

- The War of freights / by
(The War of freights)

THE WAR OF FRIGATS.

Owing to the great revolution brought about the sea borne trade of the world, by the introduction of steam and the construction of the Suez Canal, the old native ship-owning business of Bombay has, for the last thirty years, been entirely put a stop to. And it was, we believe, some twenty years ago that the last Bombay-owned merchantman was broken up and sold. The same thing happened in Calcutta resulting in the ruin of the big Mohamedan shipowning firm of Hajee Jackaria and so a large native industry, giving employment to thousands, was almost irretrievably lost.

It has been a subject of constant reproach, in the mouths not only of English merchants and officials but very often of the Government itself, that the natives of India, instead of seeking to raise themselves in the scale of nations by the development of old and the pursuit of new industries, both native and foreign, always love to keep in one beaten track, crying piteously for, and satisfied when they find, employment, official and non-official, under the Government or in the offices of European or Native merchant and manufacturers. This want of self-help, and the absence of a desire on the part of the natives to open up fresh fields for the exercise of their talents and energies toward their own and their country's amelioration, have been incessantly thrown in their teeth. The Presidency Government have from time to time issued circulars to their subordinate and provincial governments, urging the necessity of fostering and advancing native industries and enterprises; and the Secretary of State in Council has himself over and over again drawn the attention of the local authorities to the same desirable end.

Our new steam-ship service is a distinct effort in the direction desired by the Government of this country. Although purely a native enterprise, its connection with a Japanese Company has been ingeniously used to misrepresent

misrepresent it as a combination against an already existing so-called national concern, represented by the P. & O. Co. and its continental allies, the Austrian-Lloyd and Rubattino Companies. The hollowness of the claim of the two last named foreign companies to the position of a National Indian Service is too self-evident to deserve a moment's serious thought. Nor, strictly speaking, can the P. and O. Co. lay any better claim to the same position except in so far as it is the recipient, from the British Government, of a subsidy to which India largely contributes. The matter in which subsidies are granted by nearly all the European Governments to their properly recognised national steam-ship companies sufficiently indicates and objects of the grant, which are to materially assist merchants and helping by means of cheap freights the introduction of indigenous products into foreign lands. Assuming that the British subsidy to the P. and O. Co. is made with the same object, how has the Company discharged its obligation? Having been instrumental in destroying the old Indian ship owning trade, it has been unceasingly employed, ever since its establishment, in raising the rates of freight and consequently hampering facility of intercourse between India and the farther East. It is not many years ago, as most of our native merchants may remember, that the head of our firm disgusted not only with the high rates of freight charged by the P. and O. Co., but also with the extraordinary favour shown to non-Indian firms, induced one of the foreign companies to run in opposition to the then sole monopolist, the P. and O. Co., But the opposition failed for every inducement was tried, and in the end successfully, to buy it off. The same thing was done later on with regard to the other foreign company, and the two companies thus bought off forming with the P. and O. Co. a powerful triumvirate, and we have now to witness the spectacle of a company, itself directly subsidised by our

our Government for the purpose, among others, of helping the country's commerce and manufactures, subsidising two foreign companies in order that, by a sort of family arrangement they may be able, between them, to squeeze out of our trade the utmost that the apathy and short-sightedness of our merchants and manufacturers will allow. This being so, is it at all likely that the P. and O. Co. although ostensibly coming out to India, (as so many people from England profess to do) to preach the gospel of civilisation, would encourage purely native enterprises on its own lines? Has it not rather been doing its best to smother, almost at its birth the only venture of the kind started in all India? We call it the only venture, though we are not unmindful of the fugitive enterprise in the steamship-owning line, started with a few old and rejected P. and O. boats but looking too much like playing the jackal to the old, sated P. and O. lion seriously to be mentioned as a rival. With scores of liners, English and foreign, plying in these waters, which our petted and much glorified Anglo-Indian Company can afford, and perhaps finds it good policy, to tolerate, it is only jealous of a small enterprise like ours, and while it can lovingly take foreigners and possible future enemies of England to its bosom, it discards the poor Indian, for whose special benefit it professes to have come to India, and from whose pocket it draws the greater part of its subsidy. !

We have noticed a similar feeling of jealousy of our enterprise on the part of Anglo-Indian merchants and however much we may deplore it, we can understand and in part, excuse it too, seeing how proud they are of their great P. and O. Co., so intimately bound up as it is with their daily business and their periodical peregrinations to and from India. Englishmen at home would also appear to share the same feeling. Friends, who have been spoken and written to, feelingly plead the obligations they are under to the

Thomas Sutherland, its popular chairman. Although human nature is the same all the world over, and will have its weaknesses, may we not appeal to the sense of justice and fair-play of even such gentlemen as we have above referred to ? To them, therefore and to others with an open mind and not labouring under the burden of obligations, we earnestly appeal to lend a helping hand to a little company like ours, struggling, against mighty odds, to start a new enterprise for the benefit of a country, acknowledged on all hands to be daily sinking deeper and deeper into hopeless poverty.

