

SECRET.

C.S.

19 39.

No. S/28/39.

26

Secretary of State.

SUBJECT.

19 39.

28th August.

Previous Paper.

NOTICE WHICH WILL BE ISSUED BY ADMIRALTY TO ALL
BRITISH MERCHANT VESSELS IN THE EVENT OF WAR.

BRITISH VESSELS REGISTERED IN THE U.K.,
REQUIRE TO BE LICENSED BEFORE MAKING A VOYAGE.

MINUTES.

① S. of S. Secret Circ. Telegram of 28/8/39.

M.
Action indicated will be
taken on outbreak of war.

MCH
C.

30. 8. 39.

S. of S. not the word derogating to be used up.

~~WTT~~ 30/8

For verification of first word in
second line of (c) para: 3
of red 1.

MCH
C.

30. 8. 39.

Red 2 broadcast by WTT.
Station on 4th Sep^r 1939.

MCH
C.

Subsequent Paper.

H.

Submitted for information.

WCH

7.9.39

S.A. & S.K. see

~~WCH~~ 2/5

Senior Naval Officer.

To see.

WCH

cs.

9.9.39.

Noted.

July 25th 1939
5/100

Circular Tele: No 118 from S. of S.
of 18. XI. 39. (3)

Circular Tele: 136 of 28. XII. 39. (4-5)

" " Secret 137 of 28. XII. 39. (6)

Local Customs Import and Exports
Statistics do not give tonnage.

Note of information required
by the Ministry of Shipping sent
to Hs. Coy.

WCH

1.1.40

Letter from Manager, F.I.C., of 3/1/40.

8-11.

Customs.

To see reds 5 onwards.
Please cause replies
to be prepared to the
information sought in red
5. This is required early
please. met
5.1.40

The collector of Customs:

The attached figures have been taken from the statement submitted
by the Falkland Islands Co. Ltd., and tabulated in the manner
required by the Secretary of State's telegram no. 601. It will be seen
that details of imports from Uruguay have not been supplied, and this
table has therefore to be left incomplete.

W. H. B.
5.1.40.

Stores

Figures herewith, please.
In accordance with para 6
of Red 4, the figures given
at 'x' of Red 12 require to
be telegraphed forthwith.

J. D. P.
8/1/40

Submitted. May the
information at "A" of (12)
be telegraphed met
8.1.40

H.

Draft despatch submitted
covering statements required
by the S. of S. met H. C.

17. 1. 40

40 cub. ft. might be
shown as the measurement

met H. C. 15/1

Secret Despatch to S. of S. of 22. 1. 40. 15-17.

H.

Despatch submitted for
signature. met H. C.

22. 1. 40

met H. C. 27. 1. 40

Telegram No. 5 from S. of S. of 20. 1. 40. (18)

(18)

Telegram Circular 13 from S. of S. (19)

(19)

Returns were sent on 25th
January by "Lafonia" vide recd 17.
These should reach England before
the next opportunity of sending
mail to Montevideo to go on
by airmail. met H. C.

5. 2. 40

~~S. of S. live disp. of 8/1/40.~~

20-21. S. of S. Circular Despatch, 13/2/40.

Y.E.
Returned as requested.

AD 9/10/40

Thanks: no action
TTTTT 12/4/40

PK
13/4/40.

(22) S. of S. Circ. desp. of 8/2/40.

~~23. Circ. note from S. of S. of 27.3.46~~

~~24. W. Circ. Despatches from S. of S. of 1.6.46~~

~~25. " Again. " 22.6.46~~

DECODE.

TELEGRAM.

From The Secretary of State for the Colonies.

To His Excellency the Governor.

Despatched: 28th August, 19 39 Time: 17.45
Received: 28th August, 19 39 Time: 19.30

Circular Secret. In the event of war notice will be issued by the Admiralty to all British Merchant Vessels. You are to advise British Merchant ships on outbreak of war.

Admiralty have issued following announcement for all British Merchant Vessels.

2. All ships are liable to examination by British Contraband Control Service.

3. British ships coming under the following categories will not normally be detained on interception longer than is necessary to establish *their* identity :-

(a) Ships on Government charter arms embargo.

(b) Ships bound direct for British or China ports and which will discharge all their cargo and passengers in such ports.

