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Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.'

| | |
|-------------------------------|--|
| Holding Institution | British Library: India Office Records and Private Papers |
| Reference | IOR/L/PS/12/3789 |
| Date(s) | 14 Jan 1933-31 May 1935 (CE, Gregorian) |
| Written in | English in Latin |
| Extent and Format | 1 file (53 folios) |
| Copyright for document | Open Government Licence |



About this record

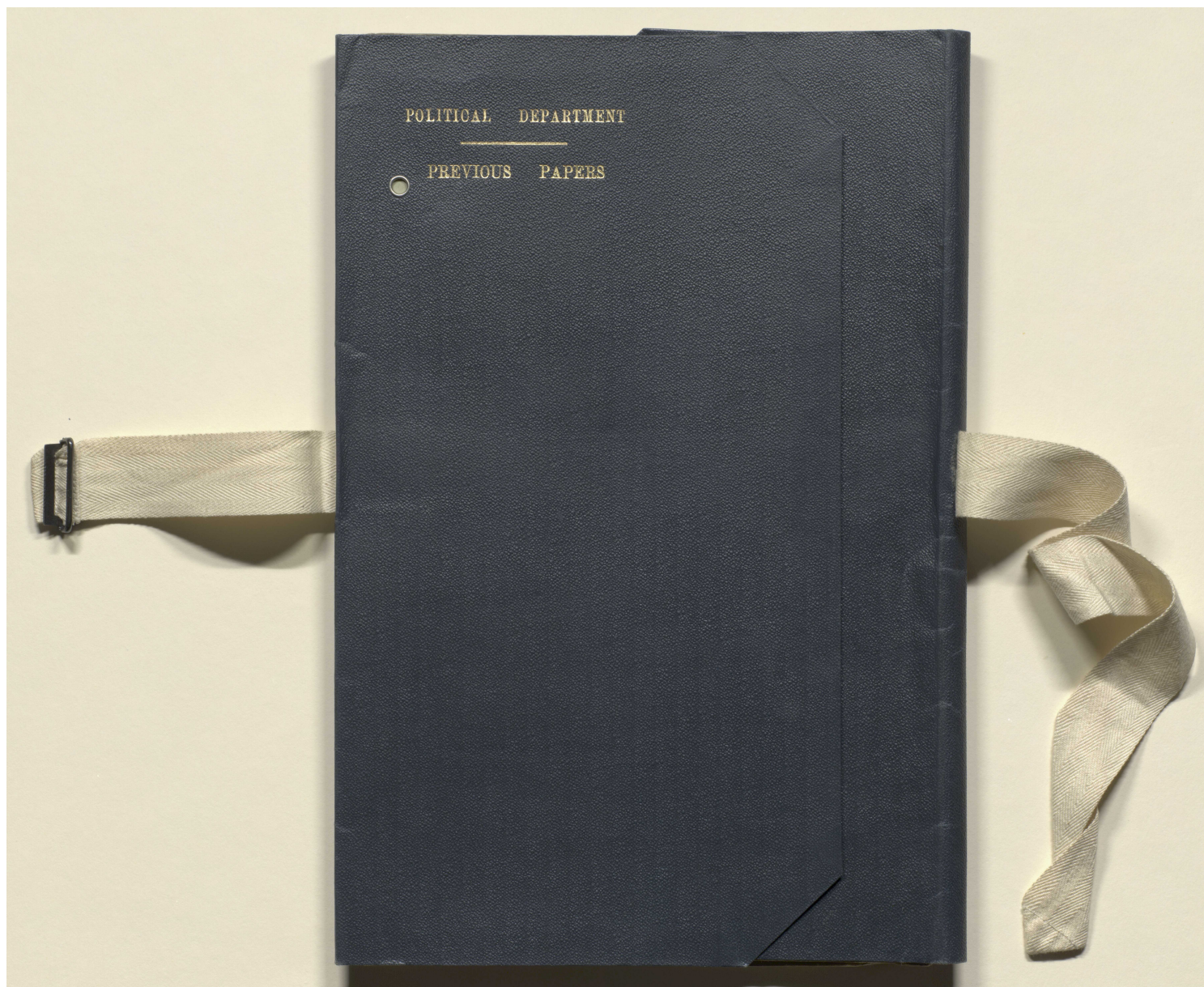
The file concerns the introduction of a 'subsidised' shipping service into the Persian Gulf by the Italian shipping company Lloyd Triestino. The Foreign Office viewed the development with concern, at a time of increasing international interest in the Persian Gulf.

The papers cover: summary of foreign shipping services in the Gulf (folio 49); itinerary of the new service (folio 40); the view of the Political Resident in the Persian Gulf that the new service was not likely to affect British shipping (folio 37); official concern over a decrease in the predominance of British shipping and British goods in the Gulf (folios 32-33, 29); the presence of Japanese and German shipping in the Gulf; inauguration of the Lloyd Triestino service; the connection of the new service with the Trans-Persian Railway (e.g. folios 25, 9); the reaction of the British India Steam Navigation Company (BISN) to the new service (e.g. folios 23, 17); and reports on the movements of Italian ships and the cargoes they were carrying, especially sugar and cement.

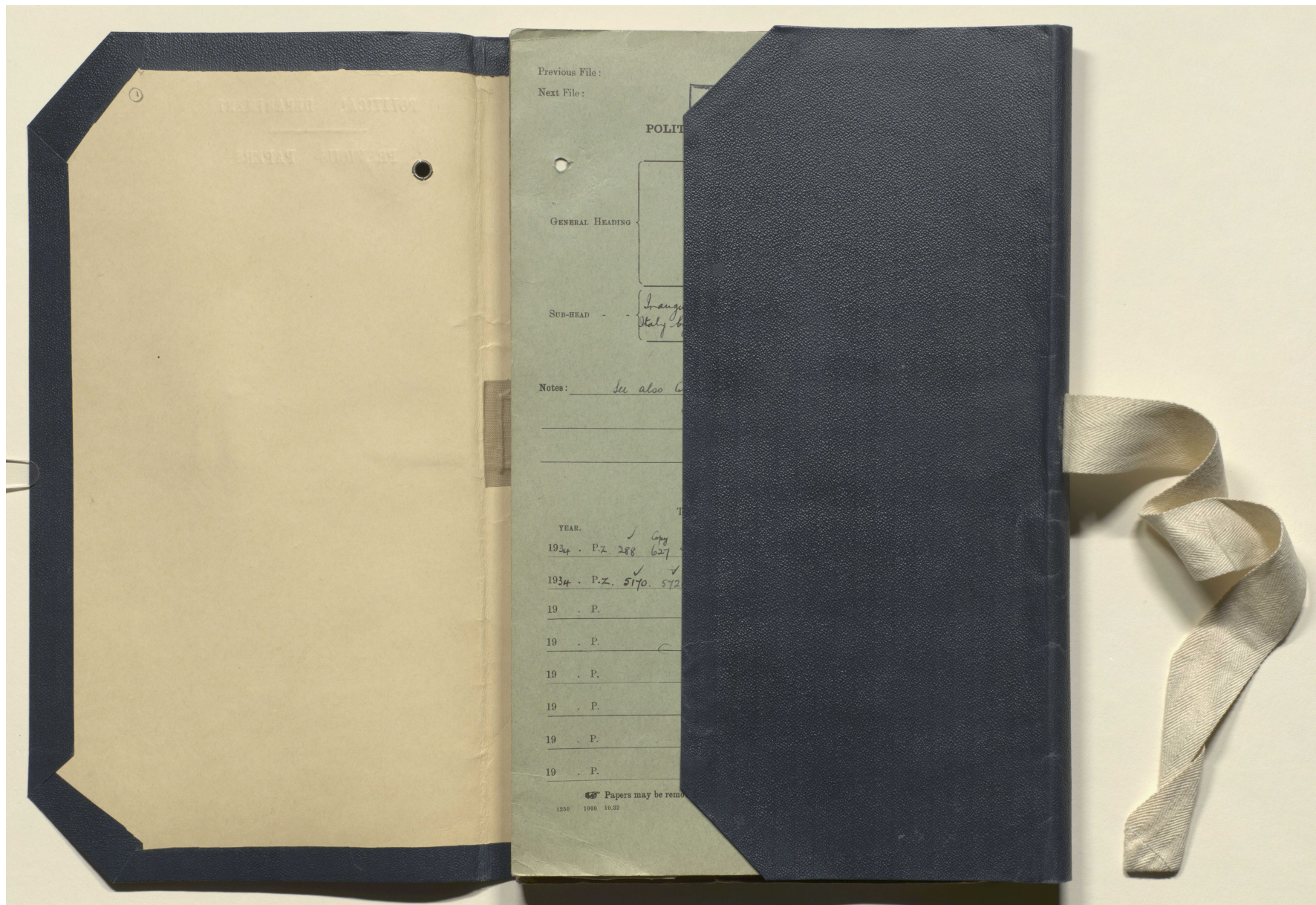
The file contains correspondence from the Foreign Office, the Board of Trade, and various British officials in the region.

The file includes a divider, which gives a list of correspondence references contained in the file by year. This is placed at the back of the correspondence.

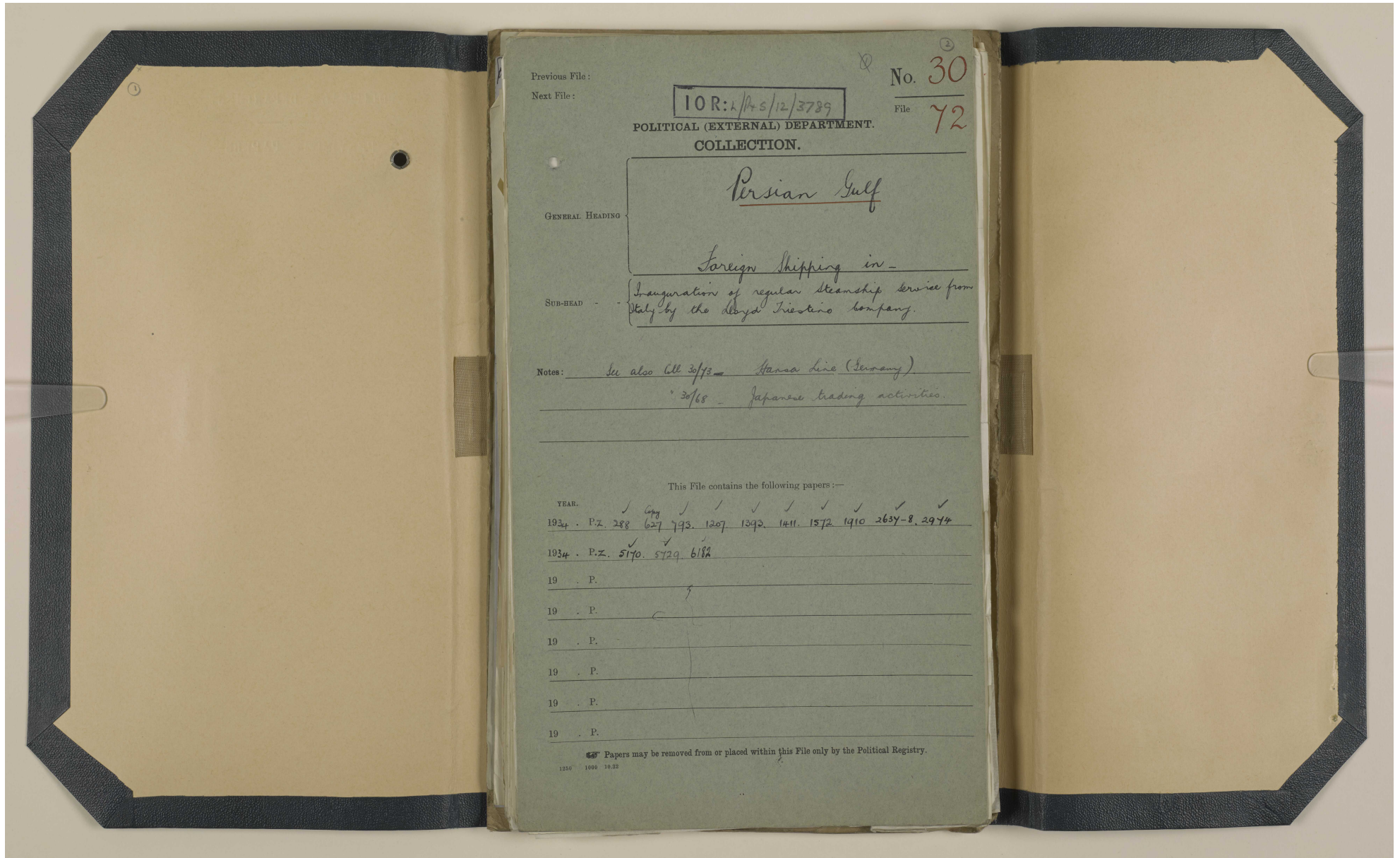
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.'
[front] (1/109)



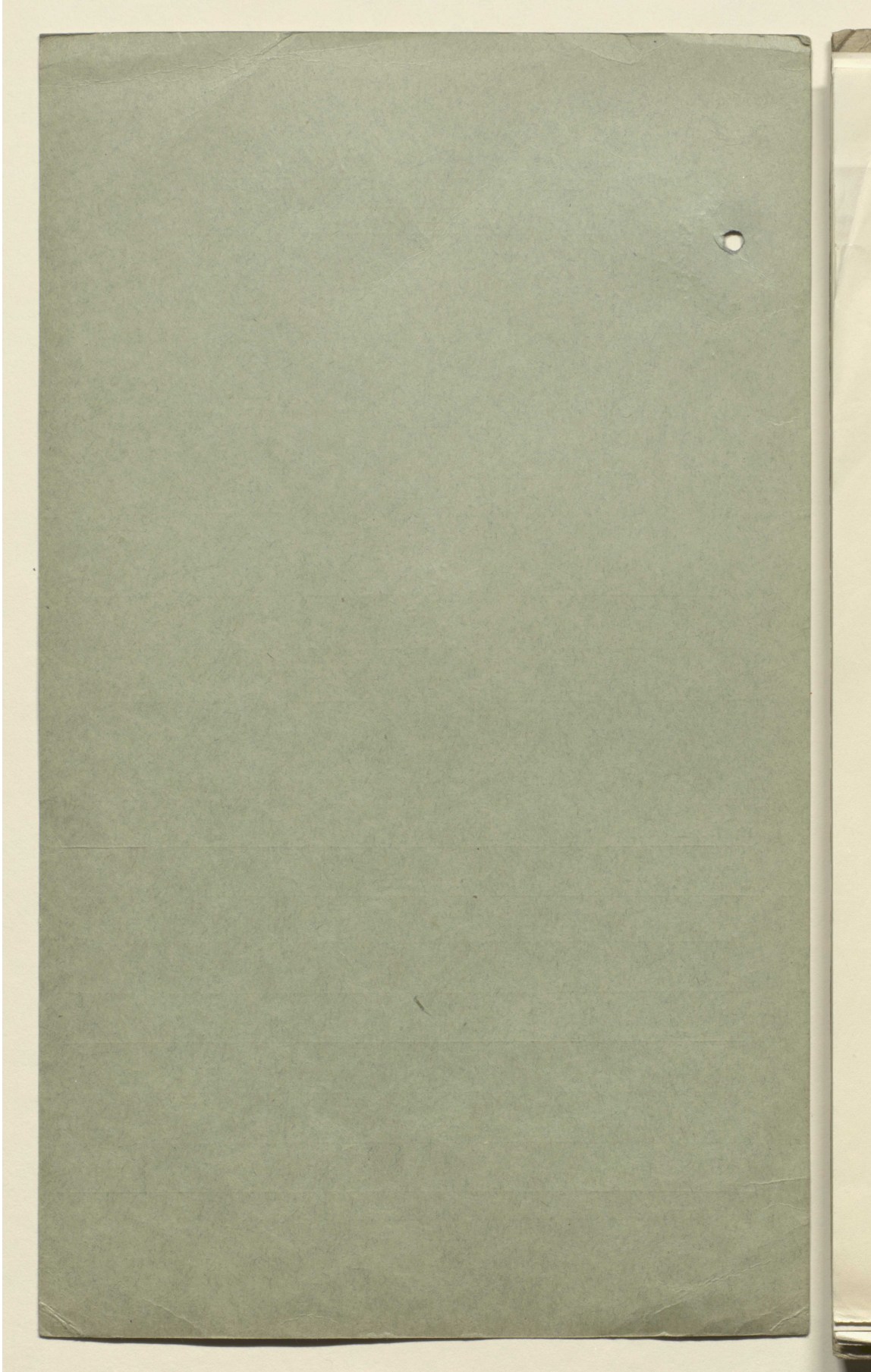
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.'
[front-i] (2/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.'
[2r] (3/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [2v] (4/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [3r] (5/109)

P.Z.3966/35.

SECRET.

No.10 of 1935.

Extract from
Intelligence Report of the Political Agent,
Bahrein, for the period from 16th to 31st May 1935

81. SHIPPING.

1. Italian.

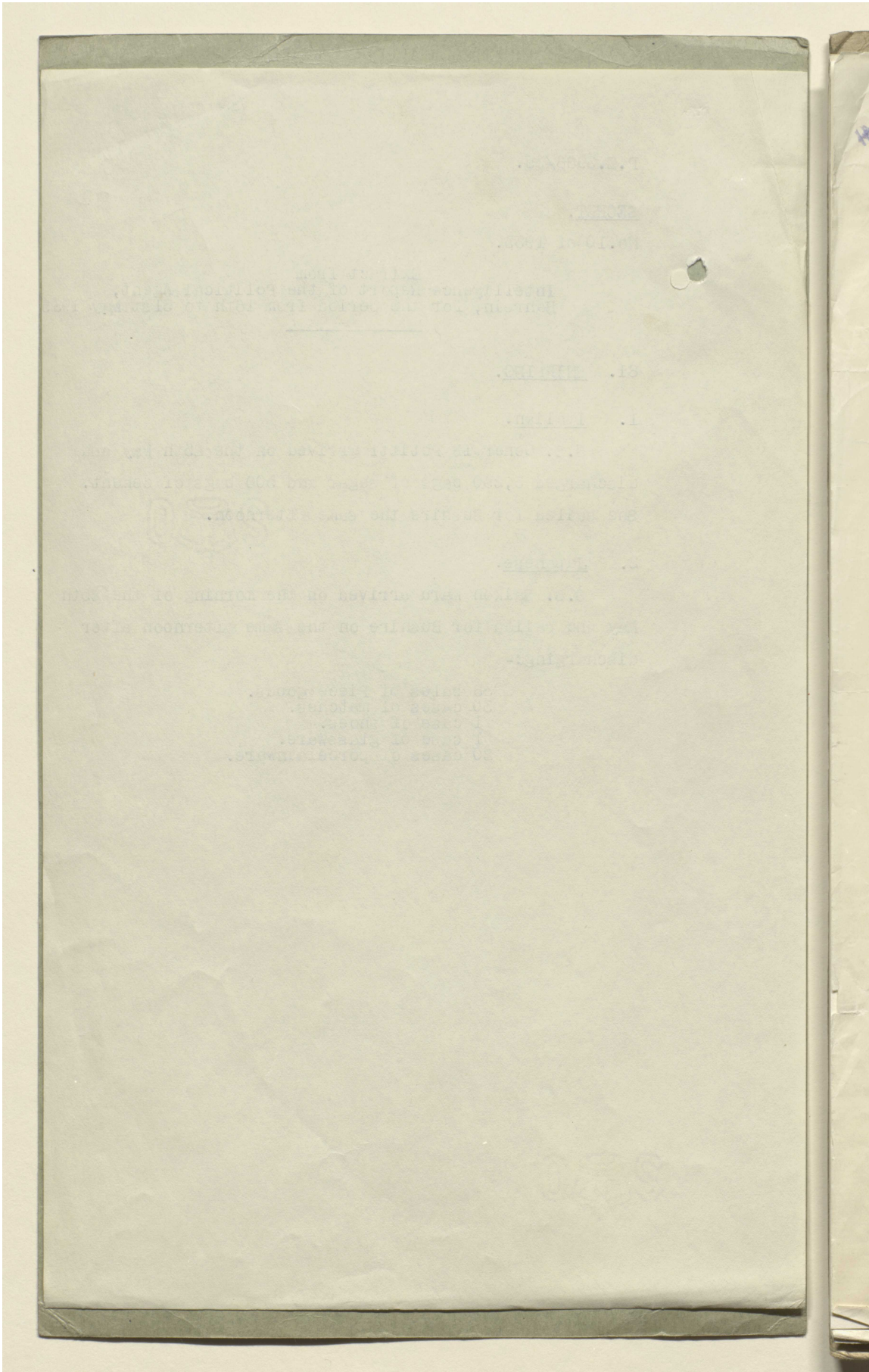
S.S. Generale Petitti arrived on the 25th May and discharged 3,250 bags of sugar and 500 bags of cement. She sailed for Bushire the same afternoon.