If we had only to contend against a fairly conducted opposition, however powerful, we might regret, but could not justly complain of it. For after all, it would be a rivalry in trade of the kind that is practised all over the world. What we have to complain of are the means, hardly fair, that have from time to time been used to put us out of the way. There is to begin with, the anonymous correspondence which has from time to time appeared in the local papers. Then 3 there is what has locally come to be known as, the war of freights, carried on, with varying intensity, from our starting down to the present day. Convinced that the rates, adopted and kept up by the allied companies, were exorbitant and told heavily on the shippers of merchandise to the Eastern ports, we began with a reduction in the then current rates of freight on cotton, yarn and opium of from 29 to 47 percent. The opposition liners responded and in the case of cotton with a vengeance. For while our reduced rate is Rs.12 per ton of 40 c.ft. theirs is Rs.1½ only ! And as if this was not enough the P. and O. Company has made, it is not difficult to guess with what object the unusual offer of carrying cotton to Japan free of charge !

It is worthy of note in this connection that the reduction is not in all cases made applicable at once, but only in the shape of rebates, payable at the end of a fixed period to such shippers only as have, during that period,

confined their shipments strictly to the steamers of the allied companies; one break in the continuity of shipments in favour of an other steamer, by which is of course meant one of our line, resulting in the forfeiture of the whole of the rebate earned. And as this means a considerable sum of money in most cases, it effectually prevents shippers from shipping with us, for a time at least even at our reduced rates of freight. A form of declaration required from shippers claiming rebates will be found appended to our memorial to the Secretary of State for India (vide Appendix A) and another form issued at Hongkong under date 30th April 1894, which has only lately come to hand and in which our steamers are not left to be inferred but are distinctly named, we copy below both forms pointing in an unmistakable manner to the ultimate end and aim with which the reductions have been made :-

To The Superintendent,

Peninsular and Oriental S. N. Company,

Hongkong.

Dear Sir,

I
Annexed -- beg to hand you a list of our
we
shipments by the steamers of your line from the 1st
November 1893 to the 30th April 1894 on the freight
of which I am ----- entitled to a rebate of ten per cent
we are
on the gross freight contributed to the 31st December
1893 and a rebate of ten per cent. on the nett freight
from the 1st January to the 30th April 1894.

I hereby declare that I have not been interested
we we
in any shipment from Hongkong to Bombay or Colombo by
any vessel belonging to the Nippon Yusen Kaisha or
Tata Line during the abovenamed period.

Yours faithfully,

At first sight it might appear that, the object with which we started having been gained, viz., the reduction of freights, there really was no ground left for complaint.

so glaring as to deceive no one with even modicum of commercial experience, the other reductions, if only they could be relied upon as being permanent would afford matter for self-congratulation to all concerned, especially to us, who might take credit to ourselves for having saved by our timely interference, the country's commerce from being crushed under the burden of heavy freights. Especially was this noticeable during the period immediately following the closing of the mints, when it was the reduced freight brought about by us, that materially helped the Bombay cotton manufacturing industry. Past experience, however warrants the fear that it may after all be premature to felicitate ourselves on the change. This is not the first time that the P. and O. Co. has reduced its rates of freight, only to put them up again at the first convenient opportunity. Whenever a rival has appeared, and they have appeared before our time, the first most effectual means at the company's disposal, to buy it off or to force it either to continue working at a loss or to retire from the contest, has been to reduce the ruling rates of freight to an unremunerative and even ruinous level; and the object aimed at having been once attained, to again raise them as high as before or higher by way of punishing temporary deserters to the rival line. Except in our own inherent strength, there is really no guarantee that the same thing may not occur again and that far from the present reductions being the bona fide result of a conviction of their need, they may not be a feint after all to catch the unwary and to frustrate our scheme. As an instance in point, we may mention that during the late epidemic in Hongkong, we had to make our calls at that port less frequent than before and the P. and O. Co. at once improved the occasion, by putting up its rates there, and causing trouble especially to parties suspected of having privately assisted our venture; thereby affording a sure forecast of what would happen if we withdrew altogether.

has also been made to transfer the scene of it to England, by imparting a political colouring to what is admittedly a commercial enterprise, pure and simple. It has been sought to be made out that our honest rivalry with P. and O. Co., undertaken with the best of motives, that namely of affording facilities to the country's trade, is calculated to offend England's feelings, and that consequently it behoves the Government of Japan to dissuade our colleagues, the Japanese shipowners, from further co-operation with us in our venture and in the event of persistence, to stop the Government subsidy. We have seen a newspaper account of how Lord Rosebery has been trying to influence Viscount Aoki, the Japanese Ambassador, to induce his Government to stop the opposition to the P. and O. Co., and we now understand that the extract in question having been conveyed to the Foreign Office, they have reported thereon to that effect that,

" Her Majesty's Government have not intervened in the matter of the P. and O. Co. and the Nippon Yusen Kais. The case as reported to the Foreign Office is not one of ordinary competition or trade rivalry, but rather a combination to prevent vessels other than those of the Japanese Co., from obtaining any part of the cotton carrying trade from India to Japan."