(c) Ships whose last port of call was British or ~~deportatory~~ and which have a special war clearance therefrom.

4. Other British ships may on interception on certain routes be required to put into a Contraband Control Base for more detailed examination and they are therefore advised to call at Contraband Control Bases as follows :-

Ships proceeding eastward through English Channel with intention of passing the Downs, if not calling at any other Channel port should call at Weymouth for Contraband Control Examination.

Ships bound for European ports on routes to North Scotland should call at Kirkwall.

Ships bound (^{Malta} ? Mauritius) through Straits of Gibraltar should call at Gibraltar. ends.

please arrange for similar notice to be issued to all British ocean going Merchant Vessels which are in ports in territory under

2

ADMIRALTY MESSAGE TO BE BROADCAST BY W/T. STATION.

IMMEDIATE. TO ALL SHIPS. Admiralty have issued following announcement for all British Merchant Vessels.

2. All ships are liable to examination by British Contraband Control Service.

3. British ships coming under the following categories will not normally be detained on interception longer than is necessary to establish their identity :-

- (a) Ships on Government charter arms embargo.
- (b) Ships bound direct for British or China ports and which will discharge all their cargo and passengers in such ports.
- (c) Ships whose last port of call was British or Foreign and which have a special war clearance therefrom.

4. Other British ships may on interception on certain routes be required to put into a Contraband Control Base for more detailed examination and they are therefore advised to call at Contraband Control Bases as follows :-

Ships proceeding eastward through English Channel with intention of passing the Downs, if not calling at any other Channel port should call at Weymouth for Contraband Control Examination.

Ships bound for European ports on routes to North Scotland should call at Kirkwall.

Ships bound for Malta through Straits of Gibraltar should call at Gibraltar.

DECODE.

3

TELEGRAM.

No. 191

From Secretary of State, London,

To His Excellency The Governor, Falkland Islands.

Despatched: 18th November 19 39 Time: 02.05.

Received: 19 Time:

Circular No. 118. As you are no doubt aware no British vessel registered in the United Kingdom can now make a voyage without a Licence from Ships Licencing Committee (Overseas Voyages) for which application has to be made by the shipowners in advance.

2. As a result of representation received from certain Colonial Governments concerning cases in which the Committee have found it necessary to divert ships chartered by a Colonial Administration to other purposes the Committee have asked that Colonial Governments should in all cases instruct charterers on their behalf to see that an indication is included in application for a Licence of degrees of importance and urgency which are to be attached to particular shipments. Similar instructions should if possible be given by private charterers in colonies where shipments essential to life of dependencies are involved.

3. It will of course be appreciated that this system will fail of all effect unless genuine discretion is exercised in marking cases as of urgent importance. Where applications are so marked concise reasons should be stated.

4. In case of local shipments an indication should always be given of stock position of receiving agencies i.e. of estimated number of weeks consumption which is still on hand at the time of order.

DECODE.

(5)

TELEGRAM.

No. 601 From Secretary of State, London, _____

To His Excellency The Governor, Falkland Islands.

Despatched: 28th December 19 39 Time: 20.28.

Received: 19 Time:

Circular No. 136 Reply urgently required to my telegram No. 118 Circular. Ministry of Shipping are now preparing a programme of British and French shipping requirements for the next 12 months and in order that Colonial needs may receive full consideration, information is urgently required under headings indicated in Paragraph 3 below.

2. Information required relating to imports and exports. Except where otherwise ~~stated~~ indicated figures should be given under each heading representing (a) actual figures for each month in latest available complete period of 12 months ending not later than 31st August 1939; and (b) estimated figures for each month in the year 1940. All quantities should be given in dead weight tons.

3. Figures required are as follows:- (i) Imports from each country of origin month by month. (ii) Principal exports (shown separately) to each destination month by month. Miscellaneous minor exports can be grouped together in one category exports from destination. (iii) Dead weight tonnage available in neutral vessels and requirements, also expressed in dead weight tonnage, of British shipping space for essential commodities. It is recognised that answers to this question will present some difficulties in the case of estimates for 1940 but even an approximate estimate will be useful. If however it is impossible to supply the figures asked for in this sub paragraph a statement of quantities of imports and exports carried from month to month during the period mentioned in Paragraph 2 (a) above by neutral and British shipping respectively would be better than nothing. Figures should if possible be given separately for each nationality and should also distinguish between liner tonnage and tramp tonnage.

