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By LdR NARA Date 5-3-76
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Despatch Sent in Quintuplicate.

INDEX BUREAU
DEC 27 1921
DEPT. OF STATE

43550

No. 111.

AMERICAN CONSULATE GENERAL,
Singapore, S. S., November 17, 1921.

Copy hereof has been sent to with each mail since
Copy has also been sent to Com.
and to Fed. Tr. Com.
DEC 31 1921

DEPARTMENT OF STATE
JAN 8 1922
DIVISION OF
WESTERN EUROPEAN AFFAIRS

SUBJECT: American Steamship Lines in Singapore, Straits Settlements.

800.3390

DEPARTMENT OF STATE
D. C.-2
DEC 1921

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

Division of
DEC 28 1921
Department of State.

INDEX BUREAU
Doc. 890/291

SIR:

I have the honor to hand the Department herewith copy of a letter addressed to me by Mr. T. B. Wilson, the agent of the Pacific Steamship Company, (The Admiral Line), in Singapore, also a letter addressed by him to the Head Office of the Company in Shanghai, all of which are self-explanatory.

In this connection I beg to state that I thoroughly share the views expressed by Mr. Wilson. I would thank the Department to bring this correspondence to the cognizance of the Department of Commerce and the Shipping Board, and I trust that everything will be done to sustain our shipping in this part of the world.

FTT
JAN 4 1922

STRICTLY CONFIDENTIAL

I have the honor tobe,

Sir,

Your obedient servant,

Consul General.

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ACKNOWLEDGES

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THE ADMIRAL LINE

Singapore, November 16, 1921.

Mr. E. L. Harris,
American Consul General,
Singapore.

Dear Sir:

As you are aware from our conversation of a few days ago, the Straits Homeward Conference have again reduced their rates in an effort to drive the American competition from the field.

The Conference is an association of steamship lines which endeavours to control all shipments from this territory to Europe by a system of rebates. It is my understanding that the Barber Steamship Lines, whom we represent here, applied for membership in the Conference, but for some reason unknown to me have been refused membership.

However, this American Steamship line has been operating American ships on the Singapore/European run for the past year and a half or more regardless of the Conference' refusal to permit them to operate on an equal basis with ships of other nations. At first the Conference did not believe that American ships would be able to compete with British, Jap and other ships, but the past year has proven to them that the American line has been established on a firm footing.

We have established agencies, developed a dependable service and have induced a number of shippers to patronize this American line. The Straits Homeward Conference is now endeavouring to drive out the American ships. Since this latest reduction in freight rates, the Conference members have been freely admitting that the movement was made in an effort to cause the Shipping Board to operate at a loss and thus force them to withdraw the Barber Line service.

While talking with a member of the Conference recently, I was informed that the British lines, who control the Conference, did not want any American lines as members of the Conference and that they would do everything possible to keep the American lines from operating in competition with British, Japanese and other lines. The Conference is composed of steamship companies of all nationalities except American. It is common knowledge

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knowledge that the Japanese members do not maintain the Conference rates and the Conference itself admits knowing of this fact, but apparently overlooks it in its efforts to force the Americans to operate at a loss.

In my opinion it should be a matter of national honor to protect those shippers who have given the American lines their support. In order to establish the American Merchant Marine we must be able to operate on equal basis with British lines. If it is impossible for the American companies to join the Straits Homeward Conference, then we must be able to assure our shippers and other friends of the American service that the American steamship lines will continue to operate regardless of the discrimination of British lines and regardless of competition, adverse conditions, etc. We must be able to assure our patrons that the American companies are in the field to stay. Of course, no one knows at the present time what are the plans of the Shipping Board, but due to their frequent changes of policy, our shippers are worried for fear the service will be withdrawn. I have been approached by a number of shipping firms who are desirous of ascertaining whether or not they can depend upon American operation from this port for the future.

For your information, and believing that it may be of some interest to you, I am enclosing herewith a copy of my letter of October 31st to our Manager for the Orient. The opinions expressed therein are merely those of a humble steamship agent and may possibly be of little value, but they are the opinions of one who is on the ground floor, is daily encountering difficulties laid in the way of American shipping by the British shipping interests, is well acquainted with the local conditions and has helped to win shippers over to American lines to build up a foundation for a profitable trade, and is now anxious to see the American ships permitted to operate on an equal competitive basis with any other shipping lines.

Trusting that the foregoing may be of interest to you, and assuring you that I shall be only too pleased at any time to lay before you any new developments that may arise, I remain,

Very truly yours,

Sgd. T. B. Wilson

Acting Agent.

A true copy of the signed original.

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THE ADMIRAL LINE
Pacific Steamship Company
2 Prince Street

Singapore, October 31, 1921.

Mr. G. A. Heyburn,
Acting Manager,
Pacific Steamship Co. (Admiral Line),
4 Ezra Road,
Shanghai, China.

Dear Sir:

European Service.

This is to confirm our cable No.416 of October 31st reading, as follows:

"European Conference has reduced rates effective October 29th copra now £1.17.6,12 cwt, sago flour £2.0.0 per ton of 20 cwt, tapioca £2.5.0 scale ton writing fully today."

This reduction came at a very inopportune time for us, as we have the "Alloway" due here on November 12th for 1,000 tons of 40 cu.ft. and "William Penn" in December with 3,850 tons of 40 cu.ft., all of which space has been used by our shippers, and it will be necessary for us to meet the reductions.