Whatever may be the ultimate result of this political move against us, we cannot allow the erroneous impression conveyed by the report above quoted, viz: that our venture is a " combination to prevent vessel other than those of the Japanese Co." &c., to pass unchallenged. Of the four or five steamers that are now running on our line, three are British-owned vessels, plying under the British Flag, and working under charter to us who are British subjects. So that it cannot be said that we aim at preventing " vessels other than those of the Japanese Co.", &c., As regards our combinations that have been entered into in Bombay and elsewhere at various times. There is, for instance, the Mutual Shipping Co

the assistance and co-operation of the P. and O. Co. itself with the object of laying down and maintaining a higher scale of rates of freight than had been current, for cargo from the China ports. The Mutual Co., was able even with a reduction of 50 per cent on rates, to pay good dividends, and the syndicate was very soon brought to its senses, with the ultimate result that both began to work harmoniously together on the basis of the reduced rates. There is again the combination of the P. and O. Co. with the Austrian and Italian Companies in our midst, with this material difference however between their combination and ours, that while we aim at helping trade by adopting a reasonable scale of freights and contenting ourselves with a fair profit, the former seeks to raise them for its own inordinate gains, at a time too when, owing to healthy rivalry rates all over the world have fallen more than 50 per cent ! Our combination, started on the same principle as that of the "Mutual," leaves shippers free to patronize what company they like best. We began by offering certain advantages, and left them to take whatever course appeared to them to be most desirable. It was not until after the allied companies, with the P. and O. Co., to lead them, had reduced their rate of freight on cotton to the ruinous level of Rs.1½, against our modified net rate of Rs.12, with the transparent object of starving us out of competition, that we were constrained to point out the false and hollow nature of the temptation, to remind the cotton dealers of what the P. and O. Co., had done in the same direction in the past and to tell them that, unless a certain amount of freight was guaranteed to us at a fixed rate, we would have to stop the service. It is clear that the reasonableness and truthfulness of our appeal went home to them or they would not have come forward to stand by us, in the manner they have been doing, even with a difference against them of Rs.10½ per ton !

been the attempt to disparage, from an insurance point of view, one of the steamers employed by us, viz. the "Lindisfarne", a newly built vessel barely two years old, possessing a first class certificate at Lloyd's and having already accomplished two round voyages without damaging her cargo consisting of cotton, yarn, opium and other merchandise including sugar. Referring the reader for fuller details to the legal correspondence herewith (Appendix B), we will here content ourselves with pointing out the disingenuousness with which an attempt, already previously made at Hongkong, under perhaps the same inspiration and exploded, has been sought to be revived on this side, under cover too of commiseration for an imaginary difficulty, alleged to have been experienced by us, in obtaining yarn shipments in the steamer in question by reason of her unsuitability as a carrier of general cargo. The fresh attempt, it is perhaps needless to add, has failed miserably and the parties to it have withdrawn from their first position with an expression of regret, but the incident just serves to show that nothing, at all likely to prejudice us in the eyes of our friends and supporters and to baffle our competition, has been left untried.

Under the circumstances, is it too much to expect that public opinion may veer to our side, and that the Secretary of State for India may be pleased to respond to the prayer of our memorial by addressing remonstrances to our powerful opponents on the neglect of the duty, evidently imposed on them by the spirit of the subsidy granted from the Indian revenue, to facilitate and cheapen intercourse in the Eastern seas.

VICTORIA BUILDINGS,

Bombay, 1st August 1894.

TATA AND SONS.

(Appendix A)

To

The Right Honourable

HENRY H. FOWLER, M. P.,

Secretary of State for India in Council.

The humble petition of the undersigned
Tata and Sons, Proprietors, Tata Line
of Steamers.

SHEWETH,

1. That the Peninsular and Oriental Steam Navigation Company is a subsidized British Institution. Though the subsidy is given for the ostensible purpose of carrying Her Majesty's Mails from one part of the Empire to another it is well understood that the maintenance, by State aid, of such a powerful national organization is provided general for the promotion and benefit of the trade and commerce of Her Majesty's subjects. It is for this reason that tenders from Foreign Navigation Associations for contract for the conveyance of Her Majesty's Mails are especially left out of consideration.

2. Your memorialists regret however to say that the Peninsular and Oriental Steam Navigation Company, overlooking the obvious intentions of Government for the interests and welfare of those whose taxes contribute to its prosperity, seeks its own further aggrandizement by hampering trade whenever and wherever it has to deal with weak opponents. It uses the great leverage of State patronage in either buying off or killing off legitimate competition and thus acquiring to itself the rights of levying monopoly rates in such parts of the Empire as require especially the greatest incitement to, and encouragement and development of, enterprise.

3. It can afford to pay subsidies to Foreign Navigation Associations, retain them, as it were, in its service and from a league against the general trade of a

the principal objects of Government by paying those whom the Government or the nation will not employ for its own apparent advantage. It also thus further subverts the chief underlying principle of affording facilities to and promoting trade and commerce by fixing unfairly high freight charges in combination with these Foreign Associations.

4. The revenues of India contribute towards the subsidy paid to this powerful Company and it may reasonably be expected that it should have at heart the interests of the tax-payers of India; but the policy pursued by it is just the opposite and injurious to the interests of Indian trade. Because India is not strong enough to hold out in competition, and because there is little or no Indian enterprise, the Company does not hesitate to take advantage of this weakness.