4. Where there is more than one important port serving the territory with which you are concerned please indicate rough proportion (i) total imports and (ii) each of principal categories exports

DECODE.

(4)

TELEGRAM.

No. 601. From _____

To _____

Despatched : 19 Time :

Received : 19 Time :

2.

which pass through different ports.

5. Information asked for above is not in the majority of cases available in the form requiredⁱ in Colonial trade returns but if in any particular case the necessary information regarding 1938 is given in trade returns or any other document available to me it will of course be sufficient to refer in such cases to documents concerned.

6. Please send information asked for by air mail as early as possible. In addition please telegraph estimated total number of dead weight tons required for the year 1940 in respect of imports and exports (shown separately) indicating in the case of imports quantities from each of the principal points of origin and in the case of exports, quantities sent to each of the principal destinations and approximate proportion in which tonnage is divided between the principals.

7. Figures for imports or exports of petroleum products and for tanker tonnage should be excluded from your reply as these are available here.

The A. D. C.

Government House.

I have not been
able to trace telegram
No 136 Circulars referred
to in attached telegram.

Have you a copy of 136
I could see please.

MCH
CJ

1. 1. 40

25
DECODE.

TELEGRAM.

(6)
No.607.

From Secretary of State

NYGIR.

To His Excellency the Governor.

Despatched : 28th December, 19 39. Time : 2245.

Received : 29th December, 19 39. Time : 0915.

137. Circular Secret. My telegram 136 Circular.

Shipping. In preparing estimate asked for in paragraph 3 of (3) of my telegram under reference, it is essential to remember present shipping situation makes it imperative that in spite of higher freight rates that are at present being charged by Neutral Ship Owners, full use in the opinion of all straight tonnage that can be obtained. It is of course quite impossible for British tonnage to meet whole Empire's present shipping needs.

REF: No: S/28/39

COLONIAL SECRETARY'S OFFICE,

STANLEY,

January 2nd 1940.

Sir,

I am directed to transmit the accompanying note of information required by the Ministry of Shipping in England regarding tonnage requirements for the exports and imports of the Colony, and to request that you will be so good as to furnish so far as possible the information asked for.

I am,

Sir,

Your obedient servant.

W. H. H.
Colonial Secretary.

The Manager,

The Falkland Islands Company Limited,

Stanley.

(11)

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

AGENT FOR LLOYDS.

AGENTS FOR
THE PACIFIC STEAM NAVIGATION COMPANY.

TELEGRAMS: "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley

3rd January, 1940. 19

S/28/39.

Sir,

We are in receipt of your letter of 2nd instant with note of information required by the Ministry of Shipping regarding tonnage requirements for imports and exports of the Colony.

PARA 2 OF THE NOTE; (a). We submit statements marked Nos. 1 and 2 showing respectively the Imports from United Kingdom to the Falkland Islands (with transshipment at Montevideo except where otherwise stated) for 24 months ending August 1939; and Exports from the Falkland Islands to the United Kingdom (with transshipment at Montevideo except where otherwise stated) for 24 months ending July 1939. We have submitted these for 24 months, instead of the 12 months called for in the Note, so that you may be better able to gauge approximately the amount of fluctuation month by month or year by year.

With regard to Statement No. 1, we regret we are unable to give the import figures in Deadweight tons; we show the number of tons freighted on a weight basis, but you will note that the bulk of the imports are freighted on a measurement basis of 40 cubic feet to the ton.

Statement No. 2 shows the Exports in Deadweight tons.

PARA 2 OF THE NOTE; (b). Imports for 1940. From the figures submitted you will see that it is extremely difficult to gauge the tonnage requirements month by month. If "Lafonia" makes 12 voyages to Montevideo during the year, an approximate estimate of requirements would seem to be as follows:- 11 importations of about 180 tons each and 1 importation (about

The Honourable
The Colonial Secretary,
STANLEY.

September) of about 350 tons which would normally include a year's supply of shearing and other farm materials. This estimate would change completely if "Lafonia" were withdrawn from service and "Fitzroy" substituted.