2. Japanese.

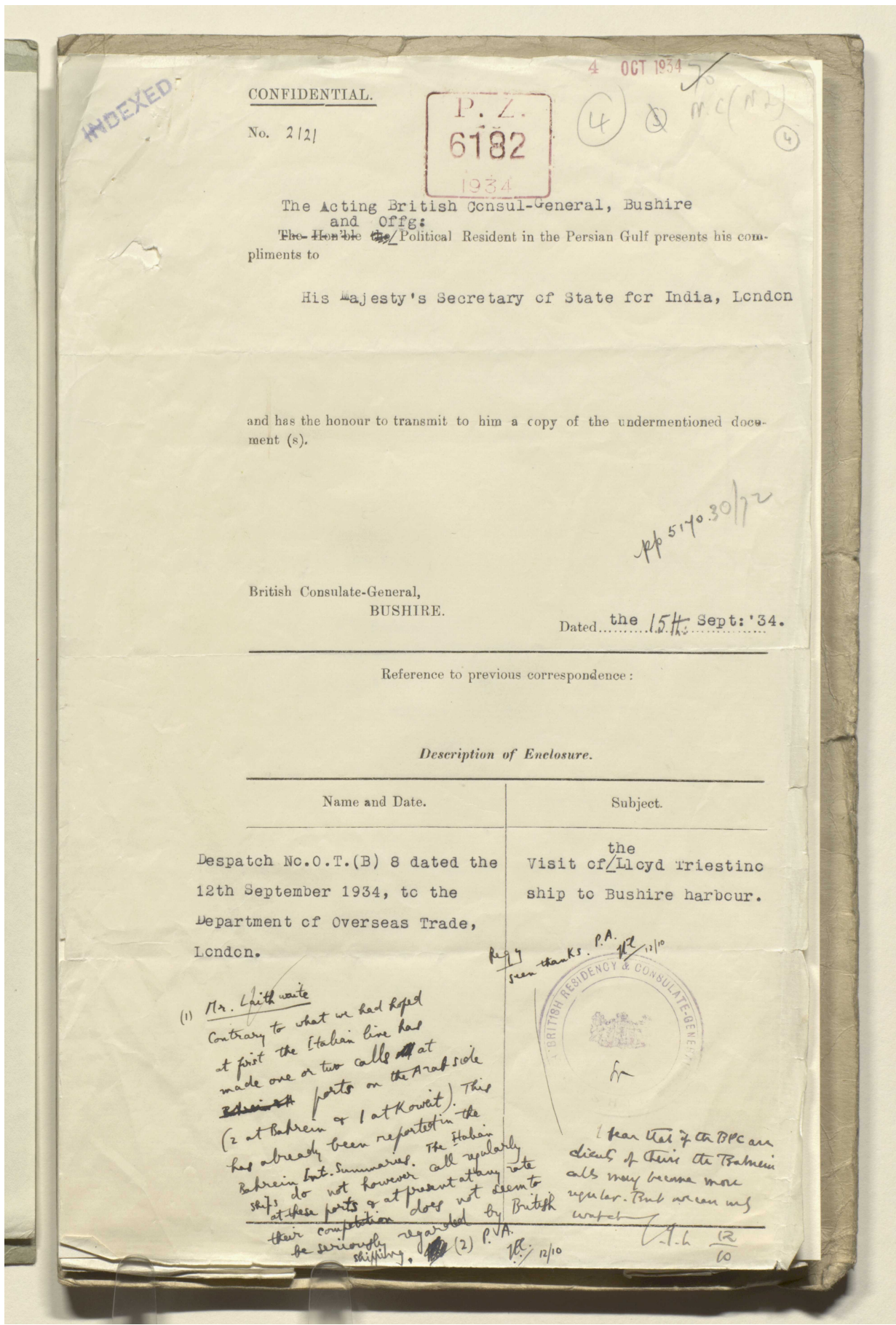
S.S. Saikoh Maru arrived on the morning of the 25th May and sailed for Bushire on the same afternoon after discharging:-

38 bales of Piece goods.
30 cases of matches.
1 case of shoes.
1 case of glassware.
20 cases of porcelainware.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [3v] (6/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [4r] (7/109)



INDEXED

4 OCT 1934

CONFIDENTIAL.

P. Z.
6182
1934

(4) (3) M.C. (112) (4)

No. 2121

The Acting British Consul-General, Bushire
and Offg:
The Honble ~~the~~ Political Resident in the Persian Gulf presents his compliments to

His Majesty's Secretary of State for India, London

and has the honour to transmit to him a copy of the undermentioned document (s).

pp 5140.30/72

British Consulate-General,
BUSHIRE.

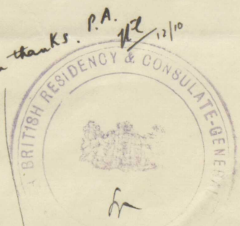
Dated... the 15th Sept: '34.

Reference to previous correspondence :

Description of Enclosure.

| Name and Date. | Subject. |
|---|---|
| Despatch No.O.T.(B) 8 dated the 12th September 1934, to the Department of Overseas Trade, London. | the Visit of Lloyd Triestino ship to Bushire harbour. |

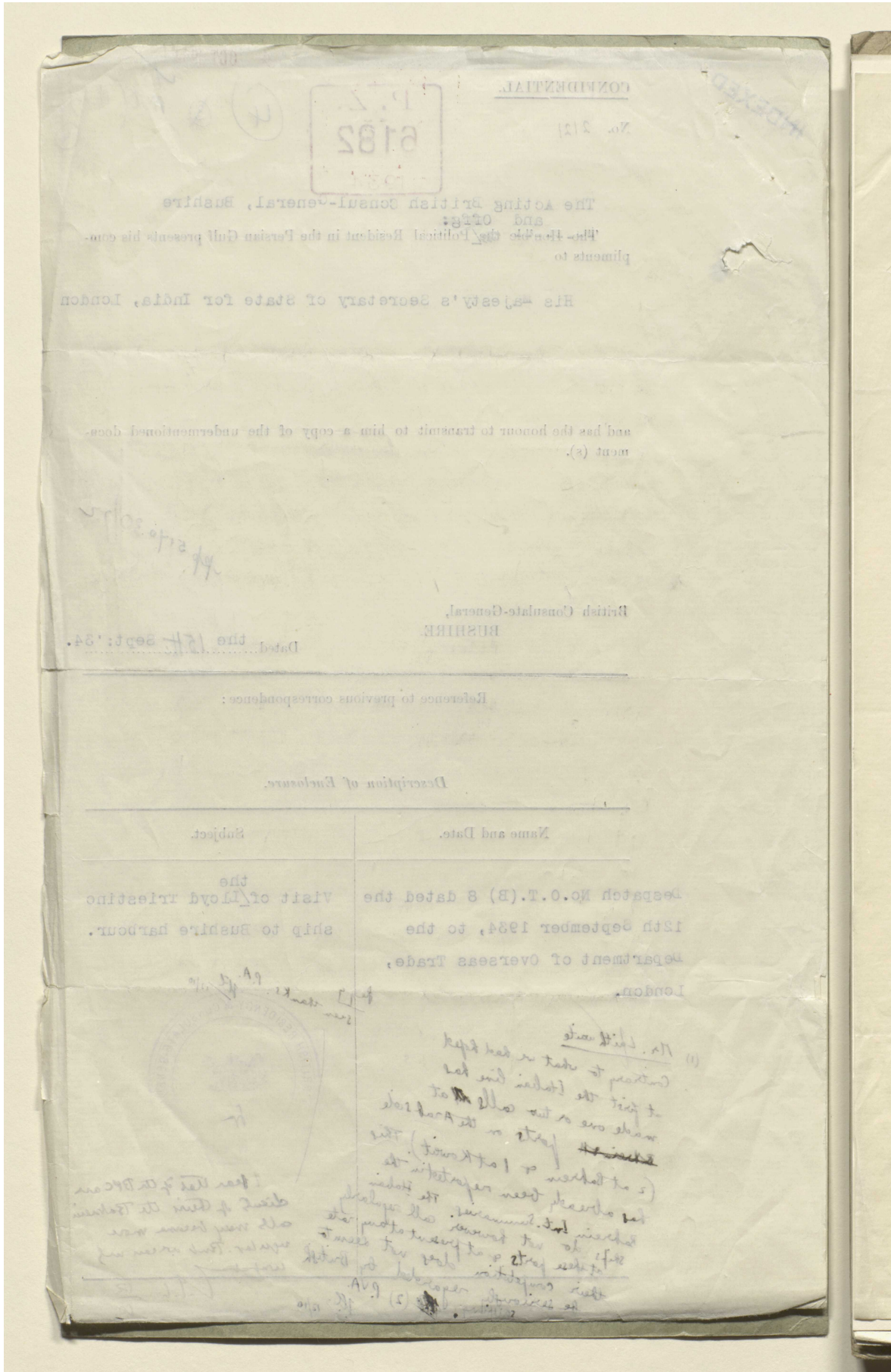
(1) Mr. Faith write
Contrary to what we had hoped at first the Italian line has made one or two calls ~~at~~ at Bahrain ports on the Arab side (2 at Bahrein or 1 at Kuwait). This has already been reported in the Bahrein Int. Summary. The Italian ships do not however call regularly at these ports & at present at any rate their competition does not seem to be seriously regarded by British shipping. (2) P.V.A. 18/12/10



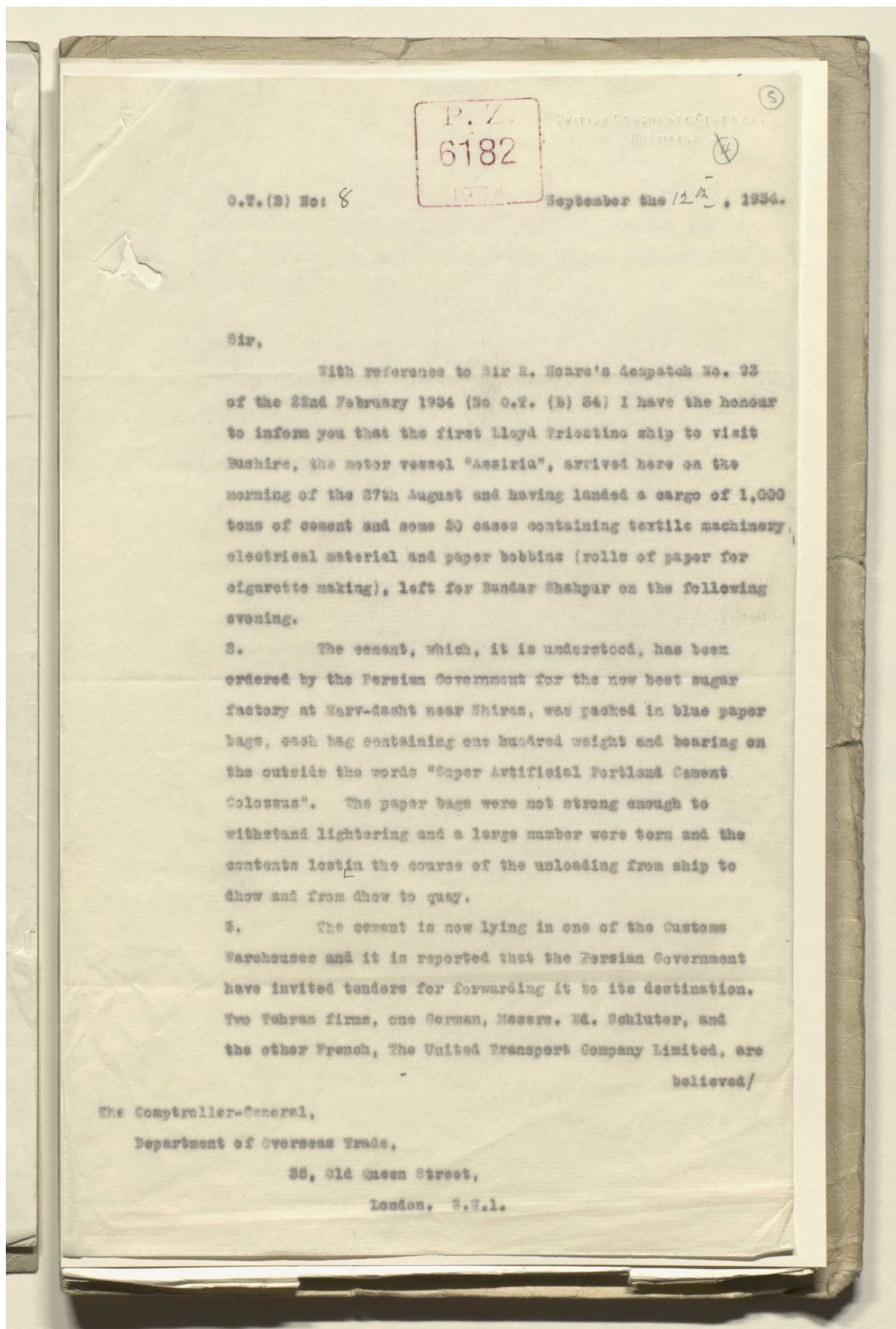
I hear that if the BPC are disint of their the Bahrein calls may become more regular. But we can not wait

A.H. 12/10

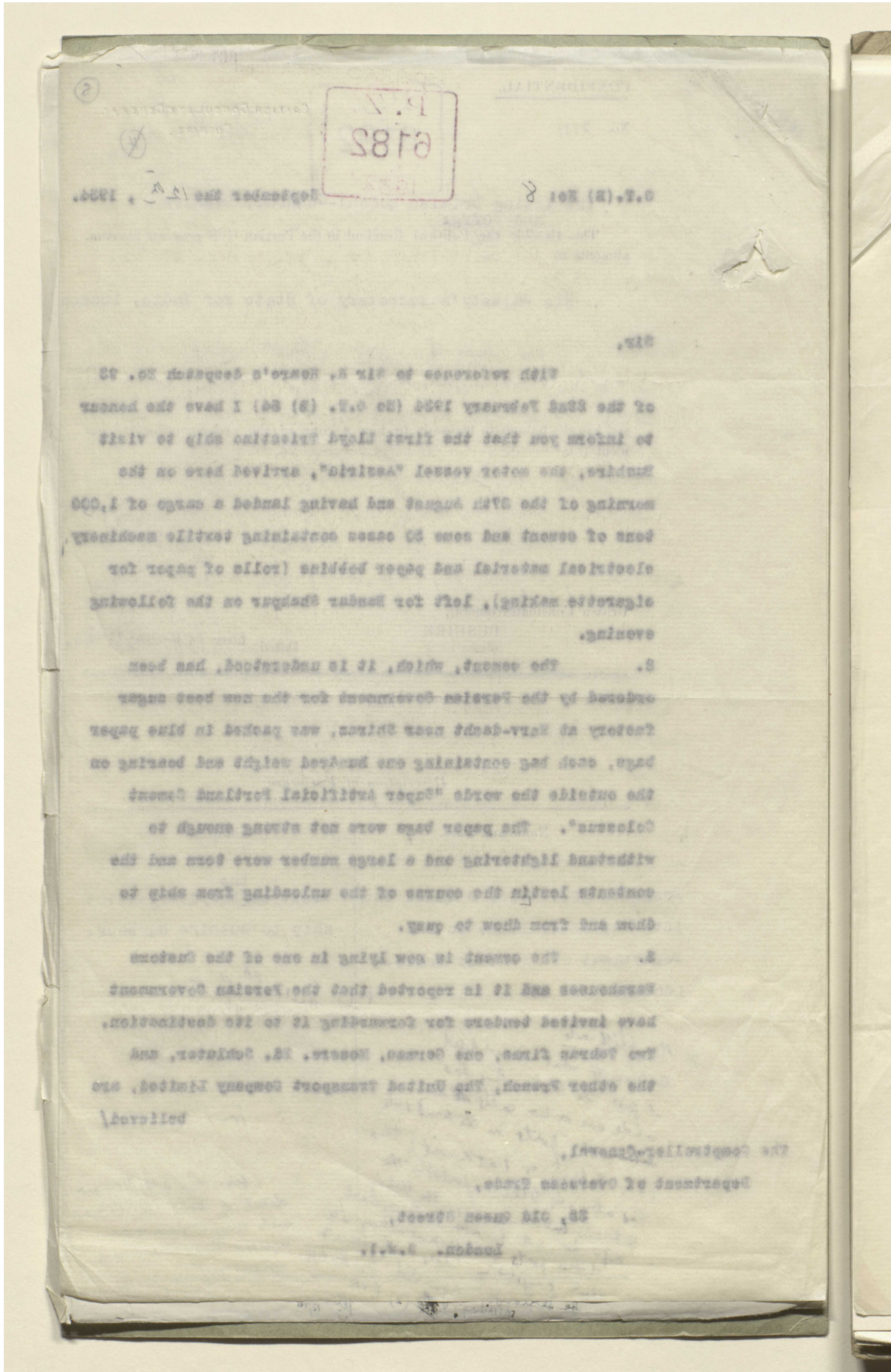
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [4v] (8/109)



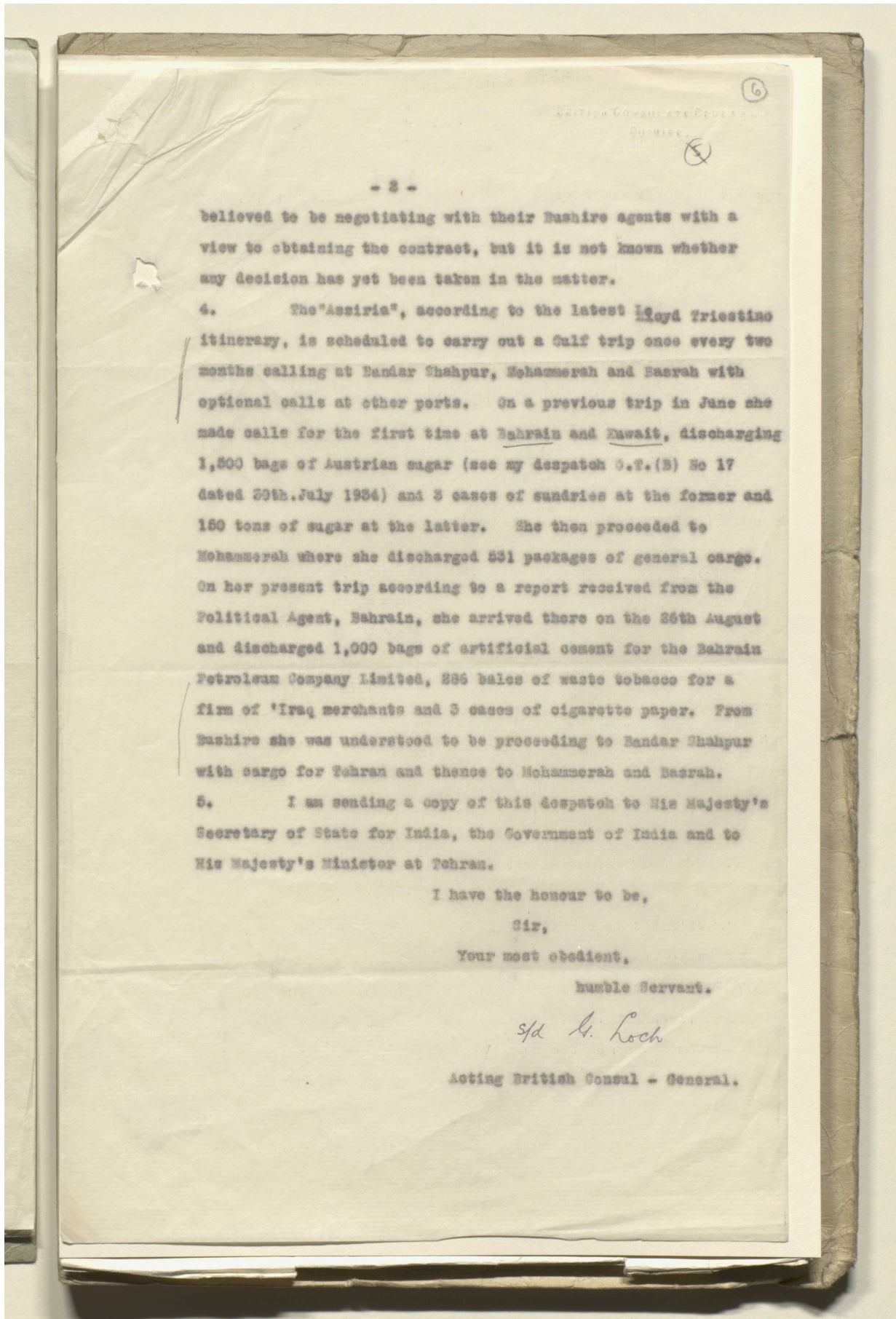
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [5r] (9/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [5v] (10/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [6r] (11/109)



- 2 -

believed to be negotiating with their Bushire agents with a view to obtaining the contract, but it is not known whether any decision has yet been taken in the matter.