5. While the Company has been and is content with paying canal dues of ten shillings on gross tonnage both ways, with an income of only fifteen shillings per ton of cargo for an average round voyage from England to India and back of twelve weeks, it used, until recently to squeeze out of Indian commerce rupees twenty-six equal to about thirty shillings, per ton of cargo for an average voyage, from India to Hongkong and back, of nine weeks. The sole reason for this exorbitant excess was that, while the Company dared not or could not buy off or kill off the great English competition and enterprise between England and India, it found it easy enough to do so between India and China.

6. Before the days of steam navigation many an enterprising Indian merchant owned ships of his own and carried on commerce with the farther east. But since this rich Company came into the field, the Indian owners had to make way for it. This Company to whose prosperity the tax-payers of India may lay some claim to have contributed, has driven off all legitimate competition from time to time

exhaust the resources of its rivals, or failing in that respect, taking such powerful rivals into partnership.

7. Your memorialists, observing this state of things for a long period and experiencing the most injurious character of such a policy, have endeavoured, from time to time, to bring about a reform, but hitherto without success. They have now however been enabled to start a movement in the success of which they entertain every hope. They have organised a steamship service ~~between~~ India and Eastern Asia on a basis of legitimate and reasonable rates of freight which, while causing no loss to the carriers, are calculated to afford facilities to and help the Indian trade.

8. In the present depression, it is fortunate for the Indian trade that this scheme has been realized, and your memorialists have reason to indulge the hope that the Government would not only approve of their action, but would afford any legitimate help that they may need for the encouragement and promotion of such a scheme.

9. Your memorialists, knowing the perverse policy pursued for years by this Company, had been prepared for the strongest possible opposition from it. Their anticipations have turned out to be correct and they have now to endure such opposition. The Company has reduced its rates to a ruinously low limit, simply with a view to destroy the scheme of your memorialists. In taking this course it has given no thought to the interests of either the British or the Indian Tax-payer.

10. It has established a system of favouritism or partiality by giving out publicly that it would carry, at such favourable rates, cargo of only those shippers who will not do business with your memorialists, thus overstepping their duty as common carriers.

11. In this connection your memorialists solicit reference to the copy of a declaration demanded by the Company, hereto annexed and marked A, from which it will

deal only with the steamers indicated in the declaration to the exclusion of other steamers - by which are doubtless meant those employed by your memorialists - the Company offers to pay a rebate which tends to still further reduce its present low rates. In this way the Company secures the twofold object of at once drawing shippers to itself and of effectually preventing them from having anything to do with the scheme of your memorialists, thereby trying if possible to starve your memorialists out of competition.

12. It is not the purpose of your memorialists to complain of the low rates now in force, if they were established on a permanent basis. Your memorialists have reason
11 to be thankful for, and may even take some pride in having brought about, these low rates, so well calculated, especially at a juncture like the present, to exercise a highly beneficial influence on the Eastern trade. But when they see what is aimed at, they think it their duty to enter a protest against such an unfair proceeding on the part of a Company which enjoys the State patronage.

13. Your memorialists feel confident that the Government will not approve that any part of the revenues of India should be employed for thwarting the interests of the contributors of those revenues, nor that a Company, supported by State aid, should favour the interests of certain parties to the detriment of those of others.

14. Your memorialists feel that the Government could hardly use any legal pressure to bring the company to a right sense of its duties. But they believe that moral force may be used as the Government has a right to do, in a matter of this kind where the interests of so many of its subjects are concerned. Your memorialists do not doubt but that a remonstrance from you to the Directors of the Company will have a wholesome effect, if it were represented to them that the company's present policy of obstructing and threatening legitimate competition cannot fail in the end,

in the way of a renewal of its contract with the
Government.

And, as in duty bound, your memorialists will ever pray.

TATA & SONS,

Proprietors, Tata Line of Steamers.

12 Bombay, 25th April 1894.

(A)

CHINA AND JAPAN.

Bombay

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To The Agent,

Peninsular and Oriental S. N. Company,

Bombay.

Sir,

Annexed we beg to hand you a list of our shipments
of Bales of Yarn, Piecegoods, and or Cotton by your Line
of Steamers to the Straits, China and Japan during the
three months ending , on the
freight of which we claim to a rebate of in
consideration of our not having made or held any interest
whatever in, other shipments from Bombay to those countries
by steamers other than those belonging to the Peninsular
and Oriental, Austrian Lloyd's, and Navigazione Generale
Companies during the past six months.

Yours faithfully,

This declaration to be made out of each line of Steamers
separately and to be sent to the respective agents.

(Appendix B)

In order to set at rest the frequent complaints that have of late been made by shippers to China and Japan by the steamers employed on the Bombay-Japan Line regarding the difficulty of obtaining marine insurance on their shipments and with a view also to re-assure such other shippers by the same steamers as insure their shipments with themselves, we feel it due both to them and to ourselves to publish the following correspondence.

It will appear in the first place, that there never has been any sufficient or valid reason for treating the steamer in question otherwise than as a first-class risk from an insurance point of view. In the second place, the correspondence serves to disclose the circumstances under which the several Marine Insurance Offices working in Bombay were perhaps unintentionally being misled as regards the fitness of the s.s. "Lindisfarne" for the carriage of general cargo of the description ordinarily carried by steamers plying between Bombay and Japan - an attempt, the result of which, if successful, might have been to make our friends and supporters look upon the vessel with distrust.

