 3s/6d. per ton F.O.B. Durban, over their 1919 prices, is absolutely certain, and it may be more. Durban prices F.O.B. are, as you know, exclusive of trimming in the ship's hold, which for some years had ruled at 1/- shg. per ton, payable by the buyers. Since early this year the Durban trimming cost has risen to about 1s/6d. per ton of 2240 lbs. and there seems small hope of reduction, for it depends on labour rates, which are upward.

A further change in the position re export coal supplies at Durban is that owing to the great demand (chiefly for ships bunkering there to economise against home coals) and to the consequent need for quick despatch of steamers, the South African Government authorities require that a ship taking export coal or bunker coal must accept whatever coals be in truck at the port, regardless of the colliery or group of collieries by which produced. There are about seventeen such groups of collieries in Natal, and the products differ from each other considerably in users estimation, but in Natal contracts it is no longer possi-

C.O. 533 / 224
 ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
 DATE 11/19/2001 BY 60322 UCBAW/STP/STP

ble to obtain a specification as to which coal shall be supplied. This is specially disadvantageous re coal for Railway purposes, where regularity is so necessary.

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The above general information may be interesting to the East African Railway authorities, and it is very fortunate that they have throughout specified Transvaal Witbank Coal, for the above difficulties do not exist in the case of Transvaal coals and any colliery or group of collieries may be specified in contracts F.O.E. Delagoa Bay.

The Transvaal Coalowners Association is waiting until after the Natal Coalowners' meetings before fixing the Transvaal basis of prices for 1920, but in your interests they have been good enough to give us an option for you over Witbank Coals to your standard specification for 1920, F.O.E. Delagoa Bay - the quantity to be taken between January 1st. and December 31st. 1920

- (a) minimum, 25,000 tons.
- (b) maximum, 50,000 tons.

and we are authorised to offer the above to you at price per 2240 lbs. 28s/9d. (Twentyeight shillings and ninepence) inclusive of trimming in ship's hold to be paid by the suppliers.

The above price to be (as previously) subject to increase or decrease by the amount of any alterations in the South African Government Railway and Harbour rates and charges. The above price is based on the rates and charges ruling to-day, i.e. it has taken into account the 13 per cent rail rate reduction recently granted.

Mr. Bottomley will be pleased to note that the price of 28s/9d. is precisely 13 per cent lower than the figure forecasted to him by the signer a week ago. This is the result of further cables to and from South Africa.

The offer includes the usual condition that in contracting for the minimum tonnage (25,000) any requirements by the East African Railways in excess of that minimum, up to the maximum to be reserved for you (50,000) will be ordered on the

contract.

It is desired to offer and to recommend the suggestion that the railway coal requirements of the Mandated Territory and Zanzibar Railways be taken ex your contracts for East African Railway coal, and not on separate contracts. This will make for simplicity and economy in working, and ease the despatch of ships, with advantage to the Governments concerned.

It is hoped that you may be able to state by December 10th, whether above offer is accepted.

It would be very convenient if you could state earlier, as long as you wish with
We have the honour to be,

Sir,

Your obedient Servants,

BRITISH EAST AFRICA CORPORATION LTD.

E. H. [Signature]

Managing Director.

2nd 5 APR
66824

sent 5 1/2 pm
Apr 25 1899

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Paris A

113

DRAFT

to the

Governor

New York

MINUTE.

Mr. B. May 25/1/99

Mr.

Mr.

Mr. Grindle

Sir H. Lumley

Sir H. Lyell

Sir G. Riddle

Col. Anson

Lord Milner

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B. Novata Argent
racemosa
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shamburki
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DRAFT. Code: 28

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Secretary

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MINUTE.

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Mr. Romney

criticisms recess
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Mr.

Mr.

Agenda Recess contact

Mr. Grindle

for recess with bank

Mr. H. Lambert

coal recess price

Mr. H. Head

Mr. G. Fother

Mr. Amery

Lord Minto

24/6

philologist recess annex

caplet recess and in
E.A.P. charter for transport recess

Statement of recess
Ore recess recess
recess

Downing Street,

26 November, 1919.

115

Mr. Holt,

Coal for the Uganda Railway.

We have had a letter from the British East Africa Corporation regarding next year's order and we will let you know, as soon as possible, what arrangements are required, so that you may be able to get on with the new charter.

In an unofficial letter Major Leggett says:—
..... suggest that you get the Crown Agents to hurry up another boat to load a cargo - two if possible - on your 1919 contract (25/92d Delagoa). You have only taken so far about 30,000 tons out of the 33,000 you can claim on that contract for loading up to 31st December, 1919. It is a pity to let any of it lapse if it can be helped. The Coalowners Association were very good in allowing a cargo that time at the previous year's price after the date but one can't make them do that."

I am not sure what further ships you have in view but it will be useful if you could let me have a note showing how much coal you estimate will have been removed from

Delagoa

y up to the end of the year.

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Algett's 33,000 tons is, of course, the
and we could not make any application to
owners to carry forward the unexpired portion
of this year's order if we had shipped more than
limit of 1 (22,000 tons).

(Sd) W.C.B.

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Downing Street,
27 November, 1919

DRAFT.

Managing Director,
E.A.F. CORPORATION

Sir,

MINUTE.

Bottomley, 24/11/19

I am etc. to acknowledge the receipt of your letter of the 31st November and to thank you for the information which you have furnished regarding the terms on which coal can be supplied for the East African railway in 1920.

2. Lord Milner has telegraphed to the O.A.Gs of the E.A.F. and G.E.A. enquiring as to their requirements of coal during the coming year. Their attention has been drawn to the urgency of the matter and a further letter will be sent to you at the earliest possible date.

I am, etc.

WJR

Mr. Grindle

Mr H. Lambert

Sir H. Read

Mr. Fiddes

Mr. Gifford

Lord Milner