4. The "Assiria", according to the latest Lloyd Triestino itinerary, is scheduled to carry out a Gulf trip once every two months calling at Bandar Shahpur, Mohammerah and Basrah with optional calls at other ports. On a previous trip in June she made calls for the first time at Bahrain and Kuwait, discharging 1,500 bags of Austrian sugar (see my despatch O.P.(B) No 17 dated 29th July 1934) and 3 cases of sundries at the former and 150 tons of sugar at the latter. She then proceeded to Mohammerah where she discharged 531 packages of general cargo. On her present trip according to a report received from the Political Agent, Bahrain, she arrived there on the 26th August and discharged 1,000 bags of artificial cement for the Bahrain Petroleum Company Limited, 235 bales of waste tobacco for a firm of Iraq merchants and 3 cases of cigarette paper. From Bushire she was understood to be proceeding to Bandar Shahpur with cargo for Tehran and thence to Mohammerah and Basrah.

5. I am sending a copy of this despatch to His Majesty's Secretary of State for India, the Government of India and to His Majesty's Minister at Tehran.

I have the honour to be,

Sir,

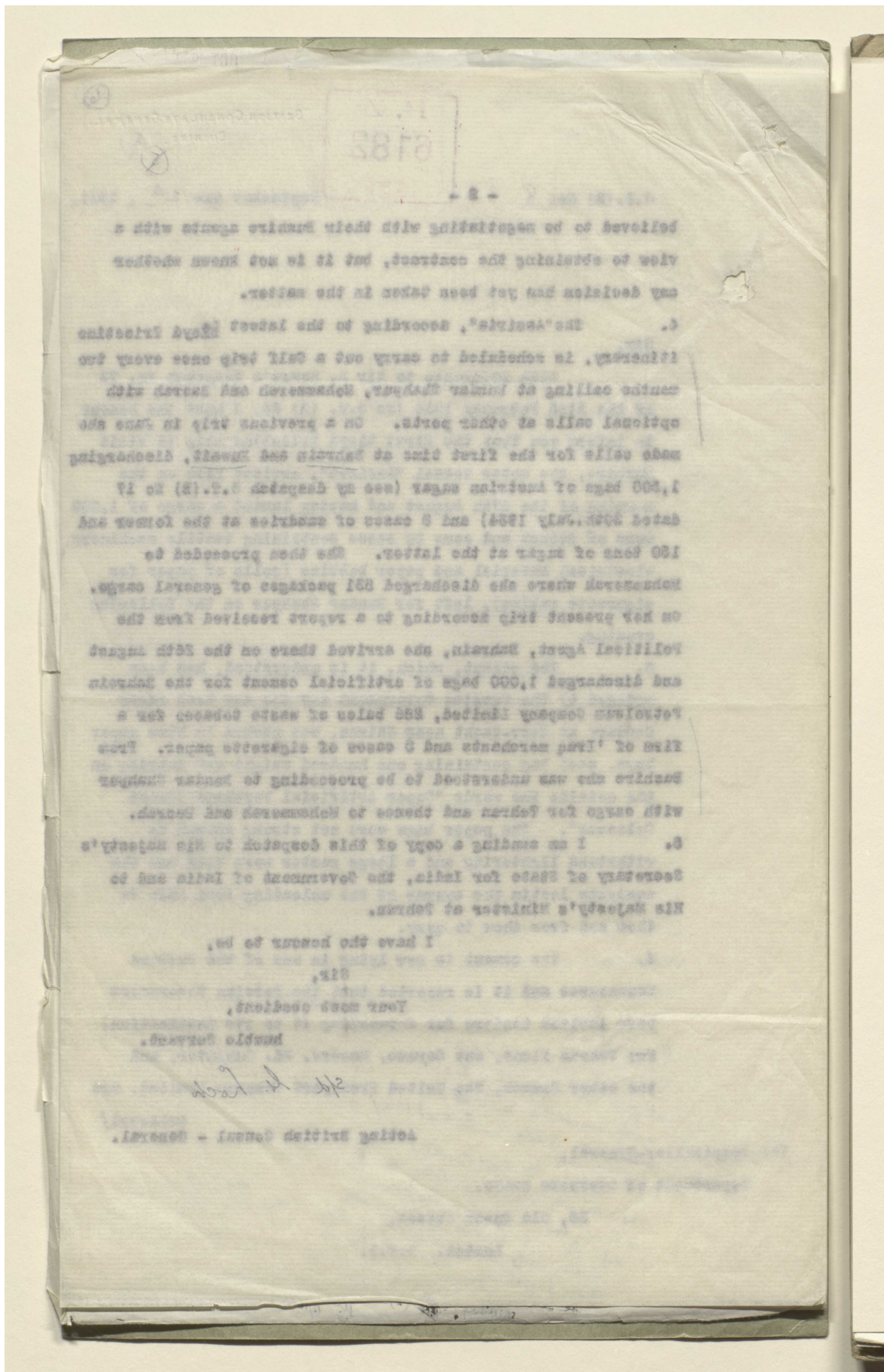
Your most obedient,

humble servant.

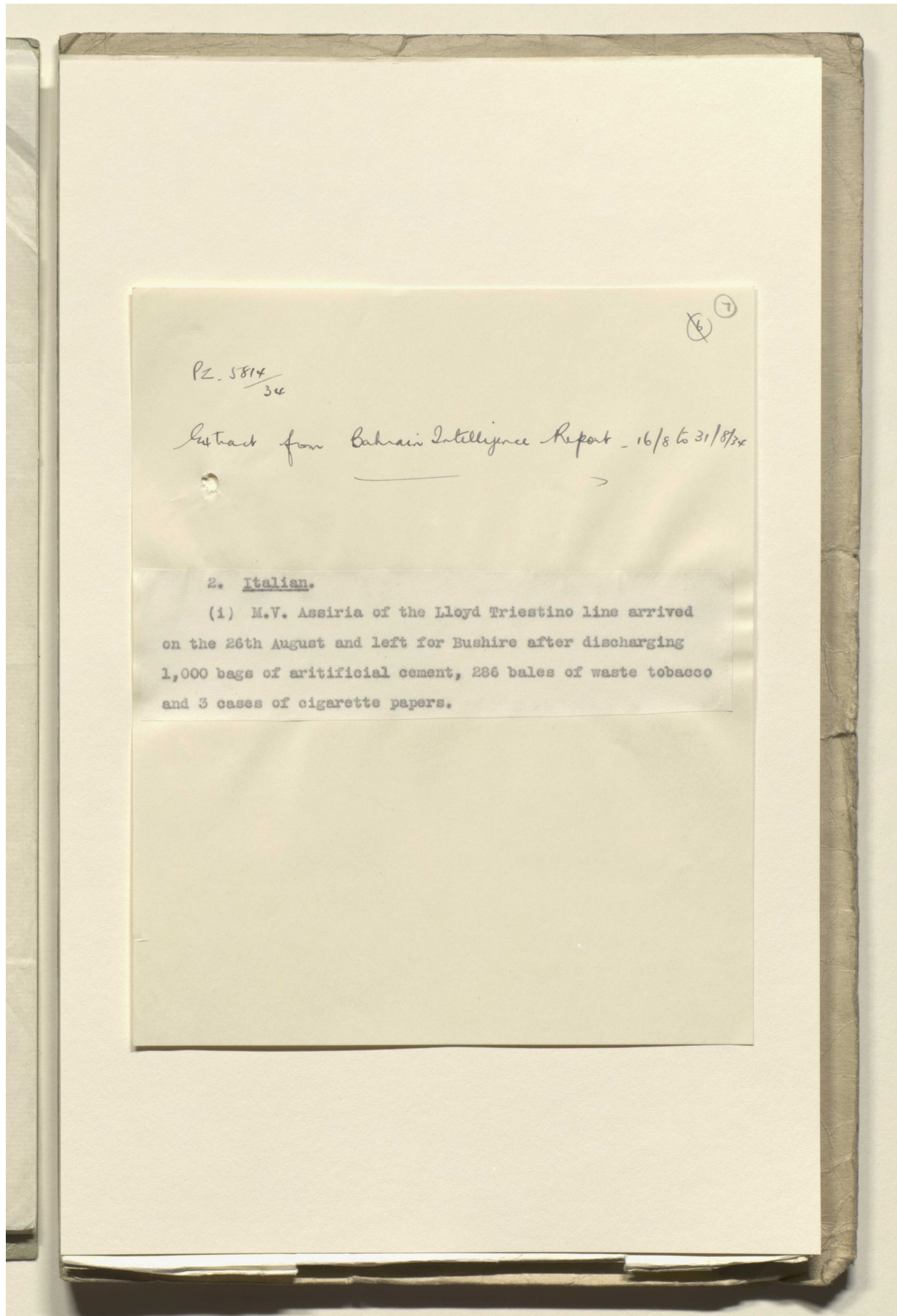
s/d G. Loch

Acting British Consul - General.

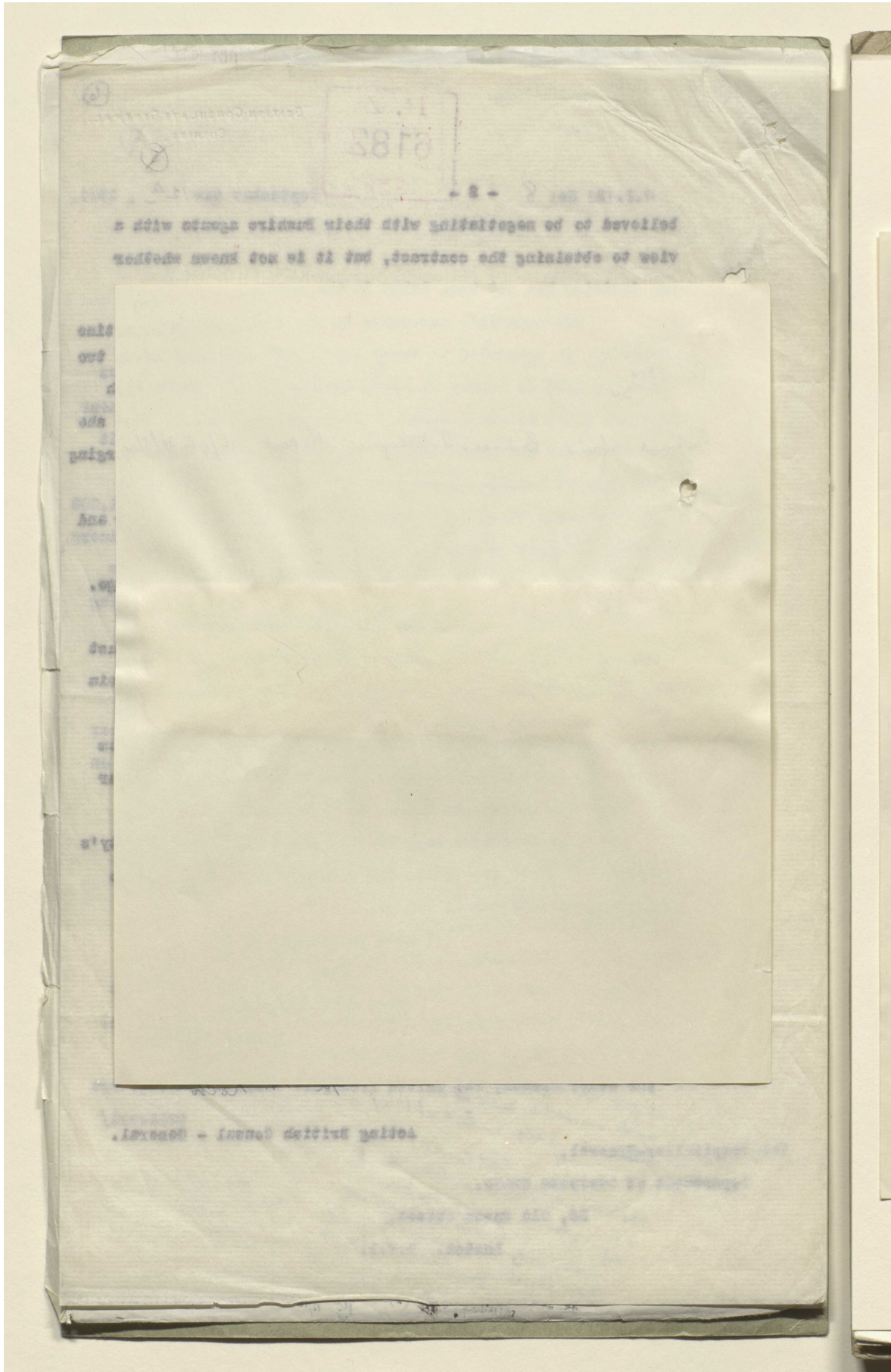
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [6v] (12/109)



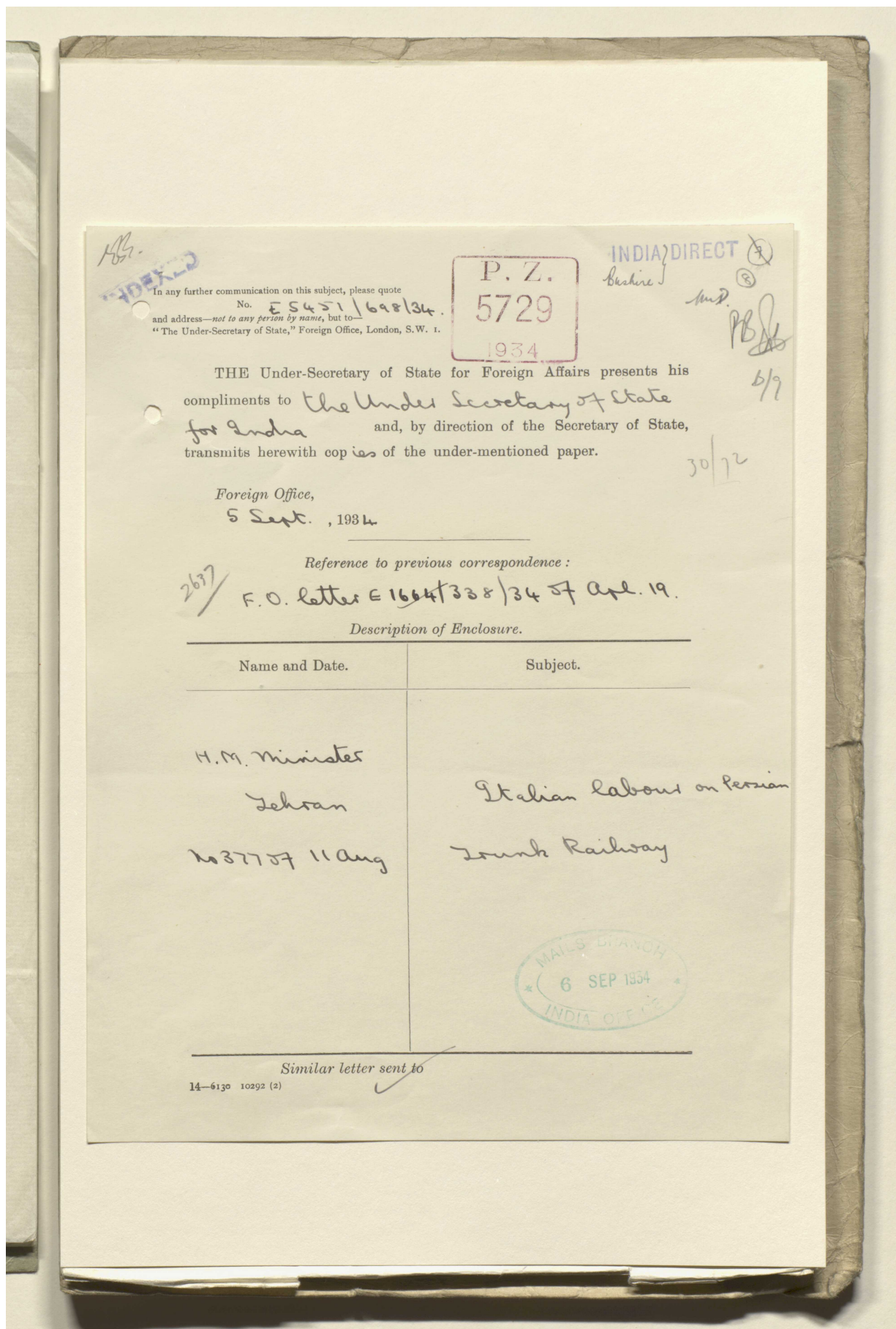
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [7r] (13/109)



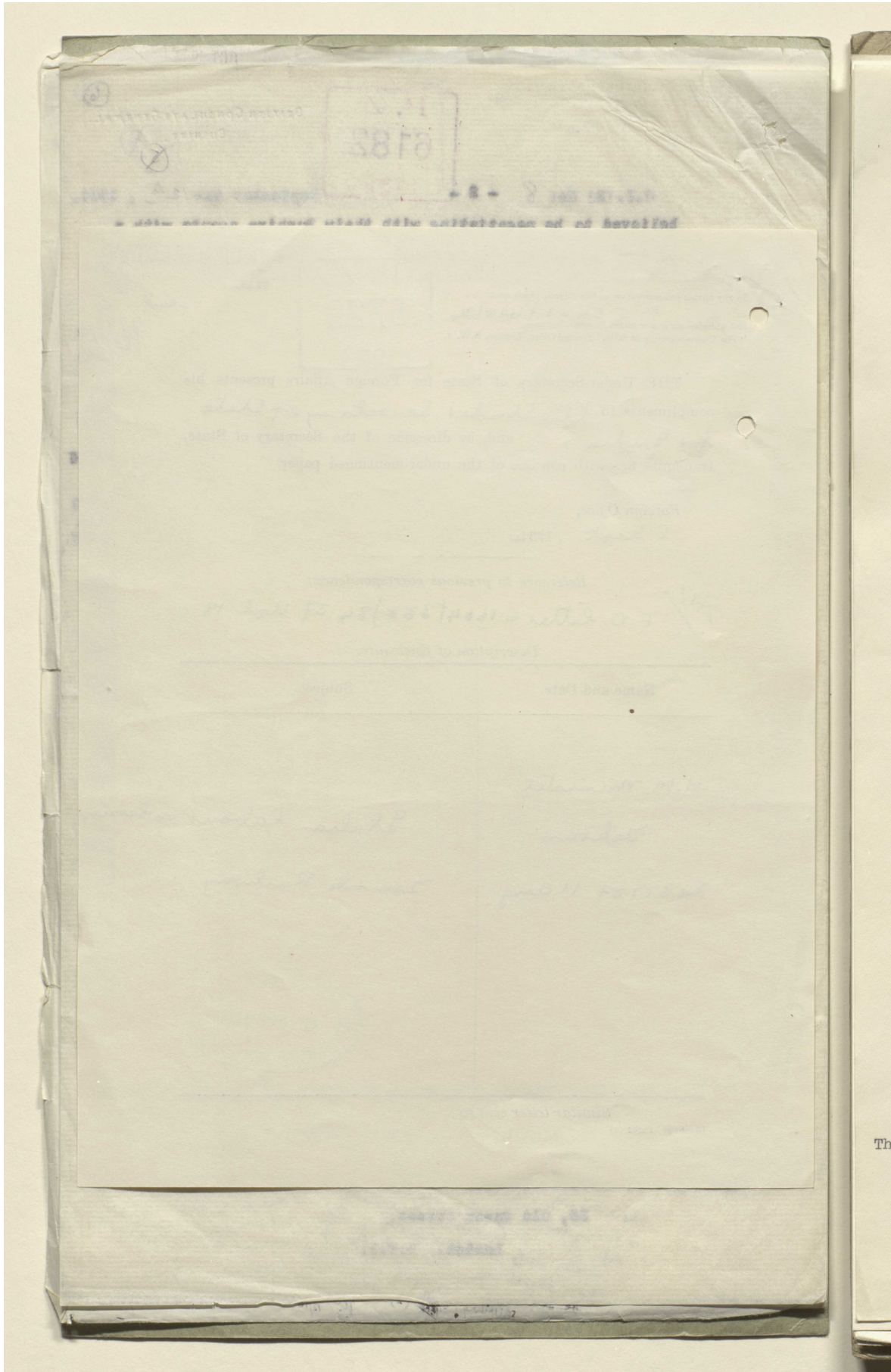
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [7v] (14/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [8r] (15/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [8v] (16/109)

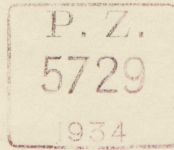


Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [9r] (17/109)

COPY

(E 5451/698/34.)

