

EAST AFR. PROT.

C O.
11249

REC'D
16 APR 10

11249

Major Conf
31
Board

910
March

Previous Paper.

5663

UNION CASTLE S.S. SERVICE

Regrets cannot regard the extension of the Union Castle service as materially altering the conditions for the goods. Sets out proposals for the grading of cereals for export at the coast. Has ascertained that it is improbable that the Union Castle line would compete with the B.I.S.N. Co for the maize or bean traffic. States time taken by passengers by the Union Castle line is 33 days against the 19 by the German line. In present circumstances a Govt should support the B.I.S.N. line. Asks if a small rebate on railway rates on goods shipped by British Lines could be granted.

Mr. Butler.

(1) Maize traffic

The paragraphs dealing with this question are interesting, but until we have replies from the U.C. & B.I.S.N. Co. there is nothing to be done except to keep the goods obtain for our own use.

(2) Passenger Service

The fact strongly favors the B.I.S.N. Co. which has recently come to a better arrangement as to transshipment at Aden. We have promised that Co to bear their sailings in mind & told the Cd. accordingly. But

to Mr. Butler
file in
copy
31 sub be
made
attached
to the file
15. 11/9
H. B. D. D.
H. B. D. D.

Subsequent Paper.

6a
10/10/10

I do not think that we should
try to give B.S.N.C. all our
subject, especially in view of
the previous incidents in this
subject.

As a matter of
fact, men will not travel
by the U.S. from S.A. & Uganda
because they lose leave by it.

For our own guidance, I think we
should let men have the choice
between U.S., B.S.N.C., D.O.A.L. &
Map. A route, the last two
being emergency routes.
New men might be sent out
via the Cape, others be encouraged
to take the P.O. & S.B.I. combined
service.

As to para 7, the Gov. is of
course quite correct as to the
impairment of the comparison made
by the U.C. Co. & the D.O.A.L.
we had realized this already.

As to para 8, I think it extremely
doubtful whether the U.S. will
make an "all round" arrangement.
At present so far as ^{carriage to} Mombasa
is concerned, the U.S. & S.B.I.
have been placed on a par -
cf. 2nd para. our letter to C.A. 28/Jan
in copy of E.A.

Our
preference
is
S.B.I.

This arrangement will no doubt
be applied to at any rate 258
for the present, until we
know more of the rolls which
U.S. & S.B.I. are prepared to
quote for the carriage from Mombasa

as to para 7, presumably
the Gov. means the General Act of
the Congress of Berlin - see
see Article 5 as to the grant of
favours of any kind. It looks
as if the Gov's proposed preference
is impossible. Perhaps Mr. Hickey
will consider this point.

Alch
22/4

W. Read

I agree generally, & especially
that the railway rebate proposed in
para 9, is barred by Article 5 of the
Berlin Act.

I think it would be useful to
get the observations of the C.A.
on the rest of the despatch.

See also
70
10863

W. H. B. B.
April 23

W. H. B. B.

W. Read had not time to

minute his on Saturday. But he
has suggested to me that we should
ask the F.O., as the interpreters of
the Berlin Act, whether the proposed railway
rebate would or would not be
admissible under that Act.

Paris
April 25

Mr. P. Howard

The proposal is 89 2/3% of the
amount of a seven percent, 1/2%
to attend on right to a director
of the we can even discuss it with F.O.

Paris 25

Mr. J. J. J.

We must discuss

June

25.4

alone

I cannot think that the
government can support the
government proposal. If this is
so it is useless to go to F.O.

J. J. J.

26.4

alone

C O
11249

GOVERNMENT HOUSE, NAIROBI,
BRITISH EAST AFRICA

29th March 1910.

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EAST AFRICA PROTECTORATE.
Confidential (31).

My Lord,

I have the honour to acknowledge the receipt of Your Lordship's telegram of January 20th and despatch No. 51 of the 18th of January with reference to the new service instituted by the Union-Castle Mail Steamship Company. I have also to confirm my telegram No. 6 of the 22nd of January in reply to Your Lordship's of the 20th.

2. I am very anxious, as is the whole community here, to see an all-British line established as between Mombasa and the home ports. I regret however that I cannot consider this extension of the Union-Castle service as materially altering our conditions for the good.

3. With Your Lordship's generous assistance, we will probably be shortly in a position to export considerable quantities of cereals from this country. I am urging upon the farming community to combine in this export, which will consist of several operations the first of which are:

- (a) Railrage to the coast, which is not arranged satisfactorily

THE RIGHT HONOURABLE

THE EARL OF CRWE, K.G.

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON. SW.

in so far as rates are concerned;

(b) Grading at the Coast.

If we are to establish a good reputation for these cereals it is necessary that Government should assist in the grading, as has been the case in South Africa. I propose that this duty should, as in that Dominion, be entrusted to the Agricultural Department, the Director of which is extremely anxious to prevent any mishap in this regard. The grading is the last duty which Government can carry out, for I fear His Majesty's Treasury would not agree to this Protectorate assisting the trade on the lines adopted in South Africa, where the Administration makes itself responsible for the delivery and sale in Europe and payment in this country. It therefore becomes necessary for the farmers to combine by means of the establishment of an Exporters Association.

(c) Shipping and sale is the third and final stage in this export trade.

4. I had a meeting with the various interests concerned on the 29th ultimo, and the Honourable Mr. Wilson as Agent both for the British India and Union Castle Companies attended. There is every reason to expect that if Government can assist by promising in so far as possible to send outward cargo at the rate of 1/6 per ton, and reasonable homeward freights for local produce, a lower rate will be obtained. I have ascertained unofficially that it is improbable that the Union Castle Company could compete with the British India Line for this maize or bean trade.

5. I note the letter addressed to the Under Secretary of State by the Union Castle Steamship Company in which

they

they state that it is not their desire for reasons mentioned verbally to underquote the rates of the British India Company, thinking that it will best serve the interests of the Protectorate if they continue to work harmoniously with our friends who have long been carriers of goods to Bombay".

6. The British India Company have recently lowered their passenger rates, and made better arrangements for their transi-ment at Aden. They were the first British line in the field, and moreover in such a cargo as mine it is undoubtedly in our favour if we ship by the Suez instead of the long tropical journey involved by shipment via the Cape.

7. When the Union Castle Company state that their service for passengers would take 37 days by mail steamer, including transshipment at Natal, compared with 28 days via the German East Africa Company they are not entirely accurate. The 28 days via the German East Africa Company entails an all-sea journey from London. The usual route adopted by our officers entails 17 days at the outside from London to Bombay, as against 21 days now proposed - a difference of a fortnight. I do not think that, if an option is left to officers, a single one would proceed via the Cape.

8. Of course if it is the intention of the Union Castle Company to make this a tentative effort towards the establishment of a all round African route in both directions I should be inclined to modify my views very much; but, if I am not mistaken, their own arrangements with other lines competing in this trade will not tempt

them

them to carry it on. Failure to establish of a
a rail-rail route by the Iron Castle Company, that
it will be advised to continue for
the British Railways Company. It is
if our expert advice concerns increased
will be prepared to act in every way
this I have every assurance.

9. All this regard I would be to call your honorable
attention to a proposal which, in contrast to the
provisions of the Cross Act, would be a distinct
encouragement, namely, the granting of the railway
a rail rebate or loan on all roads to be built by
British lines or expansion from the

I have the honour to be,

Your Majesty's humble
obedient servant,

R. G. ...
GOVT. OFF.