Exports for 1940. Assuming farm production to follow normal lines, about 1600 tons of the average 2000 tons would be ready for shipment in 3 or 4 voyages January, February, March, April, as there has been no shipment in December 1939. This estimate would also change if "Lafonia" were withdrawn from service and "Fitzroy" substituted.

PARA 3 OF THE NOTE; (i). All import figures shown are for imports from United Kingdom; shipments are not required from Continental or other ports. Imports from South America are ignored as they are carried by our local steamer.

PARA 3 OF THE NOTE; (ii). All exports shown are for destination United Kingdom.

PARA 3 OF THE NOTE (iii). Not applicable, except for the final sentence; imports are by Liner tonnage to Montevideo (Royal Mail Lines, Ltd), and exports are by Tramp tonnage from Montevideo (mainly Houlders).

PARA 4 OF THE NOTE. Not applicable.

PARA 5 OF THE NOTE. Answers incorporated above.

We would like to make it clear that Statement No. 1 is based on the normal imports of all importers in the Colony, and that we are obviously unable to estimate for any substantial increase or decrease in importations by the Government or Admiralty or commercial firms.

I am,

Sir,

Your obedient servant,

L. J. O. Smith

Manager.

STATEMENT No. 1. IMPORTS from the United Kingdom to the Falkland

9

Islands by Falkland Islands Company's vessels (except where otherwise mentioned) for 24 months from September 1937 to August 1939.

	<u>Tons measurement (of 40 cubic ft.)</u>	<u>Tons Weight.</u>	<u>Total Tons.</u>
1937 Sept.	223	112	335
Oct.	222	93	315
Nov.	202	57	259
Dec.	90	34	124
1938 Jan.	41	25	66
Feb.	96	31	127
Feb. ("Reina del Pacifico")	137	25	162
March	86	16	102
April	130	62	192
May	33	48	81
June	107	52	159
July	91	57	148
August	54	5	59
	1512	617	2129
=====			
1938 Sept. (N.B. "Lafonia" with full cargo direct from U.K. <u>exclusive</u> of 819 tons timber etc from Sweden).	640	474	1114
Oct.	131	38	169
Nov.	46	13	59
Dec.	90	30	120
1939 Jan.	99	10	109
Feb.	24	18	42
Feb. ("Reina del Pacifico")	16	7	23
March.	105	16	121
April.	99	26	125
May	59	31	90
June (no arrival)	-	-	-
July	228	108	336
August	166	33	199
	1703	804	2507
=====			

N.B. With exception of "Reina del Pacifico" and "Lafonia's" September 1938 voyage, all the above tonnage was shipped from U.K. to Montevideo and transhipped there for the Falkland Islands.

F.I.Co. Ltd,
Stanley, F.I.,
3rd January, 1940.

STATEMENT No. 2. EXPORTS of farm produce from the Falkland Islands to the United Kingdom, with transshipment at Montevideo for 24 months from August 1937 to July 1939. Figures shown are Deadweight Tons. (8)

	<u>WOOL.</u>	<u>SKINS.</u>	<u>TALLOW.</u>	<u>HIDES.</u>	<u>TOTAL(tons).</u>	
1937 Aug.	39	6	-	1	46	
Sept.	-	-	-	-	-	
Oct.	5	11	1	6	23	
Nov.	5	18	1	6	30	(Plus 342 tons seal oil shipped <u>direct</u> to U.K. by s.s. "Mahana").
Dec.	191	41	1	2	235	
1938 Jan.	652	41	-	2	695	
Feb.	385	3	-	-	388	
March	514	33	-	1	548	
April	-	-	-	-	-	
May	24	3	-	1	28	
June	-	-	-	-	-	
July	40	11	-	4	55	
	1855	167	3	23	2048	(do.)
=====						
1938 Aug.	8	5	33	8	54	
Sept.	-	-	-	-	-	
Oct.	3	16	-	5	24	
Nov.	-	-	-	-	-	
Dec.	58	70	-	1	129	
1939 Jan.	697	16	-	-	713	
Feb.	521	1	-	-	522	
March	353	10	-	2	365	
April	-	9	-	-	9	
May	90	15	-	7	112	
June	72	21	29	6	128	
July	21	-	-	-	21	(N.B. 122 tons seal oil shipped via Montevideo in August 1939).
	1823	163	62	29	2077	
=====						

F.I.Co. Ltd,
Stanley, F.I.,
3rd January, 1940.