No. 377.



British Legation,
Gulhek.

11th August, 1934.

Sir,

2637
I reported in my despatch No. 93 of February 22nd that several hundred Italian workmen had been brought to Persia for the construction of the railway. It is now understood that Italian competition with native labour must be restricted and no more Italians are to come, but the real reason is alleged to be that Signor Mussolini's speech which alarmed the Turks produced a similar effect here.

2. I am sending copies of this despatch to the Department of Overseas Trade (No. O.T.(B) 116), to the Foreign Secretary to the Government of India (No. 174), to His Majesty's Chargé d'Affaires at Baghdad (No.60), to the Acting Political Resident in the Persian Gulf (No. 141) and to the Acting British Consul at Ahwaz (No. 69).

I have etc.

(Signed) R.H.Hoare.

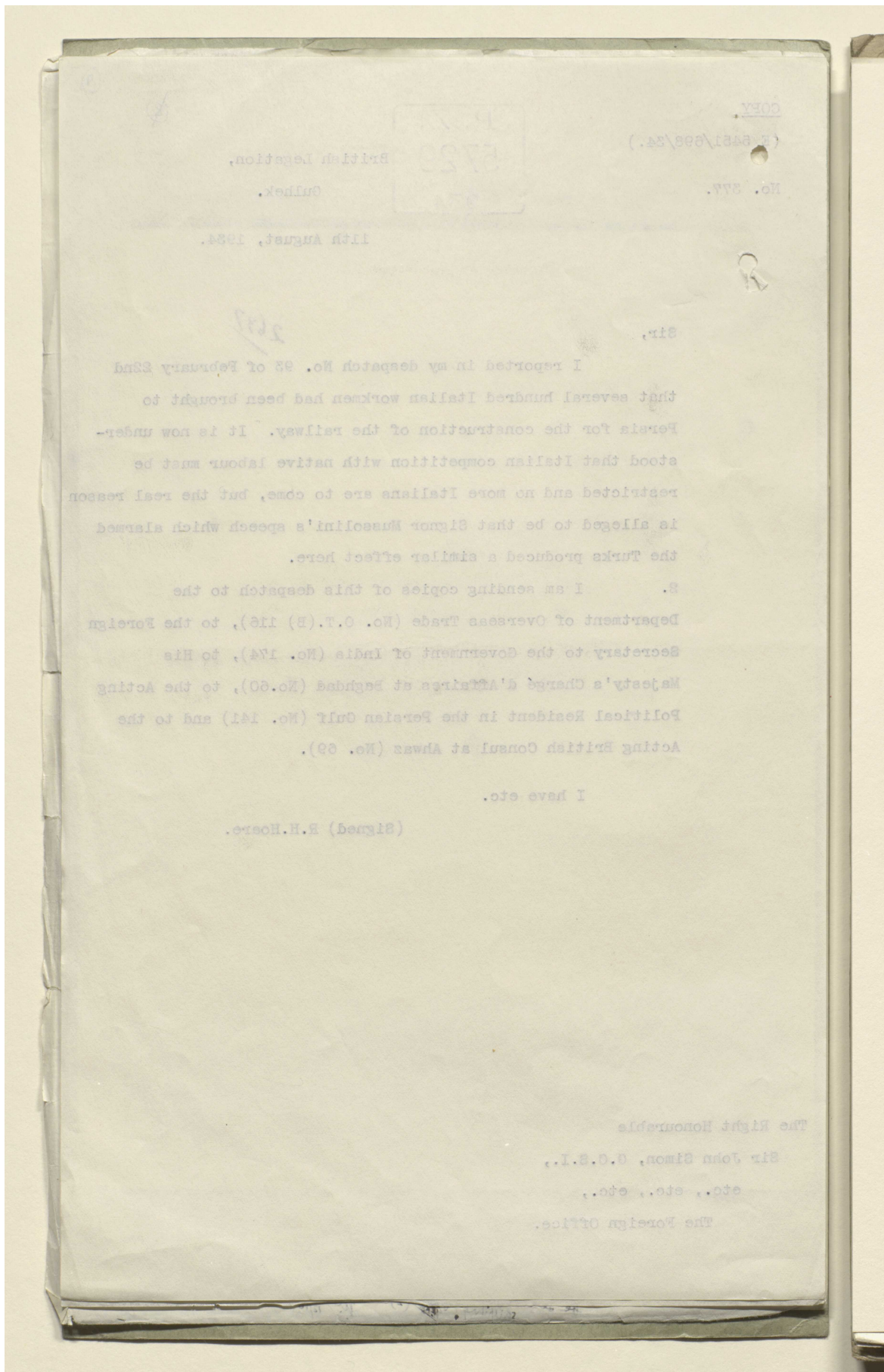
The Right Honourable

Sir John Simon, G.C.S.I.,

etc., etc., etc.,

The Foreign Office.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [9v] (18/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [10r] (19/109)

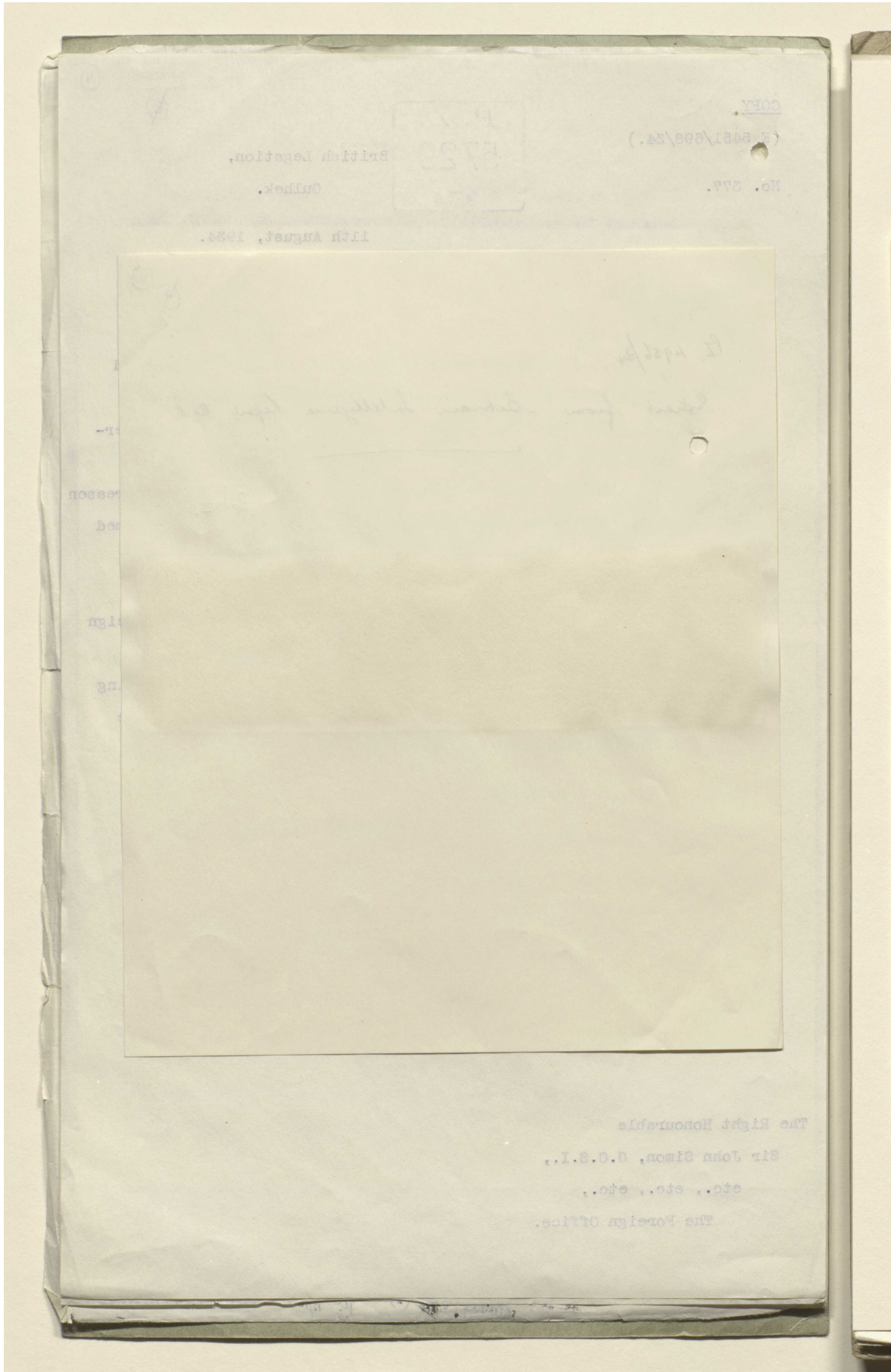
PZ. 4956/34

Extract from Bahrain Intelligence Report, No 8.

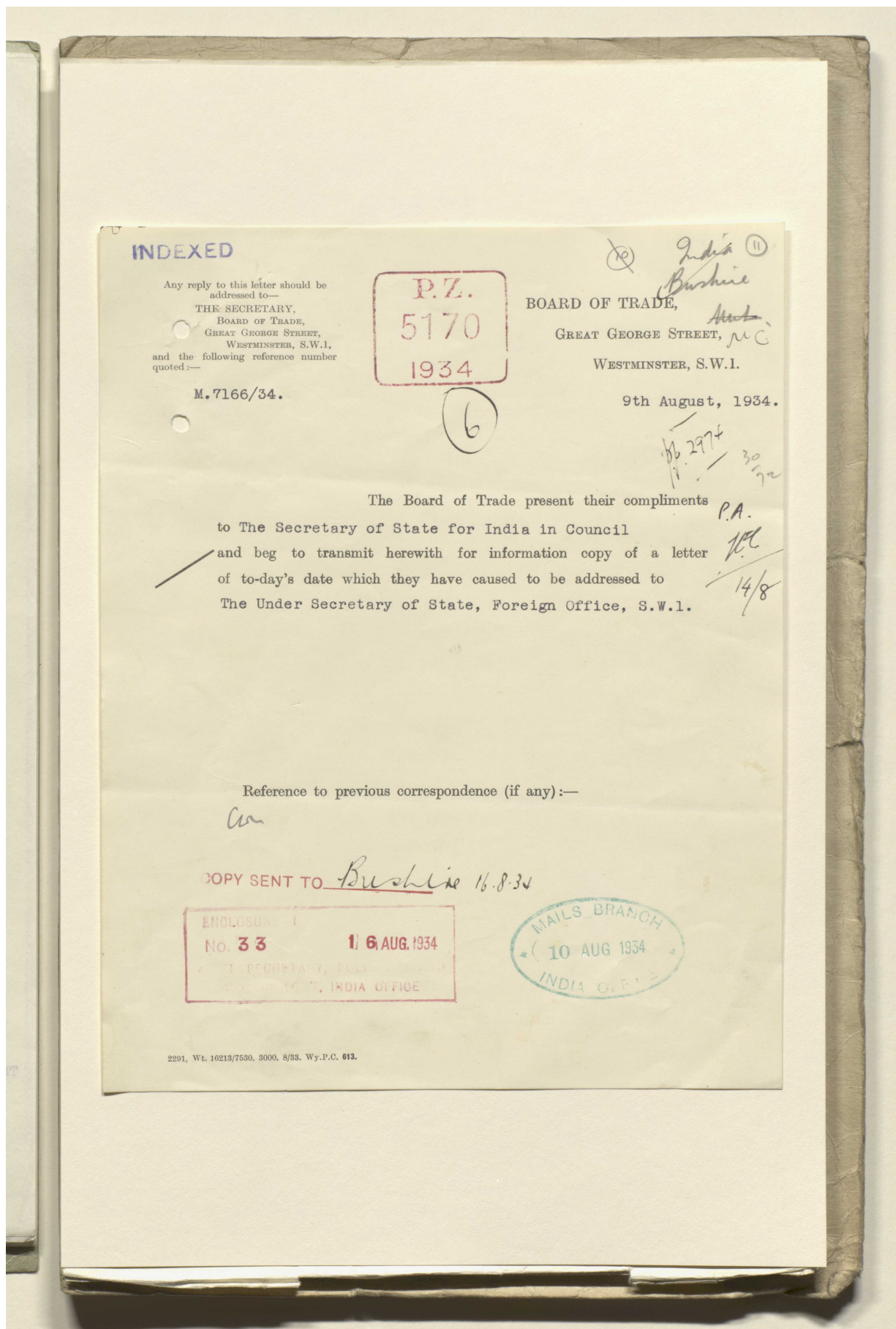
30/72.

(i) Reference paragraph No:57/2 of Intelligence Report No:6 of 1934. The Austrian sugar landed ex M.V. Assiria is reported to be selling at eleven pies a pound. It is dirty and not as sweet as other sugars which sell at annas two to annas three a pound.

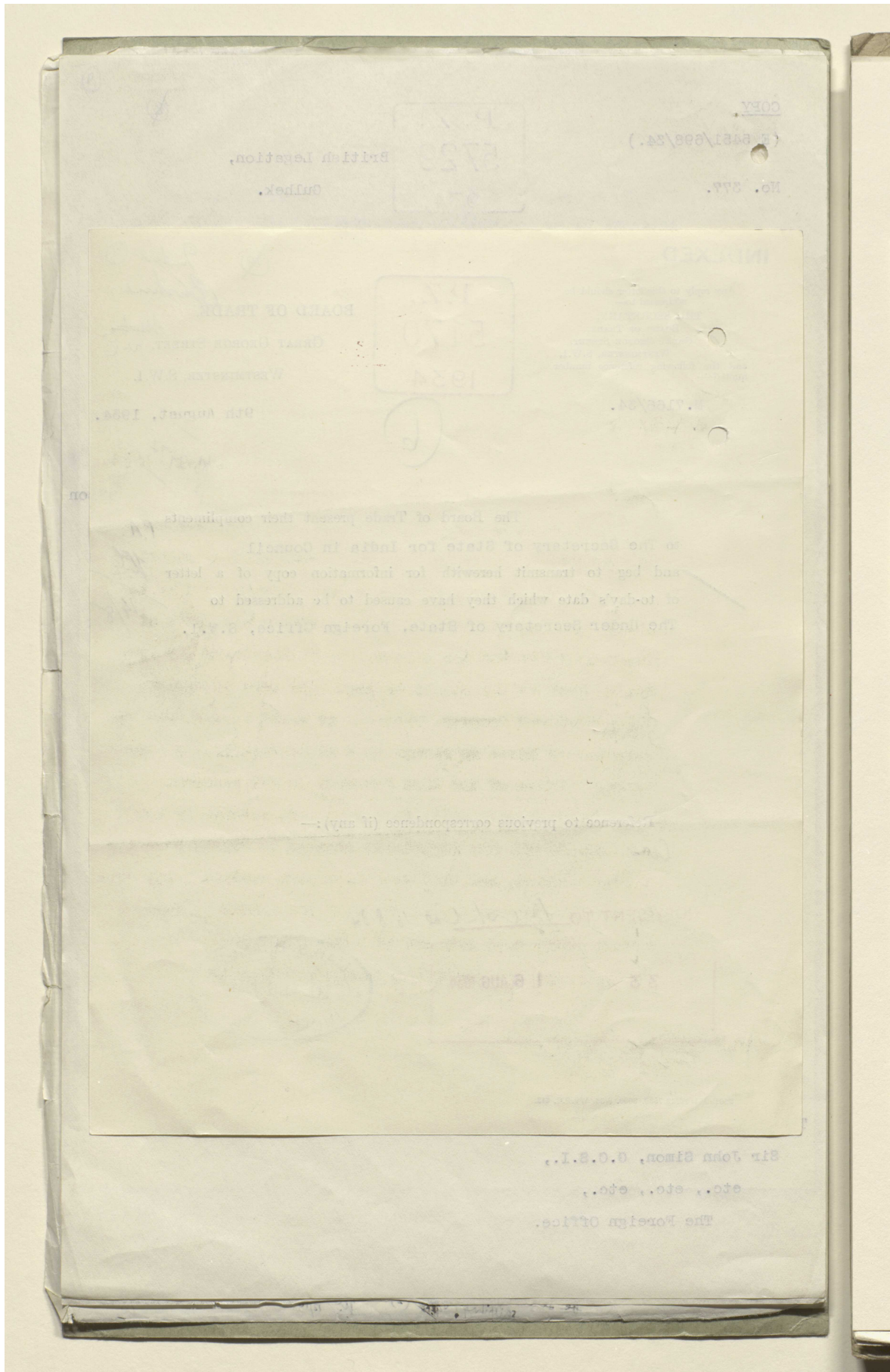
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [10v] (20/109)