This reduction following so close on the heels of the reduction of October 1st is a direct hit at us. It was brought about, as follows:

The Pacific Mail Steamship Company have closed up their office as from November 1st and have turned over their agency to a British commercial firm. This, by the way, was the worst blow for American interests in this Colony that could have happened, and the British shipping firms are already gloating over the prospects of the early discontinuance of the Admiral Line and Barber Line services. It is now common knowledge that the Green Star Line are going to close after November, or at least by the first of the year.

The Conference have been trying for some time to get Messrs. Katz Bros., one of our supporters, to re-enter the Conference, and have given them some strong arguments and inducements. They have finally convinced them that the Barber Line will not be able to operate next year, and I believe that Katz Bros have returned. These people begged us to furnish them with space for 1,000 tons of copra prior to January 1st and practically assured us that if we could do so they would not have to return to the Conference, but when the space was offered them on the

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"Wm. Penn" they refused to accept it saying they had already booked. It is my understanding that they gave their cargo to the O.S.K., who are members of the Conference but whose policy and tactics are to be questioned. Although there has been no announcement that Katz Bros. have returned to the Conference, I am convinced that they have done so and that they informed the Conference about the space we had to offer on the "Wm. Penn".

On Saturday, October 29th, the Straits Homeward Conference put into immediate effect the following reductions:

Copra from	55/-	to 37/6	per ton of 12 cwt.
Sago flour	70/-	" 40/0	" " " 20 cwt.
Pearl sago	80/-	" 45/-	" " " 18 cwt.
Flake tapioca	80/-	" 45/-	" " " 14 cwt.
Pearl tapioca	80/-	" 45/-	" " " 18 cwt.
Tapioca flour	70/-	" 40/-	" " " 20 cwt.

The copra reduction is partly due to the fact that this commodity comprises the bulk of our cargoes. The other reductions were made because our shippers deal in these commodities extensively and they are usually listed in our cargoes. Recently one of our shippers has been purchasing sago flour and flake tapioca, and has now on hand about 1,000 tons in all which he intends to ship on our "Wm. Penn".

Since this reduction the Conference members are quite free and openly frank in their statements that they will drive the American ships (ours are the only ones of any consequence left) out of the trade. They freely state that they will not tolerate an American service from these ports to Europe.

While talking with one of the Conference members today, I asked him why they objected to the Barber Line operating and why they refused us membership in the Conference. His only excuse was that we had not been in the Conference or in the trade before the war; that they did not want us in it now; that the field was full; that they were convinced that by dropping rates, thereby causing the Shipping Board to lose money, the American ships will be withdrawn; that they had succeeded in forcing the other American lines out; and that they would force the Shipping Board to lose money and therefore withdraw their ships from the Barber Line. The O.S.K. are members of the Conference, but make no pretence at upholding rates. When I mentioned this, he admitted that I was right and that the Conference members were aware of the O.S.K.'s rate cutting, but he did not offer any reasons why the Conference were tolerating it.

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There is an intense feeling locally against the American merchant marine propagated and nursed entirely by the British shipping lines. The recent reductions are admittedly a supreme effort to force the American ships out of international trade, and I believe that it is time some definite policy is established and some understanding arrived at between Washington, D.C. and London.

If the American merchant marine is to become a permanent fixture in international trade, it is high time that we be given an opportunity to compete on equal terms with other nationalities and that our Government asserts its right to that competitive equality. American shipping is at the low water mark in Singapore, and it is at present undergoing the supreme test of its ability to carry on. We have entered this field and have taken a firm hold on the business. There are many shippers here with whom American companies have made a very favorable impression, and if we are permitted to enter the trade on an equal basis with other nationals, we can win over a large share of the business. On the other hand, if we are now forced to abandon our position, I am convinced that American shipping will never be permitted to re-establish itself here. If the Straits Homeward Conference is successful in eliminating American competition, it will be practically assured, and rightly so, that it can eliminate the American competition from the other Conferences. It should be a matter of international honor for America to protect these business interests which have favored American ships with their cargoes and which have been given every reason to believe from the United States Shipping Board's publicity and propaganda that we are in the field to stay.

Now is the time, if ever, that the Department of Commerce should take a hand in the game and demand that American ships be given equal international trading rights with British ships, Jap ships, Dutch ships and all others, and that this discrimination against American shipping be ended. If we are not permitted to enter the Conferences on an equal footing with the British, than the United States Government should assure shippers in all parts of the world that our services will be maintained regardless.

Due to the closing up of the Pacific Mail and the Green Star and the apparent attitude of indecision on the part of the Shipping Board, together with their continued changing of policy, or lack of a fixed policy, many of the local shippers are losing their faith in the Americans and are sceptical of our ability to continue operation of our present services.

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It is only natural that freights cannot remain at the present low rates with the present high cost of operation. While the Barber Line is operating only one ship a month out of here with approximately 1,000 tons and is standing a small loss, the Conference lines with dozens of ships and thousands of tons of space are monthly standing a heavy penalty. They cannot keep this up for any great length of time, and are merely doing so now in a final effort to drive the Barber Line out. If the Barber Line continue to operate regardless of these rates, I am convinced that the smaller Conference members will force the Blue Funnel and the Ellerman & Bucknall Line, who control the Conference, to bring the rates back to a paying basis.

I should greatly appreciate hearing from you on this matter and getting your views on the whole situation. It is folly to ask if you have any idea of the Shipping Board's intentions, but I should like to have your personal views and any news or intimations that you may have in regard to Barber's prospects.

Very truly yours,

Sgd. T. B. Wilson

Acting Agent.

A true copy of the signed original.

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