IMPORTS. Para. 2 (a) & 3 (i)

(18)

Sept. 1938.
Oct. "
Nov. "
Dec. "
Jan. 1939.
Feb. "
Mar. "
April "
May "
June "
July "
Aug. "

U. K.	SWEDEN.	TOTAL
Ton. Meas.	Ton. Weight	Ton. Meas.
640	819	1114
131		169
46		59
90		120
99		109
(i) 24		65
(ii) 16		
105		121
99		125
59		90
-		-
228		336
166		199

1703 804 ~~819~~ Total 2507

IMPORTS Para. 2 (b) = ~~1114~~

1940.

11 Importations of 180 tons } Total 2330 tons. ~~1114~~
1 Importation (Sept) of 350 " }

Assuming that trade continues to be carried by 4/6 Lafonia

Para. 3 (iii)

Deadweight tonnage available in neutral vessels - nil.
Imports are carried by British liners to Montevideo
Exports " " " " Transps from ---
Communication with Montevideo maintained by 4/6 Lafonia

EXPORTS Para. 2 (a) & 3 (ii) (all to U.K.)

	Wool.	Skins.	Tallow	Hides	Seal oil	Total.
Aug. 1938	8	5	33	8	-	54
Sept. "	-	-	-	-	-	-
Oct. "	3	16	-	5	-	24
Nov. "	-	-	-	-	-	-
Dec. "	58	70	-	1	-	129
Jan. 1939	697	16	-	-	-	713
Feb. "	521	1	-	-	-	522
Mar. "	353	10	-	2	-	365
April. "	-	9	-	-	-	9
May "	90	15	-	7	-	112
June "	72	21	29	6	-	128
July. "	21	-	-	-	-	21
	1823	163	62	29	-	2077

EXPORTS. (Para. 2 b)

1940.

To U.K.

	<u>tons</u>	
Jan.	400	(Wool)
Feb.	400	---
Mar.	400	---
April.	400	---
May - November.	Negligible.	
Dec.	400	(wool)

In addition, small quantities of skins, hides & tallow ~~are~~ ^{will be} exported at odd times during the year, but it is unlikely that the total quantity will exceed 250 tons.

"A"

Para. 4. does not apply.

" 5. ---

" 6.	<u>Imports 2330 tons.</u>	<u>Exports 2000 tons.</u>
	(From U.K.)	(To U.K.)

all via Montevideo

Information at A.
to be rechecked.
met
ed

DECODE.

14

TELEGRAM.

From His Excellency the Governor,

To Secretary of State for the Colonies.

Despatched: 10th January, 1940. Time:...

Received: 19 ... Time:...

Red 6.

No. 5. Your Circular No. 156. Estimated total number of dead weight tons required for the year 1940 in respect of Imports 2350 tons and exports 2000 tons all from and to the United Kingdom via Montevideo.

GOVERNOR.

GOVERNMENT HOUSE,
STANLEY,
22nd January, 1940.

FALKLAND ISLANDS.

SECRET.

Refs 5, 6 & 14.

Sir,

With reference to your Circular telegrams Nos. 136 and 137 of the 28th of December, 1939, and to my telegram No. 5 of the 10th of January, 1940, I have the honour to transmit herewith the accompanying statement of Imports and Exports in tons of the Colony for twelve months from 1st September, 1938, and the estimated tonnage required for the Imports and Exports of the Colony in 1940.

I have the honour to be,

Sir,

Your most obedient,
humble servants,

(Signature)

THE RIGHT HONOURABLE
MALCOLM MACDONALD, M.P.,
SECRETARY OF STATE FOR THE COLONIES.

FALKLAND ISLANDS.

Secretary of State's Circular telegram No. 136 of the 28th December, 1939.

IMPORTS.

(Paragraph 2 (a) and 3 (1)).

United Kingdom.