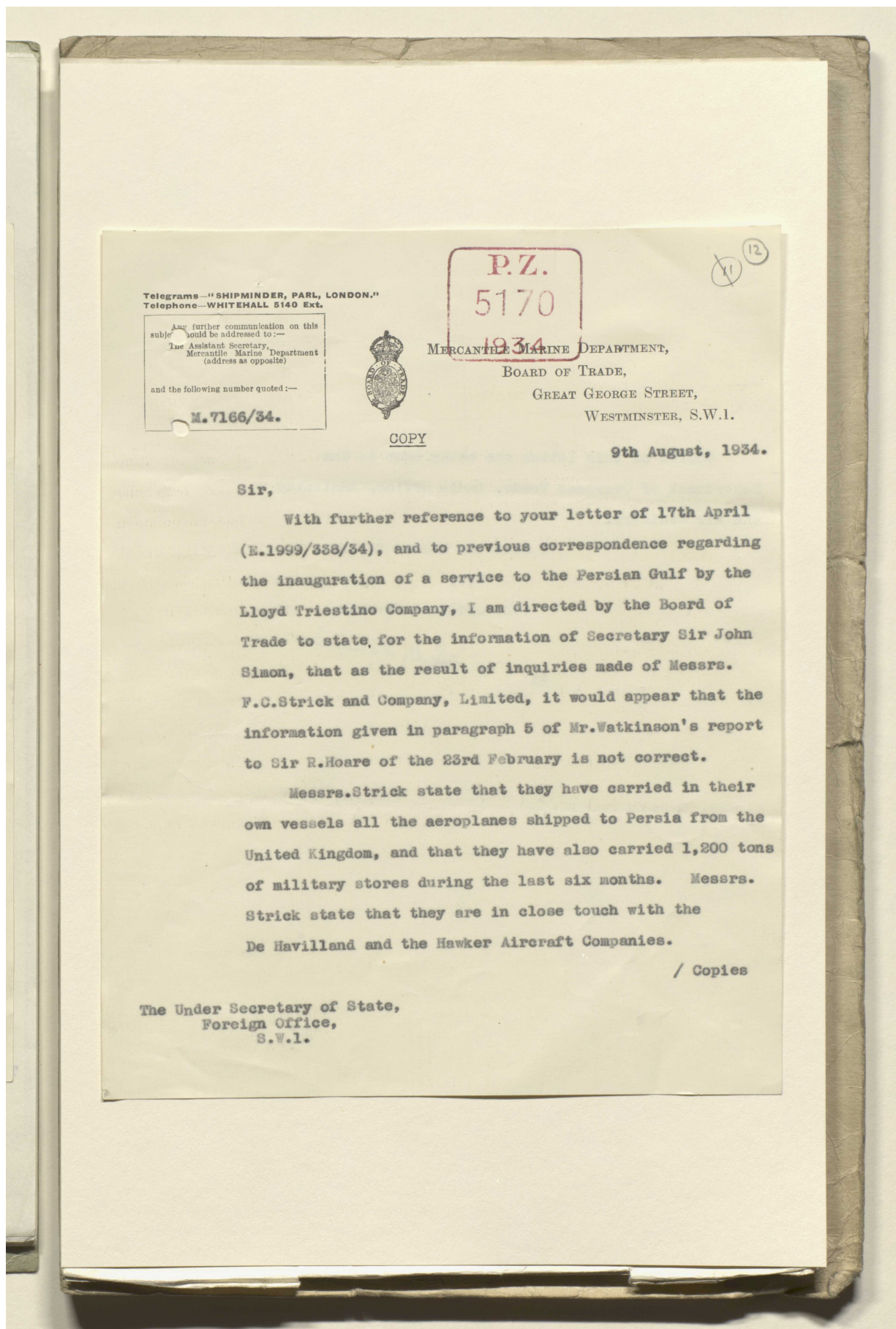
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [11r] (21/109)



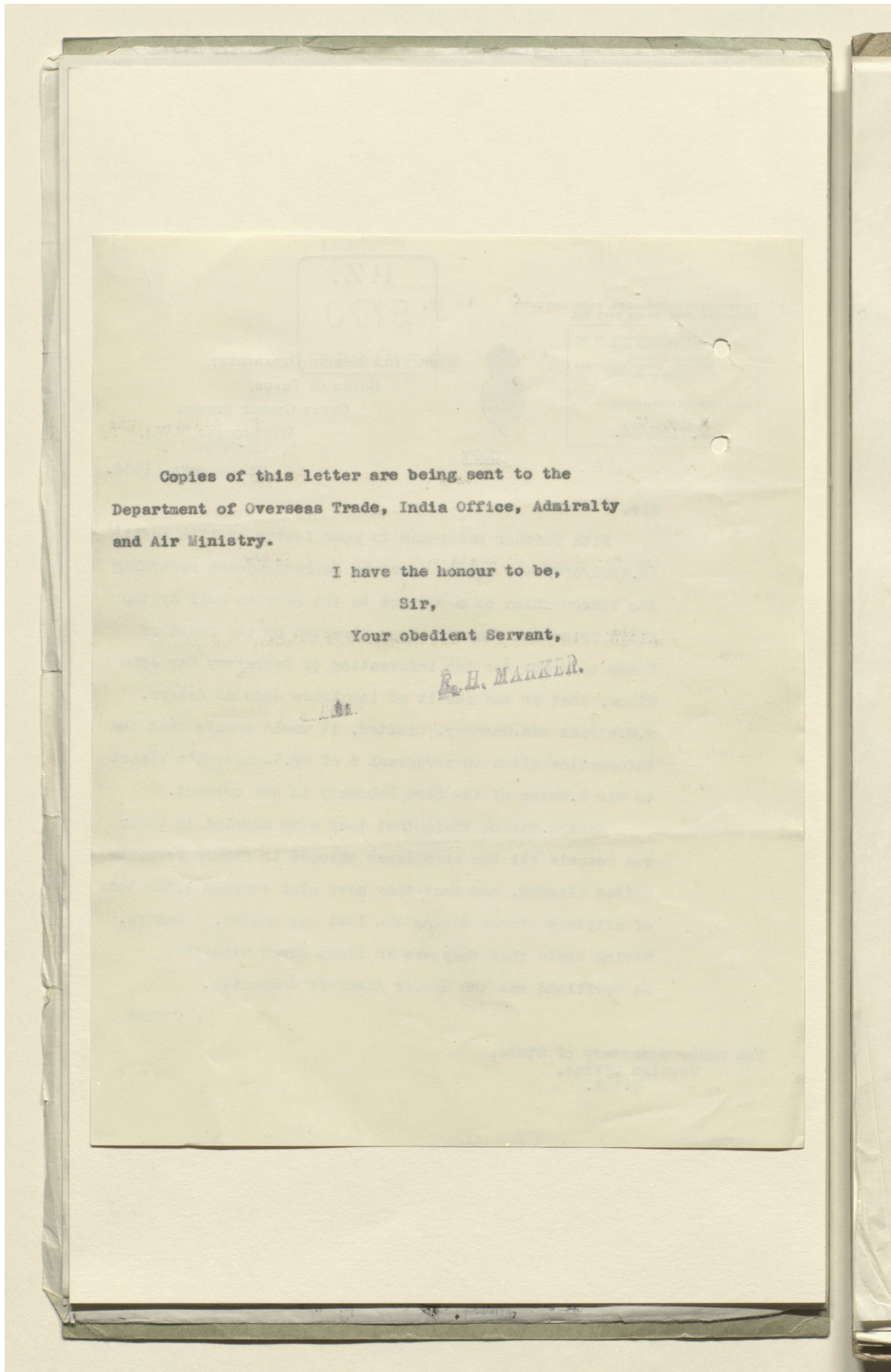
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [11v] (22/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [12r] (23/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [12v] (24/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [13r] (25/109)

P.Z. 4576/34.

Secret
No. 6 of 1934.

Extract from Intelligence Report of the
Political Agent, Bahrain, for the period
16th to 30th June 1934.

57. SHIPPING

30/72

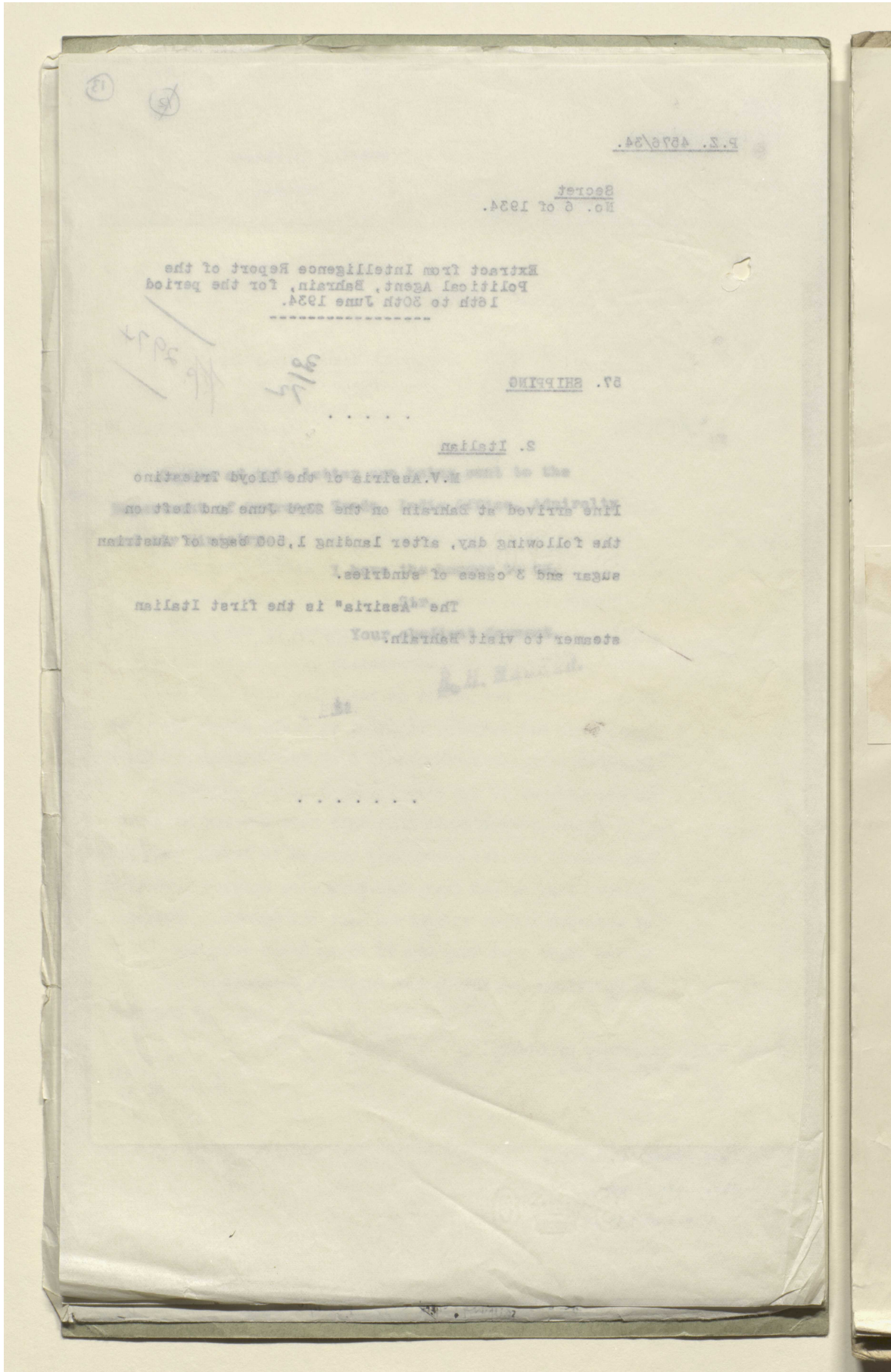
K.P. 2974

2. Italian

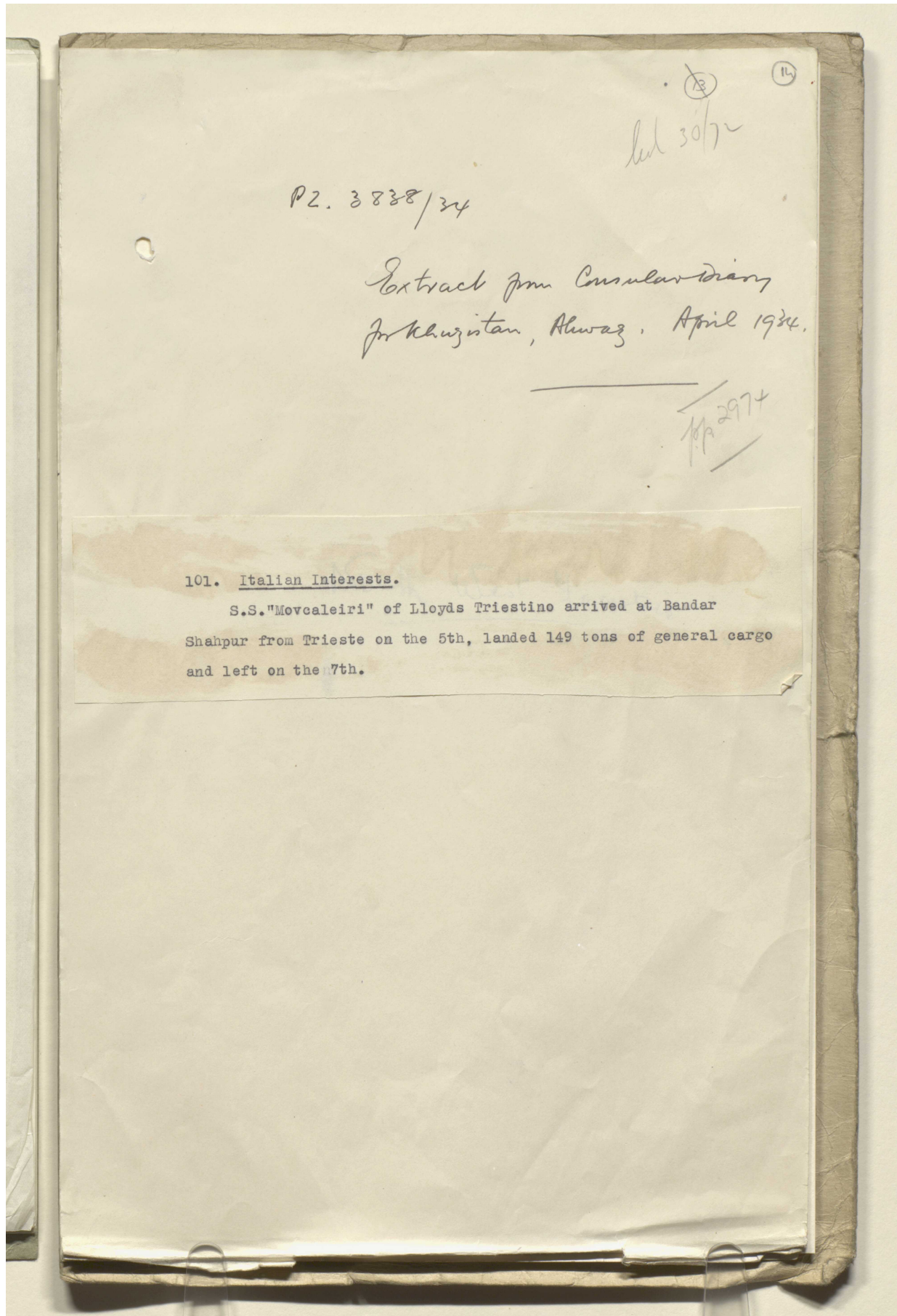
M.V. Assiria of the Lloyd Triestino
line arrived at Bahrain on the 23rd June and left on
the following day, after landing 1,500 bags of Austrian
sugar and 3 cases of sundries.

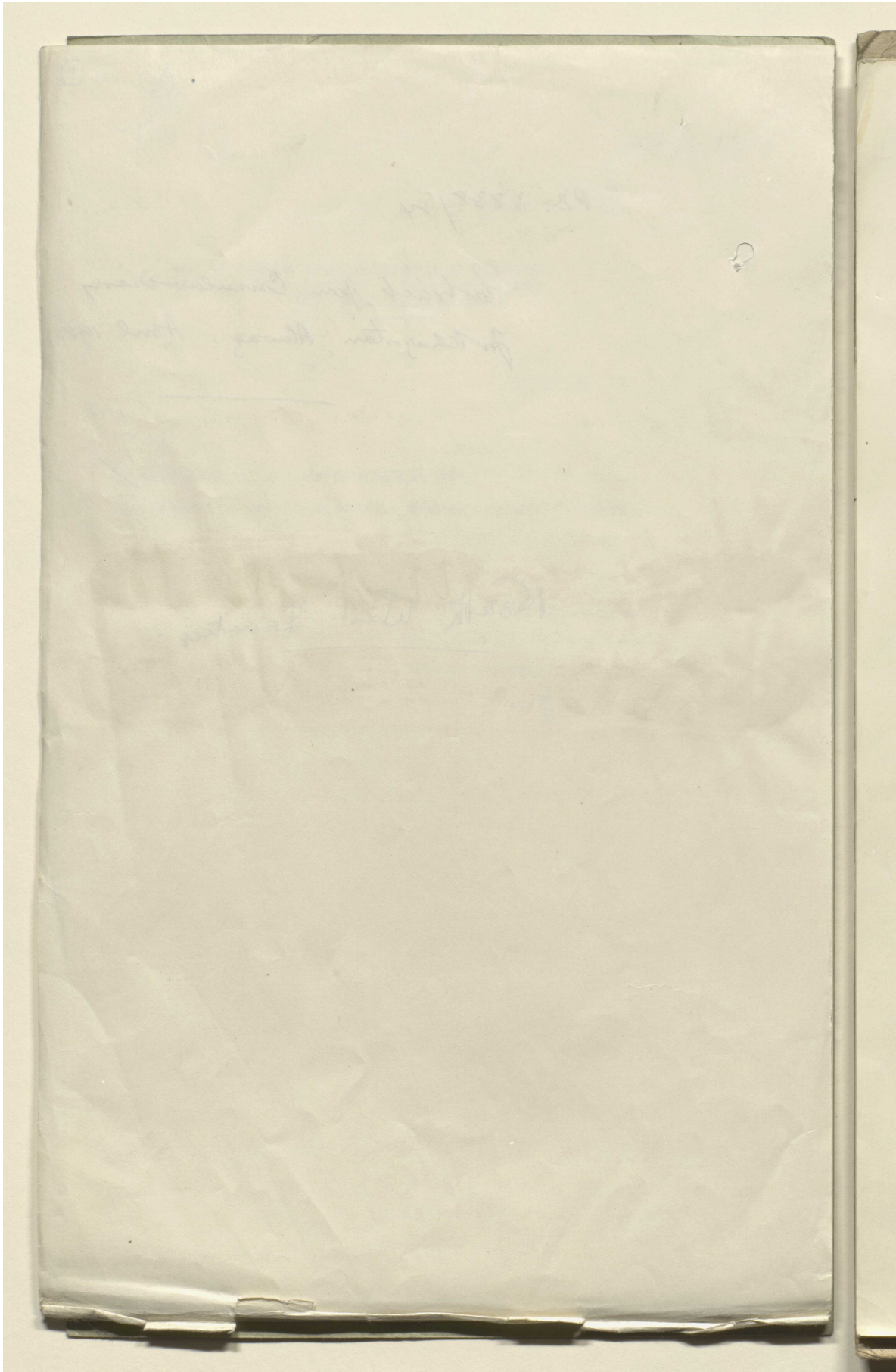
The "Assiria" is the first Italian
steamer to visit Bahrain.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [13v] (26/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [14r] (27/109)





Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [15r] (29/109)

15
14

Notes.

Register No.
P.Z. 2974/34

SECRET.
POLITICAL DEPARTMENT.

Dated _____ 19 ____
Rec. _____

| | Date. | Initials. | SUBJECT. |
|-----------------------|-------|-----------|---|
| To | | | |
| Under Secretary | 11.5 | ms | <u>PERSIAN GULF.</u> <u>Lloyd-Triestino Shipping Service.</u> <u>Views of British shipping interests</u> <u>primarily concerned.</u> |
| Secretary of State... | | | |
| Committee..... | 14.5 | JK | |
| Under Secretary..... | | | |
| Secretary of State... | | | |

Copy of _____ to _____

FOR INFORMATION.

Please see P.Z. 2638/34.

The letter from the Board of Trade below confirms the impression we had received from Tehran, that the more important British shipping interests do not greatly fear that the new Italian service constitutes an immediate danger. The representatives of the Strick Line recognise, however, that there are damaging possibilities in the new service. Their suggestion that the entrepôt trade for Persia might, as a result, tend to shift southward to Central Europe is interesting.

It will be observed that according to the Board of Trade the service will include a call at Bombay.

E. & O. Secretary.

For information.