We are happy to assure them that whatever obstacle there may have been in the way of securing insurance on goods and merchandise shipped by our steamers is now removed and the Marine Insurance Offices in Bombay, to their credit be it said have for some time past, been interesting themselves as freely in our as in any other steamers.

TATA & SONS.

Bombay, 15th June 1894.

To Messrs. Sir CHARLES FORBES & Co., and I.M. SHIELDS Esq.

Joint Agents, The Marine Insurance Co., Ltd.

Bombay.

Gentlemen,

Messrs. Tata & Sons, the Charterers of s.s.

between Bombay and Japan, learn that on the 6th of this month a letter was addressed by you to the Secretary of the Bombay Underwriters' Association of this place, in which you enclosed to him the following extract of a letter from the Agents of your Company at Hongkong under date the 15th ultimo, and in doing so remarked that the same might prove of interest to the members of the Association, meaning the Underwriters' Association. The extract runs as follows:-

" It will interest you to learn that the Surveyor
" to the local Insurance Offices having (in a private
" report informed them that the 'Lindisfarne' is not
" a suitable vessel for carrying the class of goods
" passing between India and China, they have declined
" to accept any but F.P.A. risks on her, which is
" causing Messrs. Tata & Sons, the Agents, much
" difficulty in securing cargo at this end, and also
" I believe in obtaining yarn shipments at Bombay.
" I understand the principal objections were that she
" is a single-decked ship with the deck unsheathed
" and that consequently the class of goods under
" consideration would be subjected to great risk of
" damage by leakage and sweating to which they are
" extremely susceptible owing to the nature of the
" packing used."

We are to say that the statements made and inferences expressed in the above extract as to the unsuitability of the vessel, the refusal to accept risks, the difficulties experienced by the Agents, and the risk of damages to the class of goods the vessel carries are, one and all untrue and unwarranted and amount to a libel of the vessel, for which and for all resulting damages you are responsible. They also injuriously affect the owners of the vessel, who our clients believe, are taking independent action in the matter in England.

the report of the Surveyor of Lloyd's at Hongkong, from which the above extract is made, coming to our clients' notice they took steps to have the vessel surveyed in Bombay by the Lloyd's surveyor, Captain Clark, with the result that the assertions and inferences which you have taken such pains to circulate were shown to be entirely groundless. In case you are prepared to deny personal knowledge of this fact we are instructed to enclose to you copy of the report to which we are referring and this we do herewith (vide p.25).

If, as our clients take it, you were aware of the report obtained in Bombay, you were entirely without excuse in giving publicity to the extract above referred to from a report which had been then fully answered, if not entirely discredited. Our Clients also think that irrespective of this, it might have occurred to men of your intelligence that in a matter of this kind an adverse report ought to be first submitted to the owners or agents of the vessel reported on.

That such a view of natural equity did not and could not occur to you or at all events to Mr. Shields, the local Agent of the Peninsular and Oriental Company, was however as our clients think, but natural when it is remembered that the Association which you represent is virtually only a branch of the P. and O. Company and that, in attempting to throw discredit upon the "Lindisfarne," your or at all events, Mr. Shield's object could only have been to serve that Company's purpose by prejudicing the rival line on which that steamer is now employed.

Assuming this to be true, the fact, we are to state, is scarcely creditable to those concerned. Nor could it be at all excused even as a piece of trade tactics. It is a matter of notoriety with what kindly feelings the P. and O. Company has shown itself to be actuated towards its new rival and what immense sacrifices it has shown itself to be capable

however is a matter for the appreciative public both of this country and of the United Kingdom to judge of. What our clients are now concerned with is to state that those interested in the vessel, including our clients, cannot permit you to defame it with impunity, and that you, as men of honour and presumably concerned to uphold commercial probity in this great Dependency of England, are bound in all fairness to make amends for your unjustifiable attack by an expression of regret and by an open and unconditional withdrawal of the libel.

However much our clients may desire to do so, they regret they feel unable to attribute your conduct in disseminating an unfounded report obtained directly or indirectly at the instance of the P. and O. Company, as proceeding from an honest conviction as to the truth and fairness of the report or from a purely disinterested solicitude for the good of Insurance offices, and they are prepared, if need be, to maintain this position, however unpleasant it may be, in any legal tribunal to which it may become their duty to carry the matter.

Yours obediently,

ARDESIR, HORMUSJI & DINSHAW.

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Bombay 19th June 1894.

Messrs. Ardesir, Hormusji & Dinshaw,
Solicitors to Messrs. Tata & Sons.

Dear Sirs,

We have been instructed by Sir Charles Forbes & Co., and by Mr. I.M. Shields, Joint Agents of the Marine Insurance Company Limited, at Bombay, to acknowledge receipt of your letter to them of the 15th instant and of the copy report which was enclosed with it.

A copy of Captain Clark's survey report on the s.s. "Lindisfarne" of the 28th March last was, shortly after that date sent to the Agents here of the Marine

reference in Captain Clark's report to the survey at hongkong, but there is no information given as to why that survey was held. The Agents of the Insurance Company knew then no more about the survey at hongkong than was stated in the above report.

