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No. 21

TRADE BUREAU OCT 24 1919 DEPT OF STATE

AMERICAN CONSULATE
Medan - Sumatra

August 16, 1919.

SUBJECT: Slow Delivery of American Cargo at Medan.

Office of Foreign Trade Advisers OCT 25 1919 DEPARTMENT OF STATE

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The Honorable

The Secretary of State,

Washington.

Copies sent to Commerce & Chamb. of Com.

OCT 27 1919 OCT 28 1919

Sir:

I have the honor to invite the attention of the Department to the slow delivery of American cargo at Medan because of excessive delay at Tandjong Priok (Batavia) in forwarding such cargo from there to Belawan, the port of Medan. This slow delivery is injuring the sale of the products of the United States in this market, and unless there is a radical change in the method of transhipment, similar goods may be purchased elsewhere where quicker delivery is assured.

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According to information received here, it would appear that all goods of whatever origin landed at Tandjong Priok are transhipped to other parts of Netherlands India in vessels of the Koninklijke Paketvaart, a Dutch shipping company, which virtually controls the inter-island trade. The custom seems to be that the company referred to warehouses foreign goods at Tandjong Priok until sufficient quantities are assembled for an extra steamer to load direct for Belawan, which means that some goods, at least, may remain in warehouse for some months. In one particular instance, eighty cases of motor cars and accessories which arrived at Tandjong Priok the middle of May are not expected here until the latter part of this month. It is understood that all foreign goods landed there are treated in the same way.

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The Koninklijke Paketvaart, or the "K. P. M." as it is generally called in the Orient, has regular weekly sailings between Tandjong Priok and Belawan, a fortnightly service, and extra boats, as occasion demands, but these boats do not bring very much cargo, or, at leastm do not keep the Tandjong Priok warehouses clear of goods for this market. The additional trouble is that when a boat discharges several thousand tons at Belawan the warehousing space is not sufficient to handle the entire cargo. This causes a congestion, much loss of time, and extra charges. European cargo, not shipped to Tandjong Priok, is ordinarily discharged at Singapore and transhipment for Belawan is made with little or no less of time. American interests are therefore handicapped not only by a long and possibly unwarranted delay at Tandjong Priok, but by slower deliveries which in some cases causes a loss of business. No complaints in this connection are made locally of American exporters as the importers fully realize that the fault lies at Tandjong Priok. The manager of one important Dutch importing house informs me that he has instructed his American connections to ship via Singapore in every instance.

It appears to the writer that the remedy, if any, lies with the American exporters. It is possible that concerted action on the part of American Chambers of Commerce in the line of requiring the Dutch line of steamers sailing from San Francisco to guarantee a reasonably quick delivery at Medan, and also insisting on a clause in the bills of lading to that effect, would be sufficient to meet the present situation. If this condition is refused by the Dutch companies, then all shipments should be made via Singapore.

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It is my understanding that the Pacific Mail Steamship company, the Calcutta service, the Robert Dollar company, and possibly other American lines, are in a position to carry Medan cargo to Singapore, where almost immediate transhipment can be relied upon.

It is unfortunate that the harbor at Belawan has not as yet sufficient depth to permit the entrance of ocean-going steamers, and that being the case the most available and quickest route should be selected. It seems a pity that such a good trade should be menaced through delays in transhipments at Tandjong Priok, a delay, which on the face of it seems to be inexcusable. The local chamber of commerce has taken up the question of quicker deliveries, and possibly an amelioration may take place, yet, it is urged, if the Department deems it advisable, that some action on the part of American shippers ought to be taken in order to remedy a most unsatisfactory situation.

A copy of this despatch is being forwarded to the American Consul, at Batavia, for such further comments, or otherwise, as he may care to make.

I have the honor to be, Sir,

Your obedient servant,

A. L. Carleton
American Consul.

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