D. Cleary 9/5.

J.L. 9/5/34

+ Bagdad

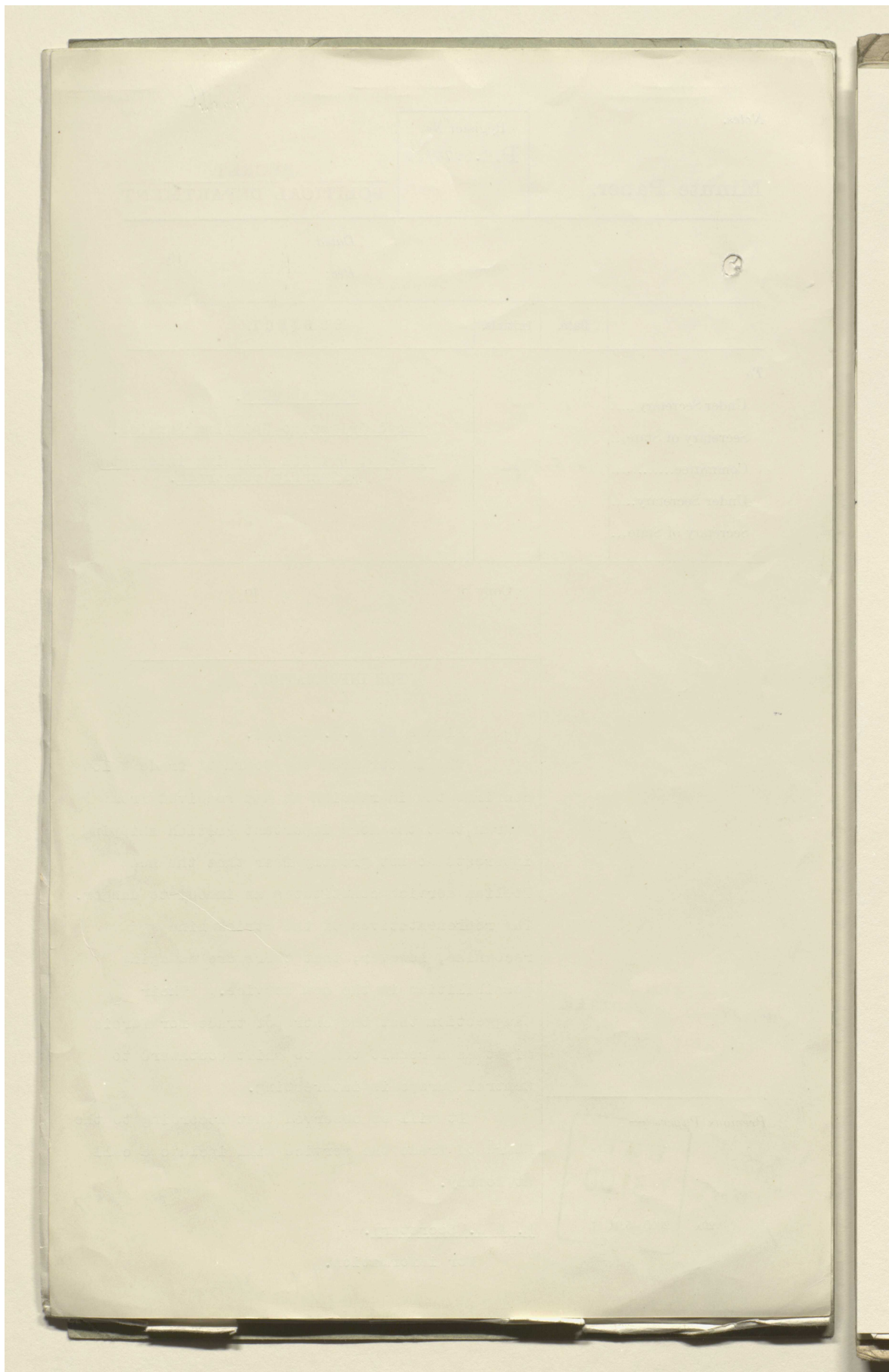
SEEN
POLITICAL COMMITTEE
15 MAY 1934

Previous Papers:

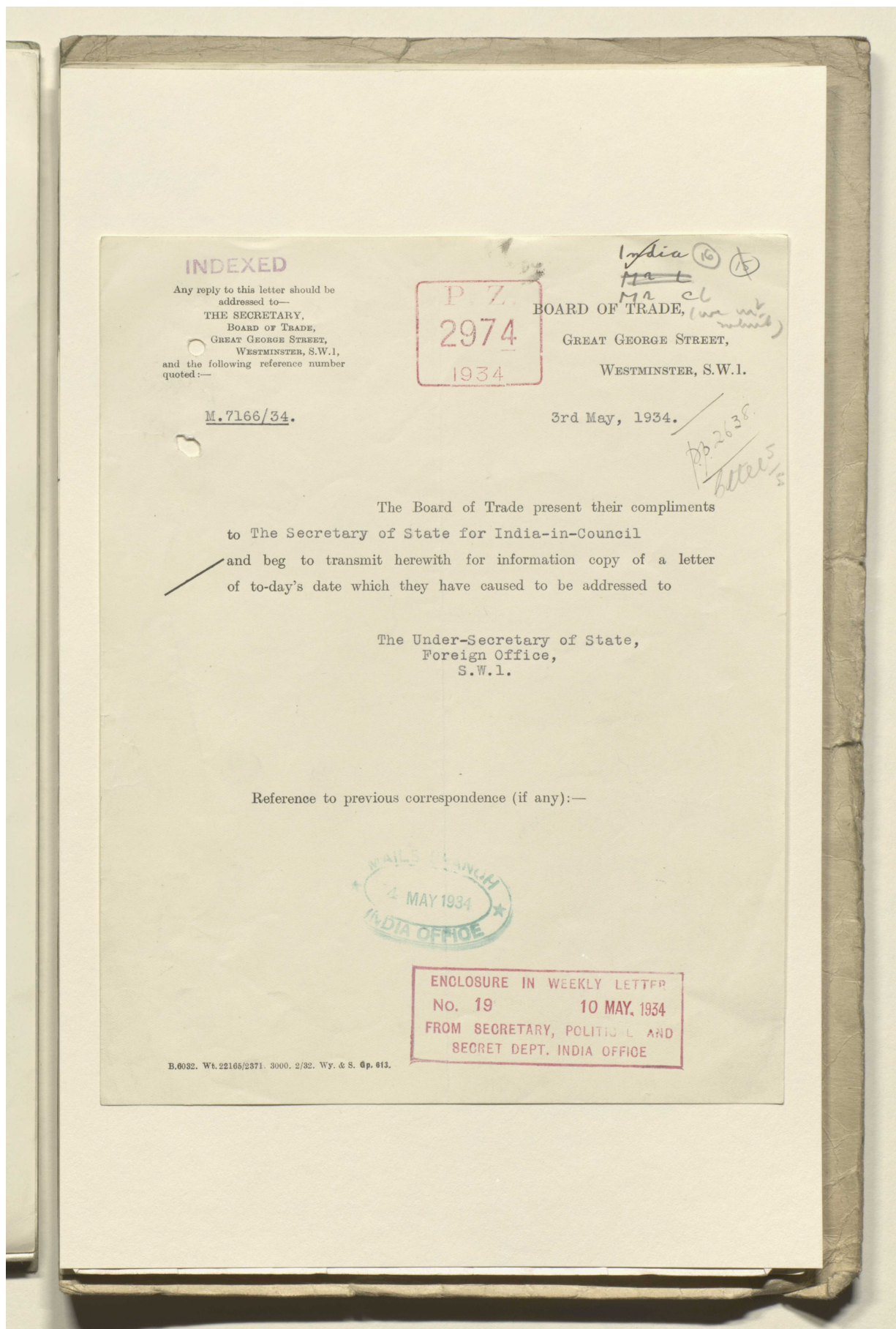
E & O.
3100
2000 534
1934

B.H. 1575
K.N. 11
29A
Same number
C.B. 11/5

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [15v] (30/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [16r] (31/109)



INDEXED

Any reply to this letter should be addressed to—
THE SECRETARY,
BOARD OF TRADE,
GREAT GEORGE STREET,
WESTMINSTER, S.W.1,
and the following reference number quoted:—

P. Z.
2974
1934

India (16) (15)
~~Ma cl~~
BOARD OF TRADE, (with int. subd.)
GREAT GEORGE STREET,
WESTMINSTER, S.W.1.

M.7166/34.

3rd May, 1934.

bb. 2638
Attch 5/5

The Board of Trade present their compliments to The Secretary of State for India-in-Council and beg to transmit herewith for information copy of a letter of to-day's date which they have caused to be addressed to

The Under-Secretary of State,
Foreign Office,
S.W.1.

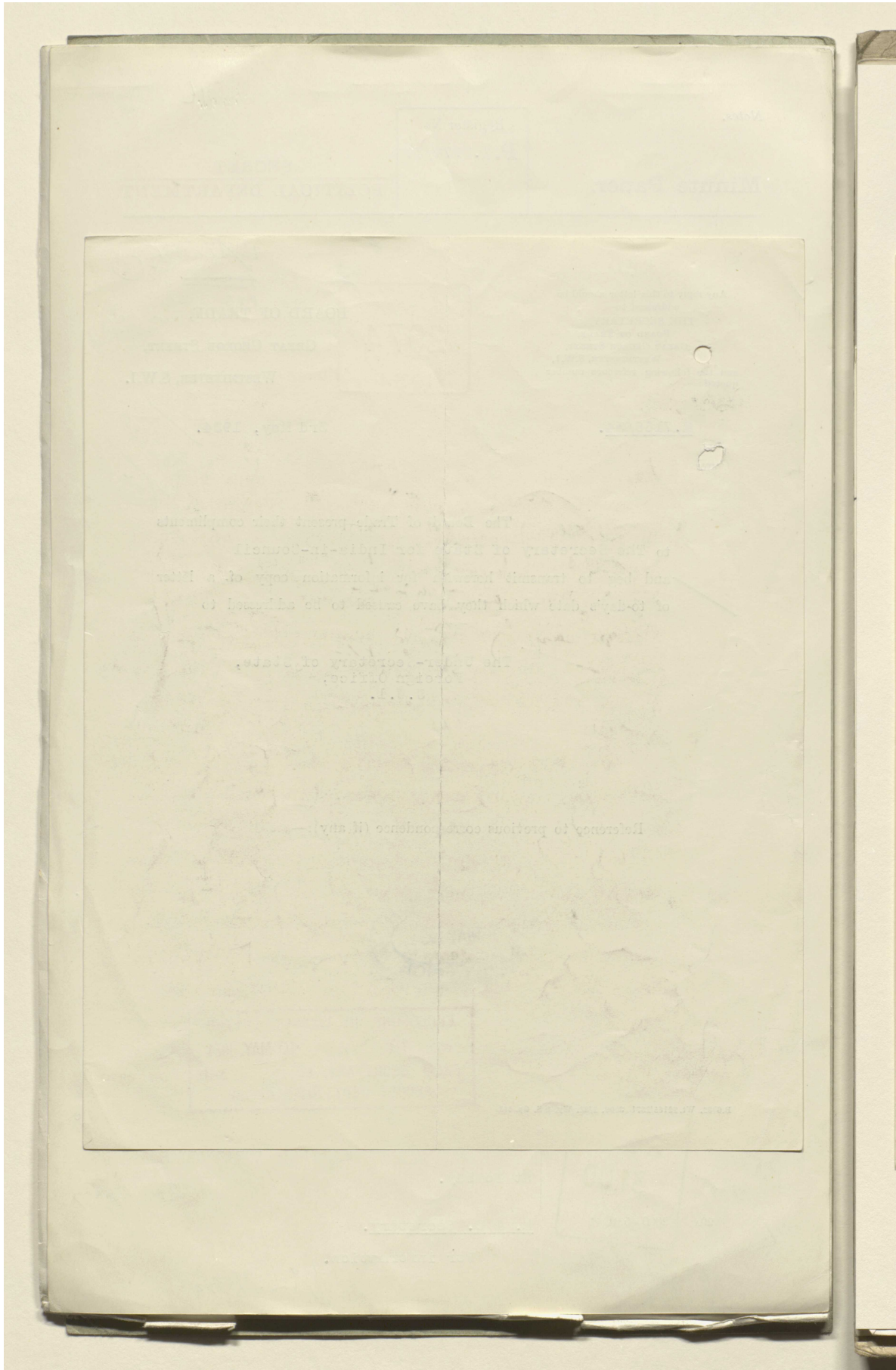
Reference to previous correspondence (if any):—

MAY 1934
INDIA OFFICE

ENCLOSURE IN WEEKLY LETTER
No. 19 10 MAY, 1934
FROM SECRETARY, POLITICAL AND
SECRET DEPT. INDIA OFFICE

B.6032. Wt. 22105/2371. 3000. 2/32. Wy. & S. Gp. 613.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [16v] (32/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [17r] (33/109)

Telegrams—"SHIPMINDER, PARL, LONDON."
Telephone—WHITEHALL 5140 Ext.

Any further communication on this subject should be addressed to:—
The Assistant Secretary,
Mercantile Marine Department
(address as opposite)

and the following number quoted:—

M4166/34.



MERCANTILE MARINE DEPARTMENT,
BOARD OF TRADE,
GREAT GEORGE STREET,
WESTMINSTER, S.W.1.

COPI.

17
2974
1934 3rd May, 1934.

Sir,

With reference to your letter of the 17th April (E.1999/338/34) and previous correspondence, regarding the inauguration of a service to the Persian Gulf by the Lloyd Triestino Company, I am directed by the Board of Trade to state that they have been in communication with the British shipping interests primarily concerned, namely, the Strick Line and the British India Steam Navigation Company.

The Board understand that the Lloyd Triestino Company will maintain a bi-monthly service between Italy and the Persian Gulf which will include a call at Bombay.

So far as the British India Steam Navigation Company are concerned, the Board gather that the Company are not seriously perturbed by the new Italian service, and the impression of His Majesty's Representative at Tehran as set out in his despatch of the 22nd February is thus confirmed.

The Under-Secretary of State,
Foreign Office,
S.W.1.

/s/

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [17v] (34/109)

So far as the Strick Line is concerned, the Board are informed by representatives of the Line that, in view of the fact that the carriage of cargo to and from Italian ports is at present for the most part in Italian vessels, they are not seriously perturbed at the effect of the new service on existing direct traffic between Italy and the Persian Gulf. It is thought, however, that the inauguration of the new service must result in increased competition for the Port Said transhipment cargo.

In addition, the representatives of the Strick Line drew attention to the fact that the existence of the new line may mean that cargo, such as sugar which is at present purchased in the United Kingdom or in Northern Europe for shipment by British line to the Gulf, may in future be purchased in Central Europe and shipped by the new service from Italy to the same destination. The Italian Line may,

/of

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [18r] (35/109)

G. R.

(17) (18)

of course, interfere with the prospects of the British lines obtaining new trade as the areas around the Persian Gulf are developed.

I am to add that further inquiries are being made regarding the transportation to Bander Shahpur in German vessels of aeroplanes shipped at English ports.

Copies of this letter are being sent to the Department of Overseas Trade, India Office, Admiralty and Air Ministry.

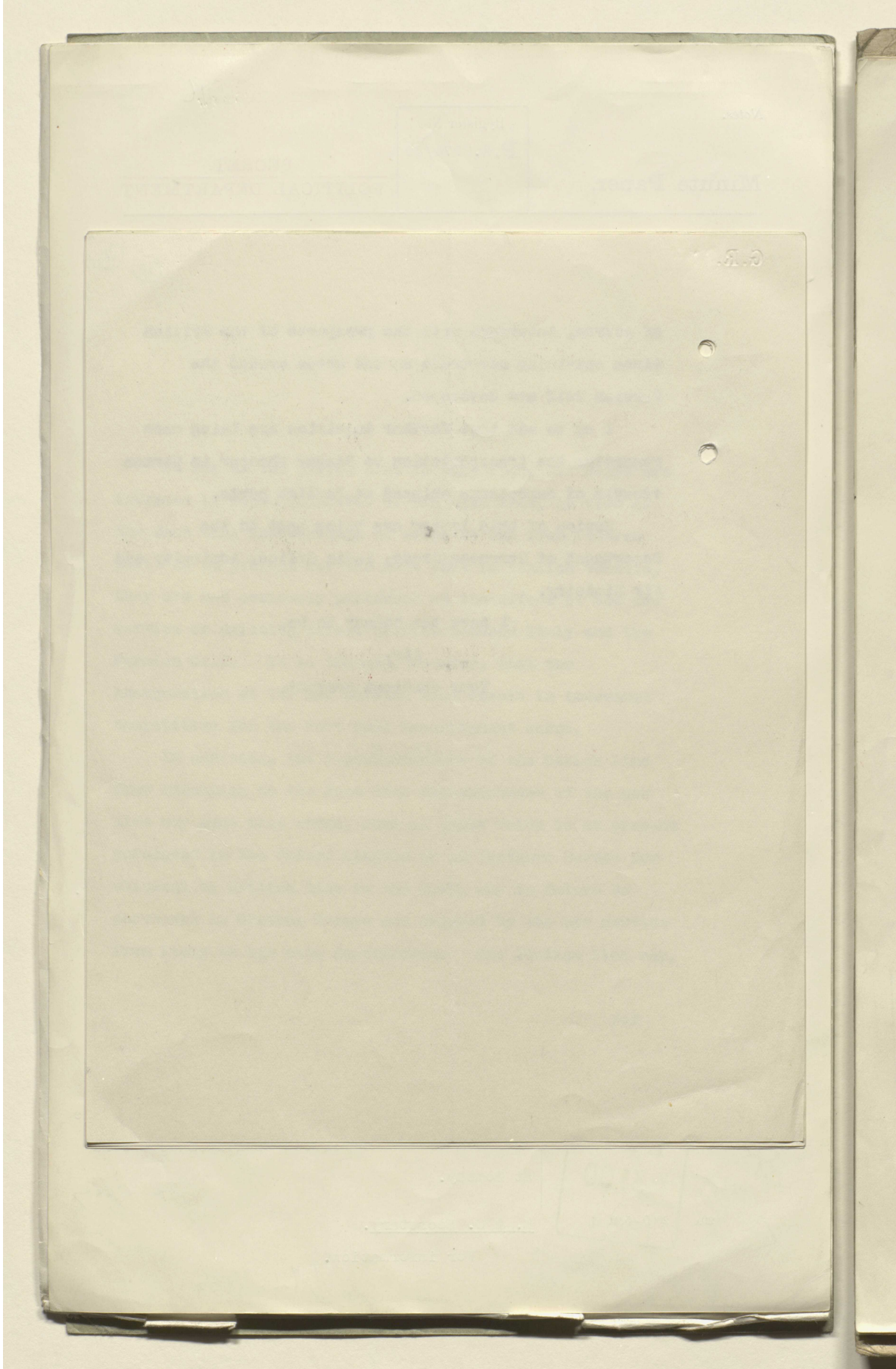
I have the honour to be,

Sir,

Your obedient servant,

(Signed) G. E. BAKER

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [18v] (36/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [19r] (37/109)

Notes.

Register No.
P. Z.
2638/34

Minute Paper.

SECRET.
POLITICAL DEPARTMENT.

Dated 193 .
Rec.

| | Date. | Initials. | SUBJECT. |
|------------------------|------------|-----------|---------------------------------|
| To | | | <i>Persian Gulf.</i> |
| Under Secretary | <i>5.5</i> | <i>hw</i> | |
| Secretary of State... | | | |
| Committee..... | <i>5.5</i> | <i>hw</i> | <i>Lloyd Triestino shipping</i> |
| Under Secretary..... | | | <i>Service.</i> |
| Secretary of State.... | | | |

Copy of to

FOR INFORMATION.

Please see the minutes at P.Z. 141/34 and P.Z. 288/34.

The F.O. have now obtained the views of H.M. Minister Tehran (P.Z. 2637/34). The Italian Line and the B.I.S.N. have the same agents in the Gulf (the Mesopotamia Persia Corporation) and there appears to be no present prospect of a freight war between the new Italian service and British shipping. The Lloyd Triestino will not call at any rate at this stage at ports on the Arab littoral.

The competition of German shipping in the Gulf for the carriage of freight to Persian ports is much more serious and and the F.O. are asking the B/T for

SEEN
POLITICAL COMMITTEE

8 - MAY 1934

Previous papers :-

1743 1000 3.33

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [19v] (38/109)

their observations on this question.

H.M. Minister, Tehran, suggests (P.Z. 2637/34) that if the Italian service did prove a menace to British shipping it might, if necessary on political grounds, be counteracted by a subsidy, irrespective of whether the Italian or other ports subsidised their shipping in the Gulf. This seems rather a doubtful suggestion.