	<u>Tons. Meas.</u> (40 cubic feet)	<u>Tons Weight.</u>	<u>Total</u>
September, 1938.	640	474	1114
October	131	38	169
November	46	13	59
December	90	30	120
January, 1939.	99	10	109
February	(i) (24)	18	65
	(ii) (16)	7	
March	105	16	121
April	99	26	125
May	59	31	90
June	-	-	-
July	220	108	336
August	166	33	199
Total	1705	804	2507

Imports Paragraph 2 (b)
1940.

	<u>Total.</u>
11 Importations of 180 tons)	2350 tons.
1 Importation (Sept) of 350 tons)	

Based on the assumption that cargo will continue to be carried by s.s. "Lafonia".

Paragraph 3 (iii).

Deadweight tonnage available in neutral vessels ... nil.

Imports are carried in British vessels to Montevideo.

Exports are carried in British vessels from Montevideo.

Communication with Montevideo is maintained by s.s. "Lafonia".

EXPORTS.

(Paragraph 2 (a) and 3 (ii))

All to the United Kingdom.

	<u>Wool.</u>	<u>Skins.</u>	<u>Tallow.</u>	<u>Hides.</u>	<u>Total.</u>
August, 1938	8	5	33	8	54
September	-	-	-	-	-
October	3	16	-	5	24
November	-	-	-	-	-
December	58	70	-	1	129.
January, 1939	697	16	-	-	713
February	521	1	-	-	522
March	353	10	-	2	365
April	-	9	-	-	9
May	90	15	-	7	112
June	72	21	29	6	128
July	21	-	-	-	21
<hr/>					
Total	1823	163	62	29	2077

EXPORTS.

(Paragraph 2 b)

1940.

To the United Kingdom.

January	400	(Wool)
February	400	"
March	400	"
April	400	"
May - November	Negligible	
December	400	(Wool)

Total 2000 tons.

In addition to the above small quantities of skins, hides and tallow will be exported during the year. It is unlikely that the total will exceed 250 tons.

Paragraph 4 does not apply.

" 5 " " "

" 6 Imports 2,330 tons.
Exports 2,000 "

All from and to the United Kingdom and via Montevideo.

Colonial Secretary.

DECODE.

15

TELEGRAM.

No. 314 From Secretary of State, London,

To His Excellency The Governor, Falkland Islands .

Despatched : 20th January 19 1940 Time : 06.29.

Received : 19 Time :

Ques.

No. 5 Circular With reference to my telegram No. 136 Circular. In view of certain difficulties referred to in replies from some Governments the following explanations and modifications are communicated for your information.

(i) The figures requested are not expected to reach a high standard of precise accuracy, and if exact figures are not easily available estimates will suffice.

(ii) While figures in dead weight tons would be most convenient they were to be supplied in other units if deadweight tons tonnage is not available.

(ii) The final words of Paragraph 6 in my telegram Circular under reference were designed to elicit in the case of exports

(a) figures of tonnage going to each of the principal destinations, and (b) figures of tonnage required for each of principal products exported.

For use in
Cypher or
Coding Office
only.

London 1833/3

H.E. 0845/4

19

29.

Originators Instructions:
(Indication of Priority,
AIDAC, NOTWT
For Exercise).

INTERCEPT GROUP.

TO:
His Excellency the Governor.

FROM:
Secretary of State

BA (5) Circular 13 My circular telegram No. 136 Shipping

Please forward returns by air mail in triplicate, unless
they are too bulky when extra copies might be sent by
earliest ordinary mail. Ends.

Book or Table to be used for

Cyphering or Coding.

Recyphering or Recoding.

Initials of Cypherer
or Coder.

Time of Receipt in
Cypher or Coding
Office.

Date.

Col Sec

CIRCULAR

21



Downing Street,

13th February, 1940.

Sir,

I have the honour to transmit to you, for your information, a copy of an announcement which was made in the Press of the United Kingdom on the 5th of January regarding the extension of the policy of requisitioning British shipping, and to convey the following further information on this subject, which may be of use to you.

2. The primary reason for the extension of the policy of requisitioning, which, as stated in the enclosed announcement, was the policy adopted in the last war, is to ensure that the best possible use is made of all available British tonnage and, in particular, to ensure in so far as possible that each ship is kept continuously fully occupied. Apart from achieving this object, however, the extension of the requisitioning policy will also enable Governments to maintain a closer control over freight rates than would otherwise be possible.

