

E. AFRICA

CO
32233

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on Accts

own Agents

1914

25 Aug.

in previous Paper.

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Union Cattle Steamers.

Freight rates.

S. S. C. & C. Co.

Sendo letter from Co asking for increase of 33½% on contract rates. I submit now, I suggest make it considered in two time, when experience will have shown what extra expense shipping Co. are incurred, in consequence of present war.

~~but that~~ on 1st Oct.

We are accustomed to keep the annual rate of contract flat & it is rather a smart change to hold the however even if we don't fall

I do not know much about the effect of the war on shipping generally, but I venture to think that they are covering themselves against loss pretty effectively. Take for example the Elder Dempster lines - a mere of 100% - reduced to 50% & then to 25%. This 33½% - like the other increases - is a round figure & easier to set the slightest attempt to cover their real extra expense

But, rather than risk their having it

Subsequent Paper.

34174.

on" & the unoffical steamer, I would
not refuse, but approve the C.A.'s
proposal - with the despatchation
notification of "charter is accepted
by the S. off. as a reasonable extra
charge" for "charter agreed"
as the last line of page 1 in this
letter?

Yours etc signed C.R.

C.R. 28/8/14

It seems to me that the C.R. has
overcoloured the picture - & I think
that, in view of the contract & the
fact that there is a special clause
in 25% of the applied amount to
33 1/3% for "protection".
Before replying to the C.R. I will
send copy of the C.R. agree., with
copy of the agreement (part
severally), to the B.^{et} of Trade
for storage.

H. J. R.

28/8/14

P.D. 29. 8. 14

above

29. 8. 14

ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
DROWN AGENTS FOR THE COLONIES,
THE ABOVE REFERENCE AND THE
DATE OF THIS LETTER BEING QUOTED.

TELEGRAMS, "DROWN, LONDON"
TELEPHONE 7780 VICTORIA (0 4884)

C O
32233

~~26 AUG 17~~

WHITEHALL GARDENS,

LONDON, S.W.

25th August 1914.

Sir,

East Africa Freight Contract.

I have the honour to enclose a copy of a letter from the Union Castle Mail Steamship Co., Ltd., asking for an increase of $33\frac{1}{3}\%$ on the contract rates of freight.

2. The Company appear to acknowledge that there is no obligation on our part to pay more than the rates of freight provided for in the contract. There is no doubt, however, that the insurance cost of coal, and working expenses, have largely increased in consequence of war; and steamship lines generally are increasing freights by 20% and 25%, and in a few instances $33\frac{1}{3}\%$ to 50%, so that all increases are arbitrary, and probably allow a good margin in favour of the Shipowners.

3. If any increase is to be entertained as an act of grace, we would suggest that the contract rates be paid at present, and that when experience has shown what the extra cost is that steamship owners are incurring, the question of extra freight be considered, in say three months time, and whatever is agreed to be retrospective.

Under Secretary of State,

&c. &c. &c.

Colonial Office.

(2)

retrospective concerning with the cleaners leaving in September.

I am the agent to you,

sir,

Your obedient servant,

J. H. C. C.
J. H. C. C.

for Crown Agents.

THE UNION CASTLE MAIL STEAMSHIP CO. LTD. TO
CROWN AGENTS.

C O
32233

26 AUG 14
3 & 4 Fenchurch Street,

London, E.C.

18th August 1914.

Gentlemen,

East African Service - Rates of
Freight.

With reference to the stipulations of the
Agreement of the 12th August 1910 between the Crown
Agents and this Company in relation to the establish-
ment and maintenance of a regular service between
England and East African ports, we confirm the recent
communications by which we have had occasion to ex-
plain to you the reasons which have made it incumbent
on us to vary, in the case of certain steamers, the
usual movements of our vessels in the East African
trade.

The existing state of War, which has already
resulted in hostilities involving most of the great
European Powers and now threatens to extend to other
parts of the world, and so induce what may fairly be
spoken of as a general paralysis of trade communications
for a time, has, amongst other regrettable circumstances,
led to a general advance in rates of freight between
England and the great majority of Oversea destinations,
including most of the British Colonies and Dependencies.

(2)

This advance of freights has not only been justified but has been rendered imperative by the greatly enhanced expenditure for coal and other working costs incurred by shipowners, together with the enormously increased cost of insurance for protection against war risks.

All the English Lines interested in the South and East African trade have advanced their outward rates, until further notice, to 33 $\frac{1}{3}$ per cent above the tariff rates hitherto in force, while an advance of 25 per cent has been made on all homeward freights from the South and East African littorals to England.

The conditions of Clause 4 of our Agreement of 12th August, 1910 expressly state that homeward cargo is subject to "the current rates ruling at the time"; and, although we do not forget that fixed rates for outward cargo are named in Clause 3 of the said Agreement, we feel assured that you will agree, on careful consideration, that the rates for outward cargo should be dealt with in the same spirit, thus preserving the same relation between Merchants' tariff rates and those chargeable on your shipments as that arranged for when the Agreement was concluded; that is to say that the rates chargeable for your outward cargo should be, as from this date and until further notice, 33 $\frac{1}{3}$ per cent above the outward rates named in the Agreement.

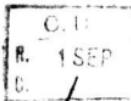
We are, &c.

For the Union Castle Mail Steamship Co., Ltd.,

(sgd) Wm. Walker

Secretary.

C. 32238/1914

EDASSC

2 Sept. 1914.

DRAFT.

Secretary
Board of Trade And 34/1914.

MINUTE.

Mr. Harper 31/1914.

Mr. Bottomley 31/1914.

Mr.

Ms.

Sir G. Fiddes.

Sir H. Just.

Sir J. Anderson.

Lord Emmott.

Mr. Harcourt.

I am to transmit to you, to be laid before the Board of Trade, the accompanying copy of a letter from the C. I. C. A. for the folo^u and its enclosure on the subject of the contract rates of freight for Government cargo carried to East African ports by steamers.

15 Aug.
Agreement

Officer in Charge
Comptroller

Comptroller

of the Union - Castle
Mail Steamship Co.

A copy of the agreement
referred to is enclosed.

S. W. Harcourt
would be glad to
receive any observations
which the Board may
have to offer on the
subject

FRANKLIN D. M'DOUGAL
for the Board of Directors