See 9 E.O. Dept.

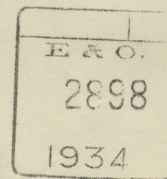
For information. The view of Meyers agent reported in Akhuz despatch of 23rd Feb. (encl. to F.O. Cr. to B/T. - P.Z. 2638/34) that the present Lloyd Triestino Gulf service is not intending to call at Indian ports seems to be wrong since, according to the P.O.T. note at P.Z. 1207/34, the itinerary includes Karachi, Bombay (optional) and Maragogoa.

W. Crombie
2/5/34

Seen Memos

W. Crombie
3/5

W. Crombie
3/5



Para 5 & 6 of Tehran Despatch of 22 Feb. on P.Z. 2637/34 are interesting. We need not at this stage actively concern ourselves with the possibility of Italian political penetration of the Arab Sheikhdoms; but if & when we are faced with that problem the answer will I think be a strict interpretation of our treaty engagements & possibly a tightening up of those engagements. There are very strong objections to the declaration of participation if that can in any way be avoided. V.A. Wittwits 4 May 1934.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [20r] (39/109)

INDEXED
In any further communication on this subject, please quote
No. E 1999/238/34
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

20
P. Z.
2638
India
Bashir
MC

THE Under-Secretary of State for Foreign Affairs presents his compliments to The Under Secretary of State for India and, by direction of the Secretary of State, transmits herewith copies of the under-mentioned paper.

Foreign Office,
19th April, 1934.

Reference to previous correspondence:
India Office letter P.Z. 1441 of 16th March

Description of Enclosure.

| Name and Date. | Subject. |
|---|---|
| <u>To.</u> Board of Trade <u>17th April.</u> | <u>Lloyd-Triestino steamship service to Persian Gulf.</u> |

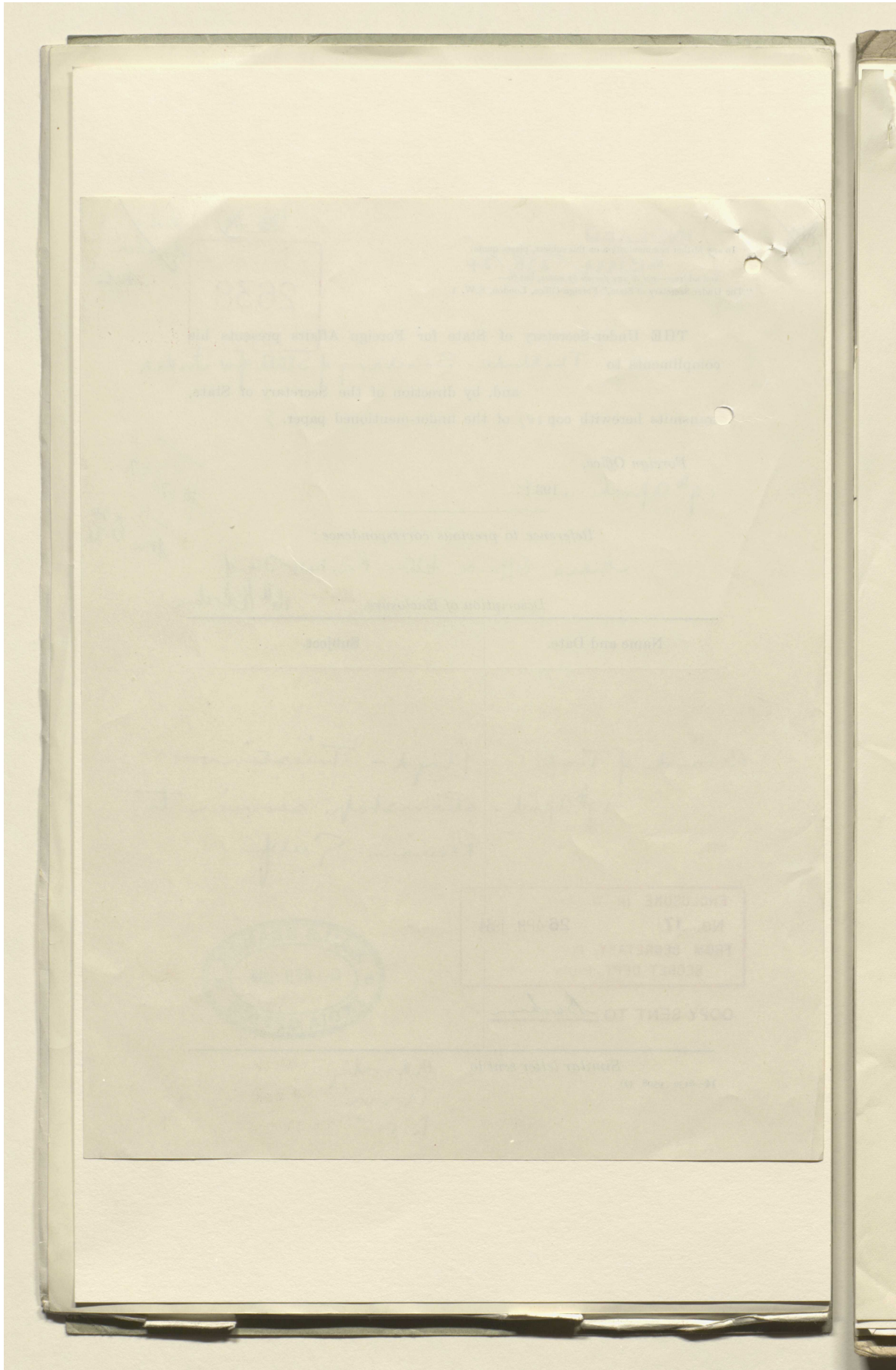
ENCLOSURE IN WEEKLY
No. 17/ 26 APR. 1934
FROM SECRETARY, POLITICAL
SECRET DEPT. INDIA OFFICE

COPY SENT TO Bashir

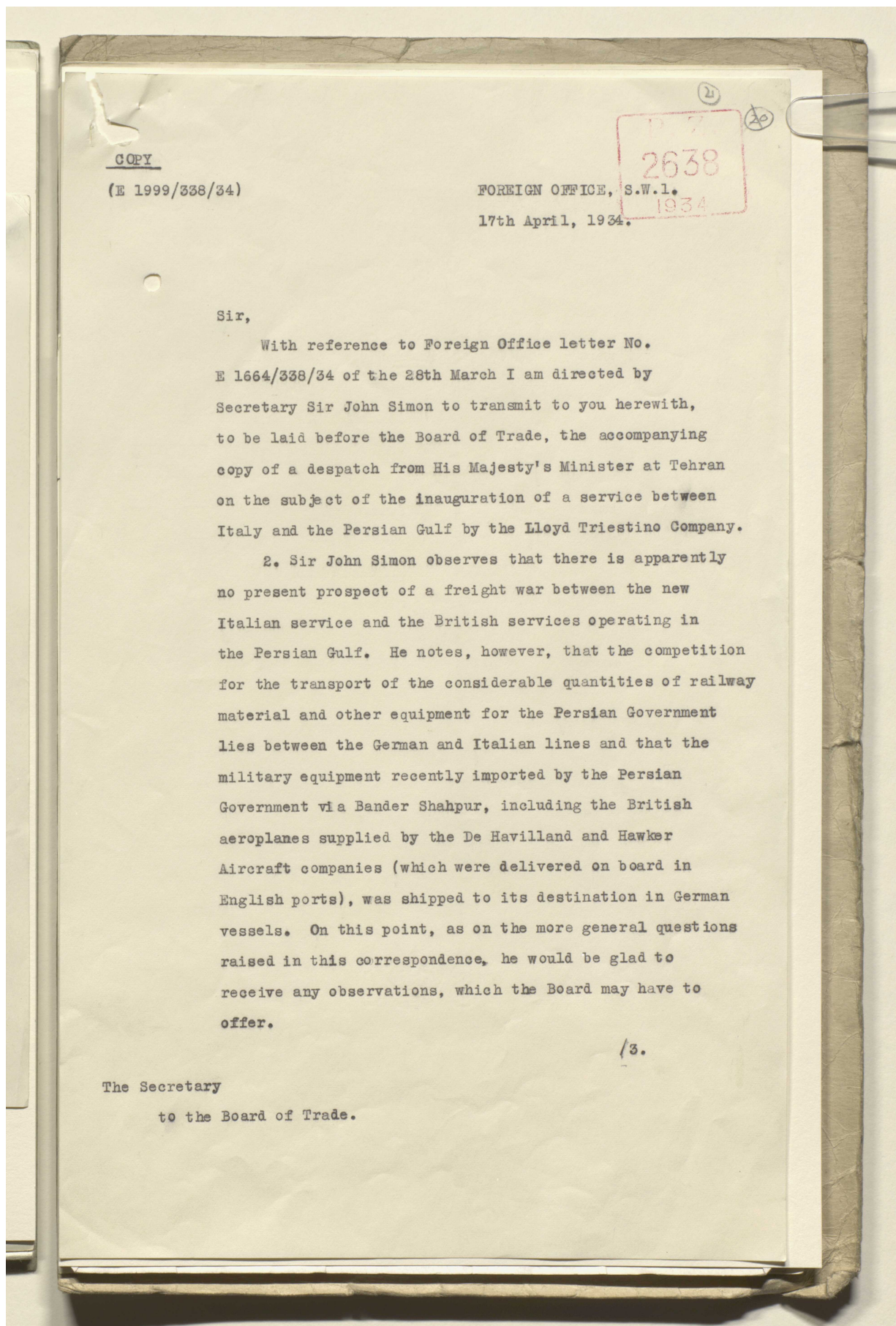
MAILS BRANCH
20 APR 1934
INDIA OFFICE

Similar letter sent to
14-6130 9508 (2)
admiral
Ann
D.O.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [20v] (40/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [21r] (41/109)



COPY

(E 1999/338/34)

FOREIGN OFFICE, S.W.1.

17th April, 1934.

Sir,

With reference to Foreign Office letter No. E 1664/338/34 of the 28th March I am directed by Secretary Sir John Simon to transmit to you herewith, to be laid before the Board of Trade, the accompanying copy of a despatch from His Majesty's Minister at Tehran on the subject of the inauguration of a service between Italy and the Persian Gulf by the Lloyd Triestino Company.

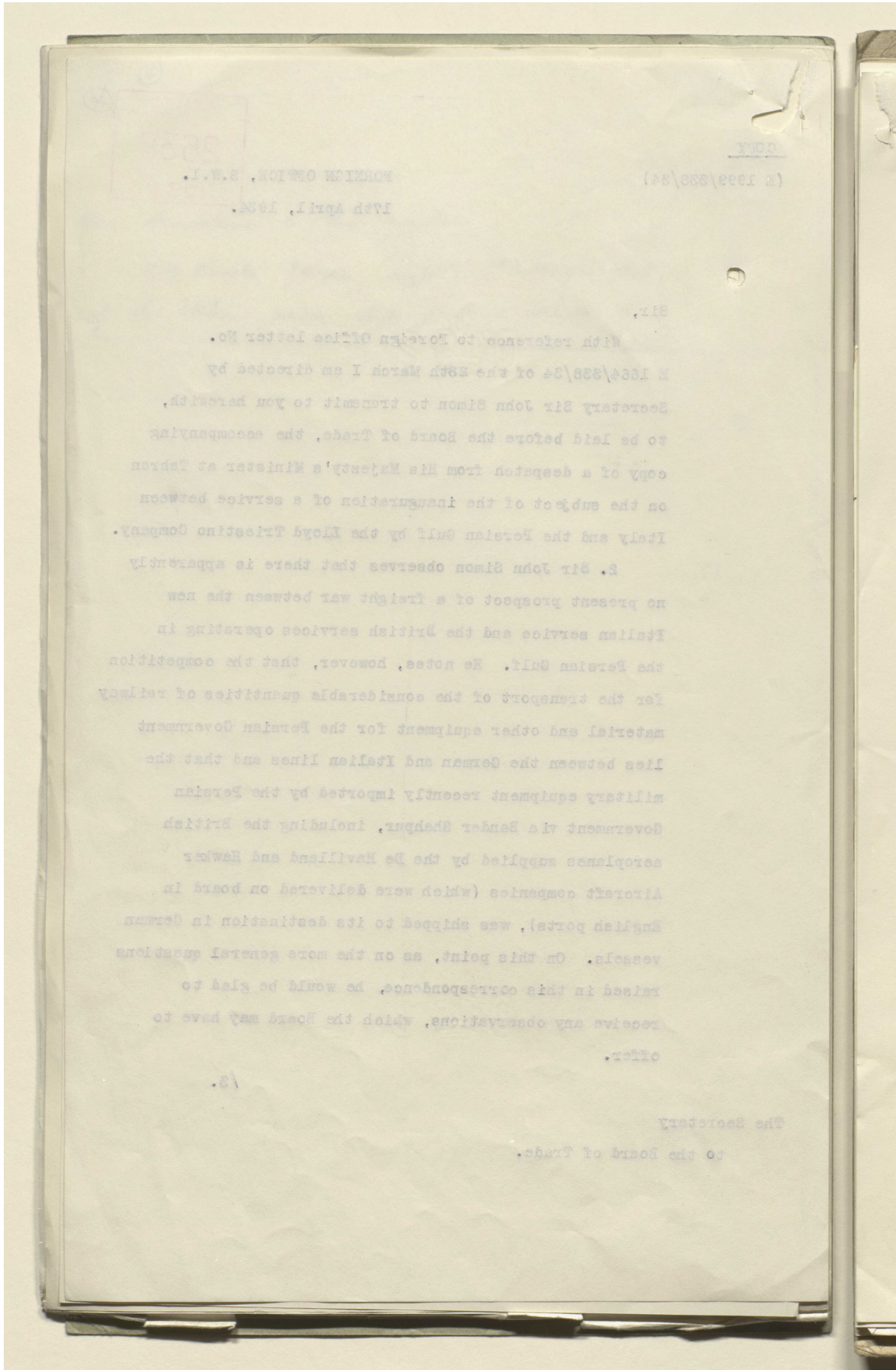
2. Sir John Simon observes that there is apparently no present prospect of a freight war between the new Italian service and the British services operating in the Persian Gulf. He notes, however, that the competition for the transport of the considerable quantities of railway material and other equipment for the Persian Government lies between the German and Italian lines and that the military equipment recently imported by the Persian Government via Bander Shahpur, including the British aeroplanes supplied by the De Havilland and Hawker Aircraft companies (which were delivered on board in English ports), was shipped to its destination in German vessels. On this point, as on the more general questions raised in this correspondence, he would be glad to receive any observations, which the Board may have to offer.

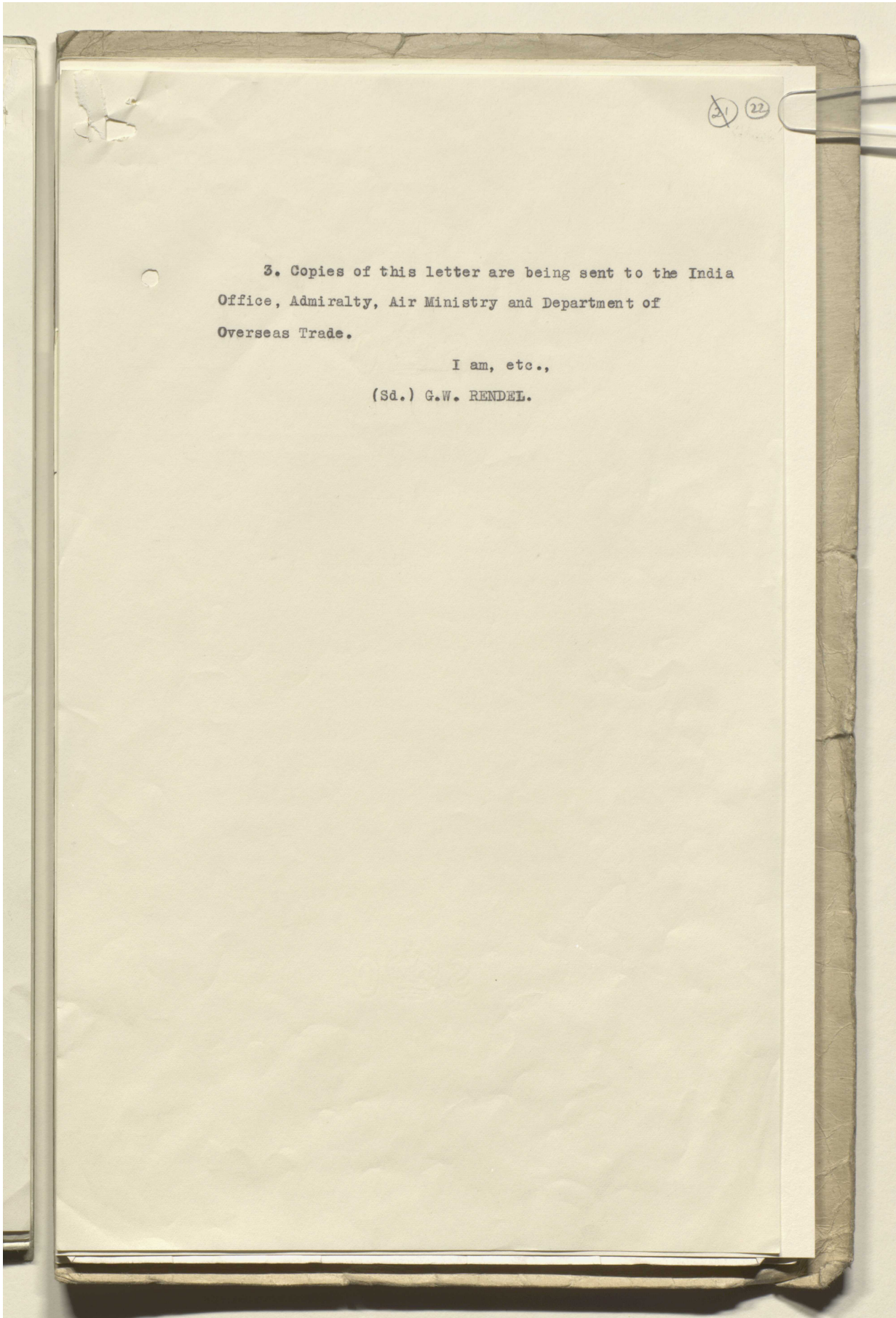
/s.

