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C. O.
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2334

Hum Castle Lane

Rep of amount

Receipt of the ...

It is to be noted that a copy of the
minutes of a copy of the agreement
is hereby signed.

J. R.
/m

2334

Windsor (Little) Line

2-8-53

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This draft agreement was handed to (A.)
 solely for a definition of Director -
 (A.) solely for understanding, spoke to
 last time about it in there in
 my definition to make it clear
 would be for doing so it should be
 submitted to the former agents with
 a request that they will obtain
 before advice upon it - very confidentially -
 to see whether from the shipping
 firms of view we require any
 clause or provisions for our protection
 in case with also be good enough
 to handle the draft - handle any
 suggestion -
 There is feeling in the office
 to be incorporated early in Sept.

J.P.K.
 3.P.

The enclosed Agreement provides for a direct service via the Suez Canal between the United Kingdom and East Africa.

The Secretary of State for the Colonies has approved the same and is anxious that it should be signed this week. In principle the Department - including Mr. Clarke - have always been anxious in the interests of Zanzibar for the establishment of postal services and as the details have been arranged in consultation with the Crown Agents of the Colonies and the Post Office, it is thought to be safe and Zanzibar to be included in the Agreement, without consulting Mr. Clarke.

We could not wait for communication from him or consult him by telegraph as to details.

The Colonial Office think that the bargain is a very good one and although we give a subsidy of assisted passages and freight we are getting for what without subsidy what all other shipping companies who have been consulted have estimated as requiring a subsidy of £60,000 or £70,000.

H.

5.11.10

I agree S.G.

AGREEMENT for the establishment of a
service of steamers via the Suez Canal between
the United Kingdom and East Africa.

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It is hereby agreed between His Majesty's Govern-
ment of the one part, and the Union-Castle Mail Steam-
ship Company, Limited, of the other part, that - in view
of the fact that it is desirable in the public interest
to establish a direct service of British Steamers between
the United Kingdom and Lombasa and Zanzibar, Chinde and
Beira, via the Suez Canal, and in view of the fact that
the dues charged for the passage of steamers through the
Suez Canal create very great difficulties in the way of
the establishment of such a service, and in view of the
fact that His Majesty's Government do not see their way
to promise a subsidy to meet the cost of the said Canal
dues - His Majesty's Government for themselves and on
behalf of the Protectorates of Zanzibar, East Africa,
Uganda and Nyassaland will do all in their power to support
a service of steamers to be established by the Union-Castle
Company, in the following manner and under the following
conditions:-

1. That the Union-Castle Company will establish
and maintain a service of steamers to sail once in four
weeks from a port or ports of the United Kingdom via the
Suez Canal to British East Africa and on to Chinde and Beira.

and

and to return by the same route to the United Kingdom.

2. That in order to carry out the undertaking to support this service of steamers His Majesty's Government will give the conveyance of all their Government passengers and emigrants to and from the British Protectorates named in this Agreement to the steamers of the Union-Castle Company at tariff rates. In the event of urge by they will be at liberty to send one or two officials by other steamers, but this power is only to be used to a limited extent, and not to the prejudice of the Union-Castle Company's steamers.

3. His Majesty's government agree to give to the Union-Castle Company's steamers all the freight for the Protectorates covered by this Agreement shipped by them or on their behalf at the following rates:- ordinary cargo at present tariff rates; for cement, sleepers and small parcels of rails, 20/-; for full cargoes of rails, not less than 4,000 tons, 18/-; and for railway construction material, rolling stock, etc., 22/8.

(Packages not to exceed 40 cwt. in weight or 30 feet in length).

All rates are per ton weight or measurement at ship's option and are 'ex ship'.

But if at any time there should be a rate war and Government can get the cargo carried on equally favourable shipping conditions at lower rates than the above, then they shall offer the parcels for which they have such lower bona fide offers to the Union-Castle Company at such lower rates, and in the event of the Union-Castle Company not accepting the cargo at such lower rates then Government shall be free to ship such parcels at such lower rates past the Union-Castle Company.

4. That His Majesty's Government and the Governments of the Protectorates above named will do their utmost to support the steamers of the Union-Castle Company with such homeward cargo as may be under their control, provided that the rates by such steamers are not above the current rates ruling at the time.

5. That His Majesty's Government will do their best to arrange for the carriage of mails outward and homeward by the steamers of the Union-Castle Company, paying to the said Company a proper subsidy for work done in connection with the carrying mails.

6. The first outward sailing shall take place on the day of September from the United Kingdom, and the service shall be continued thereafter at regular four-weekly intervals; but the Union-Castle Company shall be at liberty to alter the sailing date of their East Coast steamers provided that a regular four-weekly service is maintained.

This agreement shall endure so long as the Union-Castle Company continue to maintain this service, but

terminated by U.S. Government at the end of ten years
six months notice in writing.

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