

AMERICA
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REC'D
DEC 26 1914

Crown Agents

1914

24th December

UNION CASTLE LINE
RATES OF FREIGHT

Last previous Paper

& a
48851

The copy of Coy's reply to letter informing them that the S. of S. does not feel justified in continuing surcharge of 20% on Contract Rates. Submit observations and suggests limitation of surcharge to 12% subject to withdrawal if a satisfactory arrangement as to connection with Chinde are not made.

To: Read

The letter to the U.C.C. drafted about the Chinde connexion has not yet gone - papers in circulation. You will notice that they propose here, in addition or as an alternative to the "Adjutant" proposal, to send out a small coasting steamer for the "East Coast of Africa". If as I suspect this is the same project as that broached by the agent in 46367, for the 2 ton - Mombasa - Kisumu service, ^{the} ~~it~~ would not by itself suffice for Chinde requirements, unless the route was brought up for service. It could hardly run often than once a month. Any light steamers, however, would have some pretensions to regular passenger accommodation & might be too big for the Chinde box, but I think it is worth while finding out more about the service.

Ans. 20 Jan 15
1206
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Next subsequent Paper

It is to be remembered for the future
to be aware that they are doing all that
can be expected of them.

Regarding freight charges, it is often stated
with the Press that ship-owners are making
big profits on low freights; but the C.A.'s
suggestion of 15% might perhaps be accepted.
First, however, await the result of the
representations to be made about the
Chinde service?

GCB 28/1/14

Mr. J. Anderson

See also 49798 ¹⁴ N'land,
which Mr. J. Fisher was keeping well
he at speak to Mr. O. Phillips.

I can see no reason why we should
grant even a surcharge of 15%. The C.A.
refer to the heavy war risks increase,
but the ~~provision~~ premium for cargo has
now been reduced to £1.1. per cent.,
to any add'l expense in a connexion with
the S. African service is no doubt many
times covered by the very unremunerative
traffic in Europe. On the other hand
we are being put both to maintenance
& expense by the somatic sailings of
the C.A.'s boats, as we have to
give our African extensions of leave
which

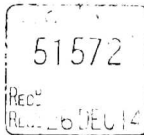
which they will not otherwise have
required & in some cases, to adopt the
more expensive method of sending them
by parcel line.

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I do suggest that we should
suppress the Lt. on $\frac{49798}{14}$ N'land
& write to the C.A. in reply to their
L^t of the 24th of Dec., calling attention
to the very substantial reduction in the
first premium for War Risk Insurance &
to the economies & expense to which
our £ 2 per cent are being put by
the reorganization of the service - expressing
regret that we are unable to agree to a
continuance of a surplus - but saying
that we of the A² still desire it,
we are prepared to approach the local
authorities with a view to facilitating
the disposal of the "Adjutant" at
as early a date as possible.

This should be
done now.
Lk

W. H. R.
Lk 7.1.15
1206
13/1/15

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75.

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

TELEGRAMS "CROWN, LONDON"
TELEPHONE 7750 VICTORIA (9 AIRS)

WHITEHALL GARDENS.

LONDON, S. W.

24th December, 1914

Sir,

I have the honour to acknowledge the receipt of your letter of 18th December No. 48851/14 respecting the Union Castle Mail Steamship Company's request to be allowed to continue the surcharge of 20% on the Contract rates, and to state that we have informed the Company that the Secretary of State does not feel justified in extending the concession. We enclose a copy of their reply.

2. It will be seen that the Union Castle Mail Steamship Company appear to recognise the necessity of providing connections with Uninde, and are taking steps to send out a small steamer. They renew their application for leave to continue the surcharge, but admit that in view of the recent reduction in the War Insurance premium some reduction in that surcharge may shortly be made. We may mention that Messrs. Elder Dempster & Co., with whom the Directorate of the Union Castle Mail Steamship Co., is connected, have now reduced

the

The Under Secretary of State

Colonial Office.

the surcharge to 10%. We would suggest that, if Mr. Harcourt is disposed to re-consider the allowance of any surcharge in the case of Government business, it should be limited to 10% and made subject to withdrawal if the arrangements as regards connections with Chinde are not deemed satisfactory.

I have the honour to be,

Sir,

Your obedient Servant,

W. H. ...

For Crown Agents.

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

3 & 4 Fenchurch Street,

London, E.C.

22nd December, 1914.

51512
REC.
REC. 26 DECEM

Gentlemen,

We have received with regret your communication of yesterday's date, intimating that you had been instructed by the Secretary of State for the Colonies to the effect that in view of our action with regard to the steamer service to Chinde he did not feel justified in agreeing to the continuance of the freight surcharge upon the rates specified in the East African Service Agreement.

You will be aware, no doubt, that we have been in communication with the Colonial Office, and that we have explained the difficulties attending the maintenance of the Chinde service. The cessation of the German Line service which afforded regular connections with Chinde has necessarily entailed inconvenience. At the same time we have been trying to make arrangements which would strengthen the British coasting services, and while, in writing to the Colonial Office on the 7th instant, we enquired whether they could not assist us in the matter of acquiring the German Line small steamer or tug "Adjutant" captured on the East African Coast and now, we understand, at Komboka, we may say that as a result of our endeavours to obtain suitable coasting steamers, which are very hard to secure at the present time, we have in view the early despatch of a small steamer which, in the early part of next year, should be available on the East African Coast and enable us, we hope to provide connections with Chinde.

At

At present we are taking passengers for Chinde who get forward from Beira by the first opportunity, also cargo intended for Chinde is taken to Beira and every assistance is given on our part in respect of forwarding it to Chinde, but unfortunately, though we understand there has been a better service latterly, connections have not been reliable. The facilities from Chinde via Beira are of course afforded in the same way.

While thus explaining the position as regards Chinde, we may be permitted to say that the War Surcharge on freights derives its justification from the heavy War Risks Insurance and the greatly increased expenses connected with the voyages of our steamers, and though it is quite true that our services have had perforce to be irregular on account of the exigencies connected with the war, and that for a time the regular connections with Chinde have not been afforded owing to circumstances beyond our control, we hope that the Colonial Office may see that their continued assent to the War Surcharge which the Shipping Companies have been obliged to impose upon all freights to East African Ports would only be reasonable. We have the pleasure to add, however, that in view of the recent reduction in the War Insurance Premiums some reduction in the Surcharge may shortly be made.

We are, &c.,

The Union Castle Mail Steamship Co.
Ltd.