Mr. Shields, when saw the copy of Captain Clark's report was forwarded to the Agents of the above Insurance Company, they received information as to the survey at Hongkong and the private report made to the Insurance Offices there.

This information our clients, as members of the Bombay Underwriters' Association, communicated to the Secretary, not for the purpose of being made public, but under the mutual obligation which exists between members of the Association to disclose such facts as may affect them generally in their business of Underwriters, and such disclosures constantly occur. Our clients' action in this respect was more fully justified by the circumstance that your clients' survey report had been circulated without any explanation regarding what had taken place at hongkong.

We are instructed to deny that the Marine Insurance Company, Limited is a branch of the P. & O. Steam Navigation Company. The two companies have no connection with each other. The Superintendent of the P. & O. Steam Navigation Company at Bombay has, for some time past, been one of the Agents of the Insurance Company here, but this is merely a matter of arrangement for conduct of the business.

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We are instructed to state that our clients have not and never had, any desire to harm the reputation of any of the steamers which your clients have chartered. If it appears that the report relied on in their letter to the Secretary of the Bombay Underwriters' Association was not accurate, they will most readily withdraw their letter with an expression of regret.

The report of Captain Clark cannot be accepted as

call in an independent Surveyor, viz., Captain Kenneth Macaulay, to survey the vessel with regard to the two reports already made. They would then be prepared to forward a copy of the third report to the Secretary of the Bombay Underwriters' Association with a letter, the terms of which would depend upon the result of the survey

Yours faithfully,

LITTLE, SMITH, NICHOLSON & BOWEN

Bombay 25th June 1894.

Messrs. LITTLE, SMITH, NICHOLSON & BOWEN,

Solicitors for Messrs. Sir Charles Forbes & Co., and
I.M. Shields Esq. Agents Marine Insurance Co. Ltd.,

Dear Sirs,

We beg to acknowledge the receipt of your letter to us of the 19th instant.

Our clients note the contention that, prior to the receipt by them of a copy of Captain Clark's survey report from our clients, your clients knew nothing as to the survey at Hongkong, and that the reference to that survey contained in the report of Captain Clark was the first intimation to them of the fact of the prior survey.

Our clients believe that such a contention is possible only on the supposition that what all the other insurance offices in this city knew as early as the fourth week of March last, viz. that there had been an adverse report on this vessel made by the Lloyd's surveyor at Hongkong was unknown only to your clients, the managers of an important insurance office, until our clients sent you a copy of Captain Clark's report. For there can be no doubt that all the other offices must have known of the survey at Hongkong before they received a copy of Captain Clark's report and understood the latter to be an answer to the survey report obtained at Hongkong. In confirmation of this, we may here give an extract from a letter to our

Agents of one of the leading offices wrote to our clients on the 30th March last, as follows:-

" Accept our thanks for your letter of yesterday's
 " date enclosing copy of Captain Clark's report on
 " the s.s. 'Lindisfarne! This report is so entirely
 " satisfactory that we have had no hesitation in
 " interesting our company in a W.A. Line of
 " \$ 66,000. Captain Clark's certificate differs
 " so widely from the information which we received
 " and which was brought to your notice that we have
 " not only requested a prompt explanation from
 " hongkong, but we have communicated the whole facts
 " to our head office with a view to prevent a
 " similar annoying incident in the future."

In another letter, our clients received under date the 14th instant the Agents are pleased to say that " the
 " circular recently sent out by the Agents of the Marine
 " Insurance Company seems to be nothing more than was
 " brought to our notice and disposed of by Captain Clark's
 " report in March last." Are our clients then to believe
 that the "information" which (amongst others) the writers
 of the above letters admit having received from hongkong
 and having been disposed of by Captain Clark's report
 had been withheld only from your clients? This would
 appear to be scarcely credible remembering what you
 yourselves state in your letter under reply as to the
 " mutual obligation which exists among members of the
 " (Underwriters') Association to disclose such facts as
 may affect them generally in their business of Underwriter

Our clients' perplexity in regard to this matter
 can well be imagined when the statement in our first letter
 is borne in mind, viz., that the survey at hongkong had been
 directly and indirectly obtained at the instance of the
 P. & O. Company, whose local Agent is Mr. Shields. It may well
 be, in the absence of any explicit contradiction of this

the Marine Insurance Company Limited did not know what as Agent of the P. & O. Company he knew but too well. Our clients, however being only a native firm, are unable to follow out the consequences of this double personality and determine its moral aspect.

As, however there is the distinct assurance of your clients as to their ignorance of a fact known to all other members of the Association of Underwriters, our clients feel, for the present at any rate, bound to accept the assurance.

As to the denial that the Marine Insurance Co. is only a branch of the P. & O. Company our clients need not go to the trouble of proving what is known to all the mercantile world. It is the substantial identity of members and personnel and the bond of mutual helpfulness of any two concerns which make them identical in interest and not merely an identity of constitution and name. The question of virtual identity becomes material only in view of the feelings of hostility with which the new line is regarded by the P. & O. Company and Mr. Shields as Agent of that Company will, we are instructed to state find it difficult to dispute this charge, for, among other proofs that could be given is the significant circumstance of Mr. Shields' declining to accept full lines on the "Lindisfarne" which his Co-agent were prepared to do - a difference of attitude between Agents acting under presumably identical home instructions which would otherwise be difficult to explain. This difference of attitude is also apparent from what you state in one part of your own letter under reply, viz., that " Mr. Shields, when he " saw the copy of Captain Clark's report could only assume " &c.". This assumption was then evidently confined to Mr. Shields and was not shared in by Messrs. Sir Charles Forbes & Co.