3. In the case of tramp shipping, requisitioning is being extended gradually to individual ships as they become available on completion of voyages, and in the case of ships of this class requisitioning amounts in effect to the chartering of the vessel by the Ministry of Shipping, which then, of course, has control of the vessel in the matter of its routing and the cargo which it shall carry, paying the owners hire for it, but

The Officer Administering
the Government of

leaving the actual management of the vessel in the owners' hands.

4. In the case of liner services, however, the position is more complicated, and it was found advisable to extend the liner requisitioning scheme to all companies owning liners registered in the United Kingdom, and to certain companies owning liners registered in the Dependencies (the Governments of which were first consulted individually), on a fixed date. The date chosen was the 1st February.

5. A brief outline of the liner requisitioning scheme is given in the fifth paragraph of the enclosed announcement and it is only necessary to comment further on one or two points.

(i) It is not the intention of the authorities to interfere either with the nature of the liner companies' business or their method of conducting it except in so far as the national interest may require. The general intention is that, subject to such instructions as may be given by the Minister of Shipping, the liner companies should run their vessels themselves on account of the Government, which will bear the profit or loss of the services. His Majesty's Government are of course fully conscious of the importance in the national interest of maintaining exports and British shipping services and goodwill as far as possible and have promised that, in giving any directions to the companies, they will pay all due regard, as far as practicable, to the obligations which the shipping lines assume in the ordinary course of business.

(ii) The liner companies have been requested to form in respect of each Conference or, where there is no Conference appropriate for the purpose, each trade a small

Committee to examine from time to time tonnage requirements in relation to the tonnage available and to submit, for the approval of the Minister of Shipping, suggested allocations of tonnage and programmes for the outward and homeward employment of individual vessels in each Conference or trade. Each such Committee will be requested to pay special attention to ascertaining speedily where there is any tonnage in excess of requirements which is available for alternative employment. It has also been suggested to the companies that, as regards homeward trading programmes and ship movements, the Committees referred to above should be assisted by approved Central Committees of Agents abroad.

(iii) The Minister of Shipping will, however, of course have power, as indicated in paragraph (i) above, to give directions to the liner companies brought under the requisitioning scheme. These directions will normally relate to the priority to be accorded to the various types of cargo to be carried, to allocation of tonnage to different services and to the programmes for the outward and homeward employments of individual vessels in each trade. Such directions will include directions for the diversion, if necessary, of ships from one trade to another in which the need may at the time be greater.

6. When giving the directions referred to in the preceding paragraph, the Minister of Shipping will have before him the information contained in the replies to my circular telegram No. 136 in which I asked all Colonial Governments to supply me with figures of their imports and exports to various destinations month by month and with an estimate of their tonnage requirements month by month during the current year. It will be

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appreciated, however, that no assurance can be given that these tonnage requirements can be met in full. Indeed, in present circumstances, it is unfortunately certain that shortages of tonnage will be experienced in a number of cases but the information which was asked for in my circular telegram No. 136 will at least make it possible to take the needs of the Colonial Dependencies into full consideration.

7. I have endeavoured in the preceding paragraph to draw attention to the main points in the present policy of requisitioning British shipping which seem likely to affect Colonial trade and I hope that the information which I have given will be of some help to Colonial Governments as an explanation of the objects and salient features of the scheme. I feel sure that all Colonial Governments will co-operate to ensure the smooth working of the scheme.

8. Should the information contained in the enclosed public announcement not already have been reproduced in the Press of the territory or territories with which you are concerned, you may like to consider whether it would be advisable to give it publicity, for the information particularly of trade circles. There will also be no objection to the material contained in this despatch being used, at your discretion, for the purpose of answering enquiries that may be received from the public regarding the requisitioning scheme.

I have the honour to be,

Sir,

Your most obedient, humble servant,

Malcolm MacDonald

Enclosure in circular despatch dated 13th February, 1940

MINISTRY OF SHIPPING ANNOUNCEMENT

EXTENSION OF REQUISITION OF SHIPPING

In continuation of the statement which he made in the House of Commons on the 5th December, Sir John Gilmour, the Minister of Shipping, announces that, in the interests of the efficient conduct of the war, he has extended the policy of requisitioning of shipping.

