



E AFRICA
ZANZIBAR

C O
4851

No. 4851

8 FEB 07

See an individual

(Subject)

Steamship

1907

Steamer Service to East Africa & Zanzibar

at previous Page

Let me propose for - will require a subsidy without which it is hardly possible to compete with subside & France line

29/1919

(Minder)

H. Churchill

The paper has found this way back to the Dept. This should go on to look Elgin to be with the minutes on

C.A.

1919

The same letter will depend of the main letter by the S. C. S. in 1919.

H. Churchill

H. J. R.

You shall see in Jan 11/2
plans and in C. L. S.
Elgin will refer to the
minutes in 1919

Jan 11/2

Mail to Committee
about: H. J. R.
20/2

70
20/2



4851
 REC'D
 8 FEB 07

BRITISH EAST AFRICA AND SUEZ CANAL COMPANY

8 Brunswick Street,
 Liverpool.

7th. February 1907

Sir,

In conformity with the suggestion made at the Conference held on Tuesday January 29th, we now beg to submit for your consideration our proposals for the establishment of a steamship service between this Country and the Ports of British East Africa and Mansibar. Before proceeding to indicate the lines on which we think such a service should be conducted, we beg to point out that we are not without experience of the requirements of the trade, as we have for some years past operated the British East African Line of Steamers which we gathered at the Conference was locally known as the 'Dais' Line-- and we have been and are still maintaining a monthly service direct from England to British East Africa and Mansibar with a fleet of steamers specially constructed for the trade.

At the time this service was inaugurated the trade between these places was in its infancy and the operations of the Line resulted in a very heavy loss.

Notwithstanding this we have persevered and have now secured practically the entire support of all British Shippers and Merchants, a number of whom were previously supporting the German Line, and in addition have Contracts with the various Departments of the Egyptian Government for the carriage of cargo controlled by them. We also carry a considerable portion of the shipments of the Crown Agents for the Colonies to Mombasa and Kiliadini.

400. 27635-20-15

The present position is that owing to competition of a nature which does not secure a direct and regular line to and from East Africa the rates now charged are entirely unremunerative.

From the foregoing you will see that we may not unjustly claim that we have been the means of keeping what should be largely a British Trade from falling entirely into the hands of German Shipowners and Merchants and we think we may not unreasonably ask for official countenance and support in our endeavours to maintain a regular and efficient British Steamship Line between Great Britain and her Dominions in East Africa and Somaliland. The broad outlines of our policy have been and always will be to foster trade and encourage enterprise by charging the lowest rates of freight consistent with allowing a moderate return on the Capital invested in our steamers, as we believe that our best interests are served by carrying a large volume of cargo at moderate rates rather than a small quantity at a high rate.

Our proposals may for convenience sake be grouped under three heads:-

- (1). For a cargo service out and home - including passenger accommodation at low rates for clerks, settlers with their families &c.
- (2). For a coastal service between Somaliland, Mozambique and Kilindini to as far North as Kismayu or possibly Aden.
- (3). For a fast passenger and mail service.

For the first - cargo and intermediate passenger service - we propose a monthly sailing from say Middlesborough and London to East African Ports - The steamers to sail on schedule dates as they do at present. The service to be increased to a fortnightly

one as soon as the volume of cargo permits. The passenger accommodation at present available on our steamers to be enlarged in order to meet the increasing demand. In this connection we may mention that in our last steamer the "Widderdale" we took 34 passengers for Mombasa, of which 20 were people going out to settle and these were carried at a very low rate. We have, to foster the trade, agreed to take out 100 families at the same figure. Further we are prepared to carry a limited number of emigrant families on the same terms by each steamer under Government auspices. In return for undertaking to provide such a service we would ask the Government to allot to us at a fair scale of rates to be agreed upon hereafter, the shipments under its control, together with all passengers.

For the second -- the coastal service -- we intend to organize a service of lighters and tugs for the landing and embarking of cargo at the various ports and to run one or more moderate sized coasting steamers to provide a service between Zanzibar and Mombasa and the Northern Ports and to quote through rates to and from Coast Ports; also to act as Feeders for the main line steamers by collecting cargo at the small outports and ~~also~~ to provide a frequent and rapid means of communication between Zanzibar and Mombasa and between Mombasa and the Northern Ports up to Kismayu and possibly Aden. Such organization of Coast Steamers, lighters, tugs, &c. is an absolute essential to the proper conduct of the trade. At present the provision in this direction is very inadequate. In order to facilitate the carrying out of these arrangements the Government to give a five

[Faint, mostly illegible text on the left page, possibly bleed-through or very faded print. Some faint markings like (1), (2), (3), (4), (5) are visible.]

... the Government is desirous of seeing
 ... the carriage of all ~~mainly~~ official traffic coastwise
 ... on terms to be mutually agreed and that the Government
 ... should cease to run a public service.
 ... The steamers provided by the British East African Line
 ... to be at the call of the Government for special services,
 ... carrying troops, &c. We attach much importance to
 ... this arrangement, as if carried out it would give
 ... the Company an acknowledged standing in the trade
 ... and would encourage shippers to enter into similar
 ... contracts with us, which they hesitate to do at present
 ... being afraid that the British East African Line may
 ... at any time withdraw its service and they would then
 ... be left to the tender service of the Germans.

Finally with regard to the third point, the establish-
 -ment of a fast passenger and mail service, it is our
 intention to work the business and improve the class
 of steamers engaged in it until we are in a position
 to have a fast mail service, monthly or, if possible,
 fortnightly, of 14 knot passenger/steamer calling
 at Marseilles, Port Said, Aden, ^{and mail} Mombasa and Zanzibar,
 making the trip from Marseilles to Mombasa in 16 to
 18 days and also an intermediate service of high class
 cargo steamers.

Should however the Government desire it we are prepared
 to at once proceed with the building of such steamers
 in return for a mail subsidy to enable us to compete
 on equal terms with the subsidised German line.

In conclusion we venture to think that it is essential
 to the prosperity of British Enterprise in East Africa
 that British Merchants and Shippers should be able
 to rely on a regular service of vessels under the
 British flag. It is no doubt well known to you

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to see that the tactics of the German Line have always been to favour German Merchants as against British by a system of preferential rebates which has regulated as far as the homeward business is concerned in the almost total diversion of the latter to the German Flag. It is more than doubtful whether a direct British Line could maintain itself against the German Line homewards unless it enjoyed a certain measure of prestige and stability that arises from Government support. If therefore His Majesty's Government desires to see a British service to and from East Africa we think it not unreasonable that such a line should receive the necessary assistance to enable it to establish itself and maintain itself in the face of subsidized opposition.

From personal experience we can say that many firms of British Merchants are anxious to contract with our line for the carriage of all their shipments, outwards and homewards, for a number of years but that they hesitate to commit themselves without some guarantee of the permanency of the line which under present circumstances they are inclined to doubt seeing that it is hardly possible for private corporation to maintain itself in the face of the certain opposition of the German Line, which enjoys strong financial support from the German Government.

We are, Sir,

Your most obedient Servants,
THE LANCASHIRE CO. LTD.

J. Taylor
To The Permanent Under Secretary
of State for the Colonies
Downing Street
S.W.