Our Clients are however glad to note that yours will be ready to withdraw the letter with an appropriate

expression of regret if it appears that the report relied upon in the letter circulated was not accurate. They also note the suggestion that there should be a survey by Captain Kenneth Macaulay. Now, in regard to both these points we are instructed to state that Captain Macaulay has already reported on the 'Lindisfarne' in pursuance of a request made to him before the receipt of your letter under
 20 reply, and that your clients already know the result, which is that the "Lindisfarne" has now declared by Captain Macaulay also to be in a fit and proper condition to receive " a general cargo of any description." This being so, it is hoped that your clients will now be so good as to make the amende honorable promised.

Yours truly,

ARDESIR, HORMUSJI & DINSHAW.

Bombay, 27th June 1894.

Messrs. ARDESIR, HORMUSJI & DINSHAW,

Solicitors to Messrs. Tata & Sons.

Dear Sirs,

1. We are instructed by the Agents of the Marine Insurance Company, Limited to acknowledge receipt of your letter to us of the 25th instant, written on behalf of your abovenamed clients.
2. Without dealing at length with the various matters enlarged upon in your letter we must contradict certain allegations which are entirely incorrect. The first part of your letter endeavours to establish that our clients were not accurate in stating that the copy of Captain Clark's survey report contained the first intimation received by them regarding the survey held at Hongkong on your clients' s.s. "Lindisfarne."
3. In the first place the survey at Hongkong was, so far as our clients are aware, not held at the instance of either their Company or of the P. & O. S. N. Co., and there was

survey should have been brought to their notice.

4. Secondly, as a matter of fact our clients had not been advised about the survey before the receipt of the copy of Captain Clark's survey report and in the absence of proof to the contrary, we think that your clients should have been satisfied with the positive denial which we previously gave on this point.

5. With regard to the 5th para of your letter, we are instructed that Mr. Shields' Co-Agents have never been prepared to accept insurances with average on the
21 "Lindisfarne."

6. We think it would have been better if, before relying on this allegation as a significant circumstance, your clients had ascertained that it was in accordance with fact.

7. As to the last para of your letter we are instructed to say that our clients before receiving your letter had no knowledge as to a survey of the ship in question having been held by Captain Kenneth Macaulay, much less as to what the result of the survey was.

8. It seems matter for surprise that this knowledge should have been assumed without apparently any grounds whatever.

9. Our clients are, as already stated, perfectly willing to withdraw their letter if Captain Macaulay's survey report is satisfactory. Please therefore forward us a copy of the report, which will be submitted to our clients and we will then send you their answer with regard to it.

Yours truly,

LITTLE, SMITH, NICHOLSON & BOWEN.

Bombay, 23th June 1894.

To, Messrs. LITTLE, SMITH, NICHOLSON & BOWEN,

Re. s.s. "Lindisfarne"

Dear Sirs,

to us of yesterday.

As requested we enclose copies of Capt. Kenneth Macaulay's survey reports (vide p.26).

We may mention however that in a letter to our clients from the Secretary to the Underwriters' Association, under date 20th instant, that gentleman informed our clients that "a report on the s.s. 'Lindisfarne' by Capt. Macaulay has also been circulated."

The Captain of the vessel also informed our clients to the same effect.

22 With reference to the difference of attitude between Messrs. Sir Charles Forbes and Co. and Mr. Shields in regard to accepting lines on the "Lindisfarne," our clients would only refer you to the letters which your respective clients addressed to ours on the 14th instant, Mr. Shields declining altogether to accept "risks of any nature" while his Co-Agents expressed their willingness to accept F.P.A. risks. What we meant to refer to was this unmistakable difference of attitude between Agents of one and the same concern.

Yours truly,

ARDESIR, HORMUSJI & DINSHAW

Bombay, 2nd July 1894.

Messrs. Ardesir, Hormusji & Dinshaw,

Attorneys to Messrs. Tata & Sons.

Re. s.s. "Lindisfarne."

Dear Sirs,

With reference to your letter to us of the 20th ultimo and the copy reports by Captain Macaulay which accompanied it, we are instructed by the Joint Agents in Bombay of the Marine Insurance Company, Limited to state that they have addressed to the Secretary, Bombay Underwriters' Association a letter withdrawing their previous letter of the 6th ultimo.

We beg to forward you a copy of the first-mentioned letter for your clients' information and approval.

the matter may now be regarded as disposed of.

Yours faithfully,

LITTLE, SMITH, NICHOLSON & BOWEN

Confidential.

The Marine Insurance Co., Ltd.,
Bombay Agency, 2nd July 1894.

The Secretary,

Bombay Underwriters' Association,
Bombay.