The Government is satisfied that the regular execution of shipping programmes, which is essential for the efficient conduct of the war, will be most effectively secured by bringing shipping under full control.

Action was taken at the beginning of December to requisition for full cargoes of cereals imported on account of the Ministry of Food on the North Atlantic route, and the same system is now being applied to the shipment of all full cargoes of cereals, oilseeds and sugar upon Government account. It is also being applied to the carriage of iron ore and certain other essential metal cargoes as part of a general application of requisition to all tramp shipping.

Under the usual form of charter, the owner remains responsible for providing the crew and for the upkeep of a requisitioned vessel. Sir John Gilmour is most anxious also to utilise to the full the experience of owners, whose knowledge of their ships and how they can best be operated is of the greatest value. Arrangements will, therefore, be made to associate owners so far as is practicable with the employment of their vessels. Inside the Ministry of Shipping, the organisation provides for two special branches, staffed by experienced shipowners who have been at their posts since the outbreak of war, to deal with questions of ship management and to facilitate the turn-round of shipping in ports. The staff of these departments will be suitably strengthened as more ships come under the direct control of the Ministry.

On Thursday, the 4th of January, Sir John Gilmour announced an important extension of his policy to representatives of the Chamber of Shipping and Liverpool Steamship Owners' Association interested in the regular passenger and cargo lines. He informed them that he had decided to apply the policy of requisition at an early date to all the ships on the United Kingdom and colonial registers engaged in the deep-sea liner trades as from the date when they complete their first discharge in the United Kingdom after the scheme comes into operation. (The scheme will not extend to vessels on the Dominion, Indian or Burma registers). He discussed with the deputation the actual date upon which to bring this scheme of liner requisitioning into general operation and decided upon the 1st of February next, with dates to be agreed for vessels trading elsewhere than to the United Kingdom. Sir John Gilmour emphasised certain features of the liner requisitioning scheme, which follows closely that adopted with marked success in the war of 1914-1918, and particularly those whereby the companies themselves will continue to manage and operate the ships as though they were carrying on their own business, subject only to compliance with such instructions as to the cargo to be carried and the routing programmes to be adopted as the Minister may from time to time find it necessary to give. The companies will maintain their organisations at home and abroad for the purpose of carrying out the scheme and will account to the Minister for all voyage receipts and expenditure, the profits or losses on the voyages undertaken being treated as on Government account. He expressed his intention of pursuing at the earliest possible date negotiations with owners as to the conditions of charter and rates of hire to be accorded for the ships requisitioned.

Sir John Gilmour said that the same reasons which had been found to have compelling force in favour of this policy in the last war actuated him now. The withdrawal of ships from their present trades would be facilitated where that course was necessary in order to find tonnage for more urgent national employment, and the scheme, by providing greater unity of control and identity of interest, would enable tonnage to be used more effectively, and material economies of tonnage to be secured.

The Minister said that the Government relied confidently on the willing co-operation of the companies to work the scheme in the best interests of the nation.

It has been arranged that discussions with representatives of the owners as to conditions of charter and rates of hire shall start this week.

4th January, 1940.

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CIRCULAR



Downing Street,

8th March, 1940.

Sir,

I have the honour to refer to my circular telegram No.136 of the 28th December and subsequent correspondence regarding the tonnage requirements of the Empire in 1940.

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2. Replies have now been received by telegram from the majority of Governments to my circular telegram and in addition the further replies which I asked should be sent by airmail are now arriving. As these replies are received they are being transmitted to the Minister for Shipping who has authorized me to inform Colonial Governments that the information given in the replies is proving of considerable assistance to the authorities responsible for working out the programme of total shipping requirements of the Empire and of the French Empire. In present circumstances the best possible utilization of the available resources of shipping is a matter of cardinal importance and, as I understand that the collection of the information which it was necessary to ask for in my circular telegram No.136 has put the staffs of Colonial Governments to considerable trouble, I feel sure that they will wish to know that the trouble which they have taken has been worth while.

MSM

Recd (5)

I have the honour to be,

Sir,

Your most obedient, humble servant,

Malcolm MacDonald

The Officer Administering
the Government of