Dear Sir,

2) With reference to our "Confidential" letter of 6th June, we now beg to state that on the 28th June we received from the Agents of the "Lindisfarne" a copy of Captain K. Macaulay's report of 20th idem, in which he states:-

" I am of opinion that all the holds of the
" "s.s. Lindisfarne" are now in a fit and proper
" state to receive a general cargo of any
" description,"

which taken in conjunction with Captain Clark's report of March last may be considered to dispose of the unfavourable report made by Lloyd's surveyor in Hongkong some time previously.

We have also since ascertained from an Underwrite who had a considerable line on cotton and yarn to China by the "Lindisfarne" that she discharged her cargo there in good condition. Under these circumstances, we beg to withdraw unreservedly our said letter of 6th June and regret the mistake which occasioned it.

We are, Dear Sir,

Yours faithfully,

SIR CHARLES FORBES & Co.,) Joint
I.M. SHIELDS) Agents

Bombay, 4th July 1894.

Messrs. LITTLE, SMITH, NICHOLSON & BOWEN
s.s. "Lindisfarne"

Dear Sirs,

We beg to acknowledge the receipt of your letter to us of the 2nd instant, enclosing copy of letter which you say your clients have addressed to the Secretary to the Bombay Underwriters' Association, thereby withdrawing unreservedly their letter of 6th of June last and expressing their regret.

Our clients regret that yours have chosen to express their regret not to the parties injured, viz., the owners and charterers of the vessel, but to the Underwriters' Association, who have no part or lot in the vessel. If an apology was due to that Association on the ground of their having been misled, much more was it due to those who have been injured.

As, however your clients seem to be unwilling to render satisfaction to those to whom alone it is due, our clients will not press the point, preferring to leave the matter to an impartial and unprejudiced public.

Yours truly,

ARDESIR, HORMUSJI & DINSMAW

LLOYD'S REGISTER OF BRITISH & FOREIGN SHIPPING.

Port of Bombay 28th March 1894

That is to certify that A.C. Clark, the undersigned Surveyor to this Society, did, at the request of Messrs. Tata and Sons, the Agents of the s.s. "Lindisfarne," 1944 tons proceed on board this steamer in the Prince's Dock for the purpose of ascertaining her present general condition after discharging a part cargo of coal and general cargo from Japan. I report as follows:-

That the s.s. "Lindisfarne" built in Sunderland is

in December 1892, of steel, has 2 tier of beams and web frames and part awning deck. She has water ballast fore and aft. On a careful examination of the holds of this vessel, now free of inward cargo, I am of opinion that she is a strongly built vessel and her condition is quite equal to the class assigned her by Lloyd's Register of Shipping, viz., 100 A-1. I am also of opinion that the vessel is well ventilated; each hold has two 18. inch ventilators, which is quite equal to that of other steamers. As regards the vessel being liable to sweat damage, all vessels are liable to this, but certainly the "Lindisfarne" not more so than any other. In fact, my experience tells me that single-deck steamers are less liable to sweat damage than vessels with between and orlop decks. As to iron decks being in objection, half the steamers running have iron decks, but I have never heard any complaint except from discomfort.

The Captain states that the Surveyor at Hongkong objects to the hold beams of the "Lindisfarne" not sheathed over. All I can say is in my long experience as a Surveyor of Shipping I have never known the hold beams of a steamer to be sheathed over the wood. Of course the cargo is always protected from the beams with the usual matting and wood dunnage chocks.

I notice that the oxide paint is very dull and in some places bare and require painting, which I recommend to be done on the first opportunity.

A. C. CLARK,

Survey fee £ 3-3-0

Surveyor to Lloyd's Register of
British and Foreign Shipping.

LLOYD'S REGISTER OF BRITISH & FOREIGN SHIPPING.

Port of Bombay, 20th June 1894.

(This report must bear only the signature of
Surveyors to Lloyd's Register of Shipping.)

This is to certify that K. Macaulay, the undersigned,
Acting Surveyor to this Society, did, at the request of
the owners of the s.s. "Lindisfarne" 1,944 tons proceed
on board of that vessel in Merewether Dry Dock for the
purpose of surveying her bottom in consequence of her
having grounded at Moji while getting under weigh.

I found the ship cleaned down and well shored
up; on examining the bottom on both sides, I found it in
excellent condition; the paint in the bottom was ~~scoured~~
off particularly on the starboard side, but there was no
sign of weeping anywhere. I found slight corrugations
on both bows, but so slight as to be hardly noticeable.
I recommend that the ship to have two good coats of
paint, with a primary coat on the bare places.

I subsequently surveyed the vessel and found
that the work was done to my satisfaction.

K. MACAULAY,

Survey Fee £ 3-3-0

Acting Surveyor to Lloyd's
Register of British & Foreign
Shipping.

Bombay, 20th June 1894.

I, the undersigned, do hereby certify that, at the
request of Captain Andrew of the s.s. "Lindisfarne", I
attended on condition of her holds and to see if they
are in a fit and proper condition to receive a general
cargo. I report as follows:

" That I carefully inspected each hold and found
them free from smell, all the holds having been thorough-
ly cleaned and dried after discharging a cargo of coal
from Japan.

I am of opinion that all the holds of the

the s.s."Lindisfarne" are now in a fit and proper state to receive a general cargo for any description

K. MACAULAY,
Surveyor.

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