The Secretary

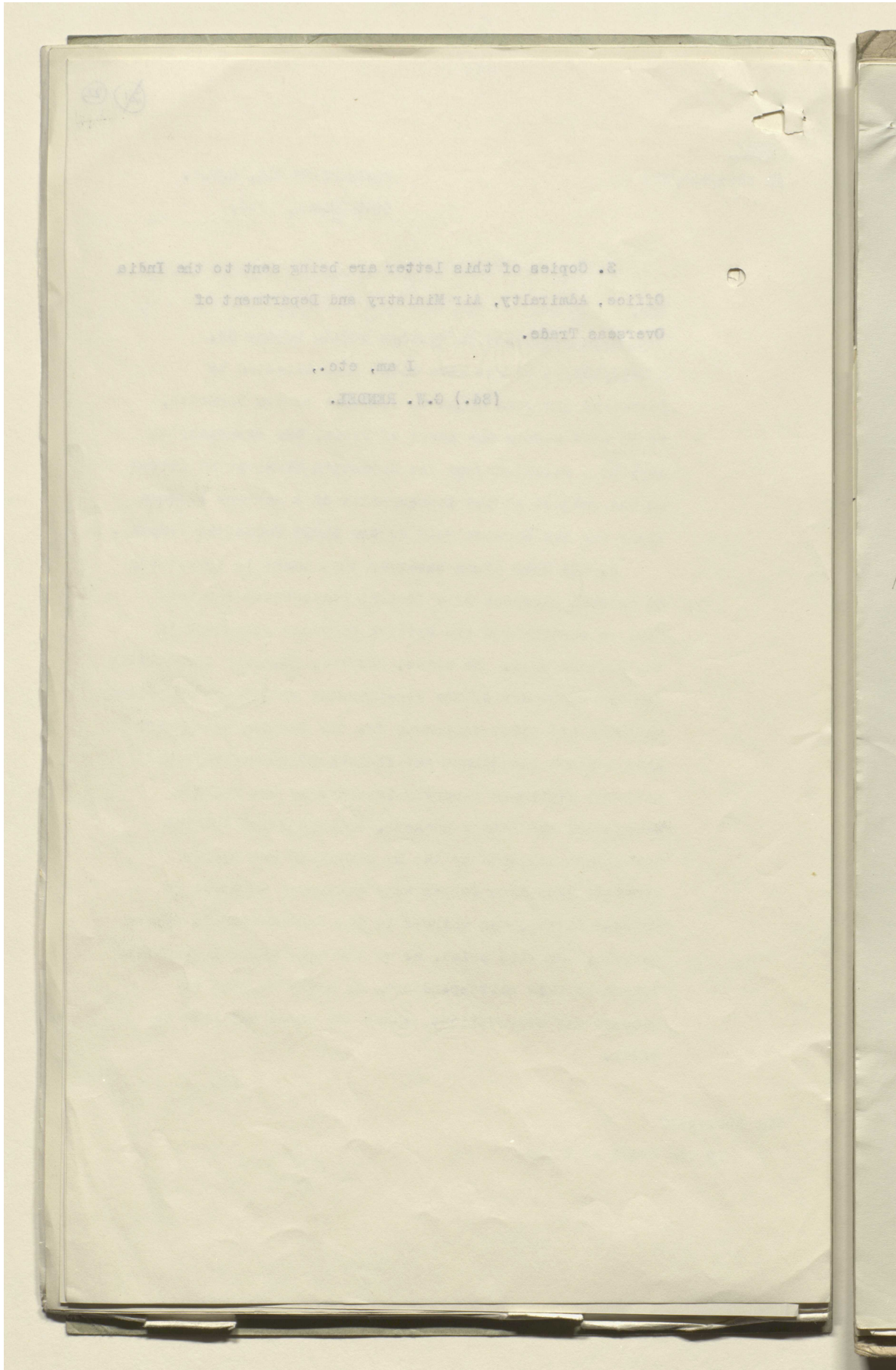
to the Board of Trade.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [21v] (42/109)

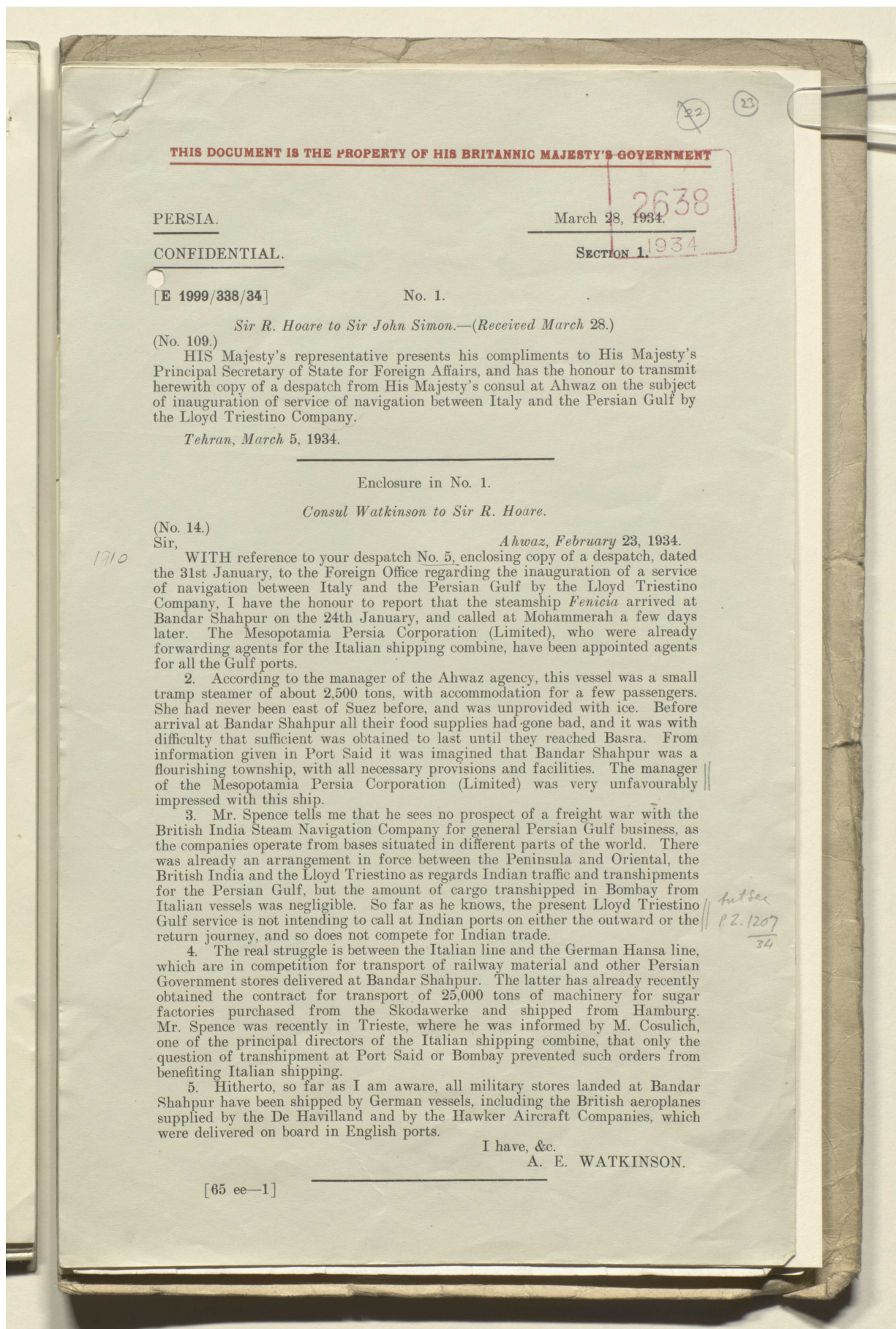




Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [22v] (44/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [23r] (45/109)



THIS DOCUMENT IS THE PROPERTY OF HIS BRITANNIC MAJESTY'S GOVERNMENT

PERSIA.

March 28, 1934.

CONFIDENTIAL.

SECTION 1. 1934

[E 1999/338/34]

No. 1.

Sir R. Hoare to Sir John Simon.—(Received March 28.)

(No. 109.)

HIS Majesty's representative presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of a despatch from His Majesty's consul at Ahwaz on the subject of inauguration of service of navigation between Italy and the Persian Gulf by the Lloyd Triestino Company.

Tehran, March 5, 1934.

Enclosure in No. 1.

Consul Watkinson to Sir R. Hoare.

(No. 14.)

Ahwaz, February 23, 1934.

Sir,

1910 WITH reference to your despatch No. 5, enclosing copy of a despatch, dated the 31st January, to the Foreign Office regarding the inauguration of a service of navigation between Italy and the Persian Gulf by the Lloyd Triestino Company, I have the honour to report that the steamship *Fenicia* arrived at Bandar Shahpur on the 24th January, and called at Mohammerah a few days later. The Mesopotamia Persia Corporation (Limited), who were already forwarding agents for the Italian shipping combine, have been appointed agents for all the Gulf ports.

2. According to the manager of the Ahwaz agency, this vessel was a small tramp steamer of about 2,500 tons, with accommodation for a few passengers. She had never been east of Suez before, and was unprovided with ice. Before arrival at Bandar Shahpur all their food supplies had gone bad, and it was with difficulty that sufficient was obtained to last until they reached Basra. From information given in Port Said it was imagined that Bandar Shahpur was a flourishing township, with all necessary provisions and facilities. The manager of the Mesopotamia Persia Corporation (Limited) was very unfavourably impressed with this ship.

3. Mr. Spence tells me that he sees no prospect of a freight war with the British India Steam Navigation Company for general Persian Gulf business, as the companies operate from bases situated in different parts of the world. There was already an arrangement in force between the Peninsula and Oriental, the British India and the Lloyd Triestino as regards Indian traffic and transhipments for the Persian Gulf, but the amount of cargo transhipped in Bombay from Italian vessels was negligible. So far as he knows, the present Lloyd Triestino Gulf service is not intending to call at Indian ports on either the outward or the return journey, and so does not compete for Indian trade.

4. The real struggle is between the Italian line and the German Hansa line, which are in competition for transport of railway material and other Persian Government stores delivered at Bandar Shahpur. The latter has already recently obtained the contract for transport of 25,000 tons of machinery for sugar factories purchased from the Skodawerke and shipped from Hamburg. Mr. Spence was recently in Trieste, where he was informed by M. Cosulich, one of the principal directors of the Italian shipping combine, that only the question of transhipment at Port Said or Bombay prevented such orders from benefiting Italian shipping.

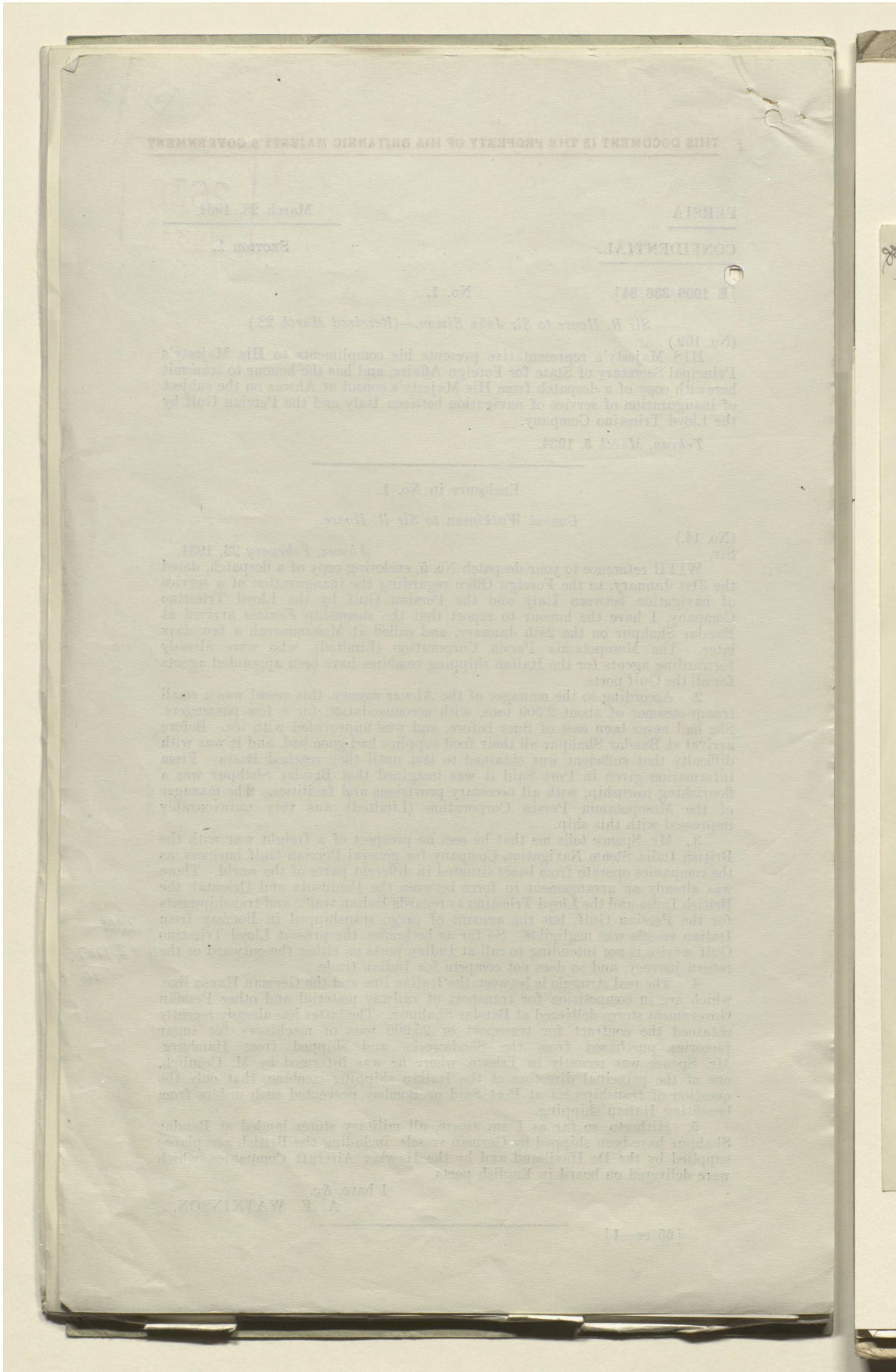
5. Hitherto, so far as I am aware, all military stores landed at Bandar Shahpur have been shipped by German vessels, including the British aeroplanes supplied by the De Havilland and by the Hawker Aircraft Companies, which were delivered on board in English ports.

I have, &c.

A. E. WATKINSON.

[65 ee-1]

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [23v] (46/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [24r] (47/109)

INDEXED
In any further communication on this subject, please quote
No. E 1462/238/34
and address—*not to any person by name*, but to
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

Resubmit
INDIA DIRECT (23) ~~23~~ (24)
P. 7
2637
h/c

THE Under-Secretary of State for Foreign Affairs presents his compliments to The Under Secretary of State for India and, by direction of the Secretary of State, transmits herewith cop of the under-mentioned paper.

Foreign Office,
19th April, 1934. 30
/ 72 p.p. 1910
2638

Reference to previous correspondence:
20 lines of 19th April. E 1462/238/34

Description of Enclosure.

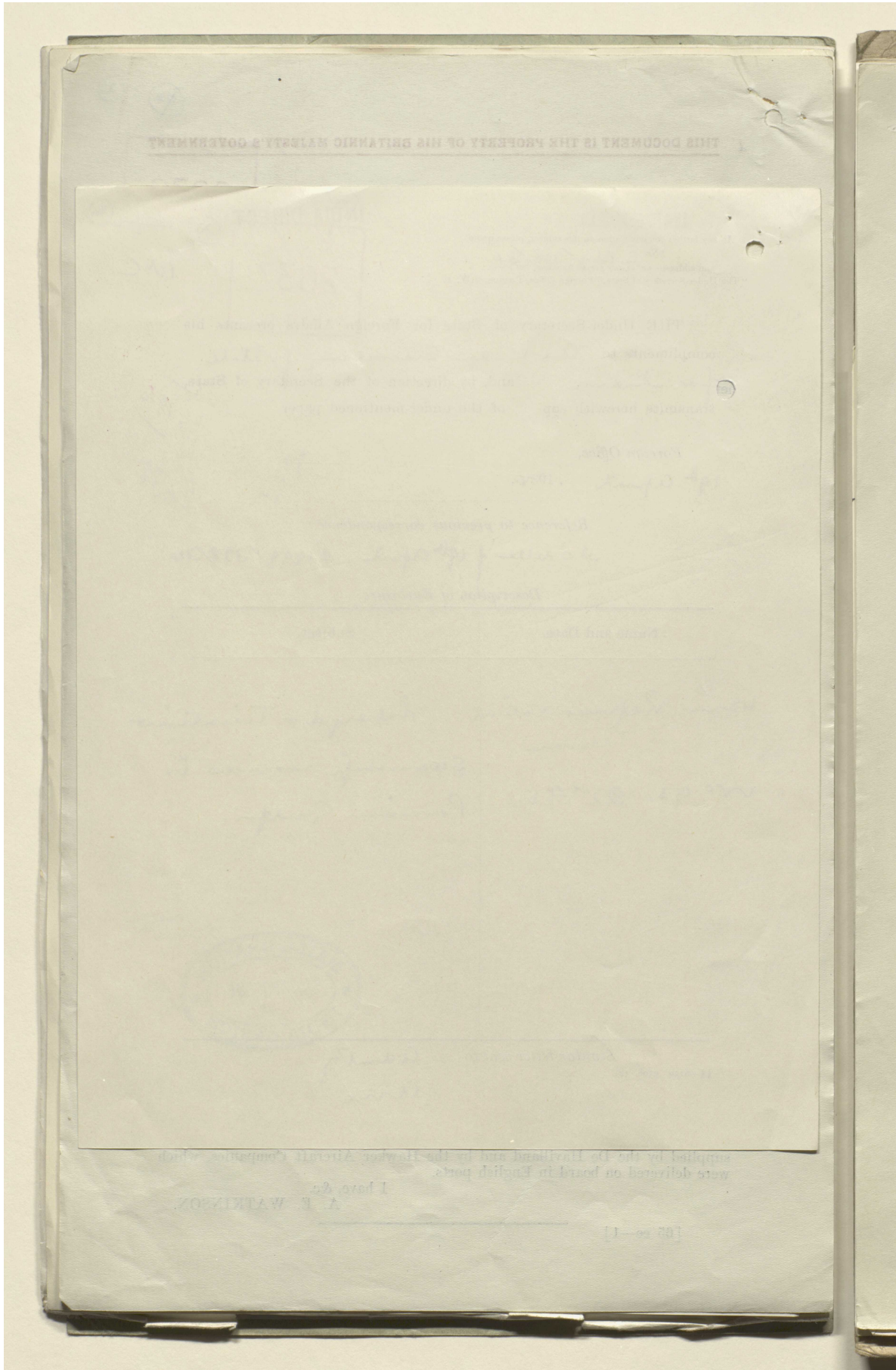
| Name and Date. | Subject. |
|--|--|
| <u>Idm. Representative Tehran</u> <u>no. 93. 22nd Feb.</u> | <u>Lloyd-Triestino</u> <u>Steamship services to</u> <u>Persian Gulf.</u> |

Similar letter sent to
14-6130 9508 (2)

Admty.
Am

MAILS BRANCH
20 APR 34
INDIA OFFICE

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [24v] (48/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [25r] (49/109)

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PERSIA.

March 14, 1934

2637

CONFIDENTIAL.

SECTION 3.

1934

[E 1664/338/34]

No. 1.

Sir R. Hoare to Sir John Simon.—(Received March 14.)

(No. 93.)

Tehran, February 22, 1934.

Sir,

I HAVE the honour to acknowledge the receipt of your despatch No. 26 of the 11th January, instructing me to submit my observations upon the new Lloyd-Triestino steamship service to the Persian Gulf. I have also received your despatch No. 74 of the 8th February, transmitting the views of the Political Resident, and a copy of Sir Francis Humphrys's despatch No. O.T. (A) 4 of the 5th February upon the same subject.

2. The information which I have been able to gather about the new venture in Mesopotamia Persia Corporation are acting as agents for the Lloyd-Triestino, and Mr. Spence, the corporation's representative at Ahwaz, went to Bander Shahpur to meet the *Fenicia* on her arrival (see my despatch No. 43 of the 31st January). In view of the close relations existing between the corporation and the British India Steam Navigation Company, I presume that the corporation would hardly act in this capacity without the approval of the steamship company. It may even be that some understanding exists between the British India and Lloyd-Triestino companies, as the former are, I am told, more worried at present by the competition of the Hansa Line, who are quoting rates to European ports 50 per cent. lower than the British rates, rather than by the prospective competition of the Lloyd-Triestino.

3. I am not aware whether much cargo is ordinarily carried by Lloyd-Triestino steamers to Bombay and thence trans-shipped to British India steamers for conveyance to ports in the Persian Gulf. If so this freight will be lost now that there are through steamers from Italy to the Gulf. But it seems to me more likely that most of the cargoes will consist of freight which would otherwise have been carried, possibly by Strick Line steamers, from ports on the North Sea. In any case the present programme, one round voyage in two months, is not very formidable, though it will doubtless be expanded if it proves a success.

4. The immediate reason for the institution of this service has doubtless been the contracts obtained by Italian firms during the last year for the construction of various sections of the Trans-Persian Railway. I need hardly say that the account of these contracts given in the *Sole* of the 13th December last (see Rome despatch No. O.T. (A) 176 of the 14th December, 1933) is greatly exaggerated. The contracts do not cover the whole railway, in fact they probably cover less than 10 per cent. of the total line to be constructed, and they do not extend to any works not directly connected with the railway. Nevertheless, they are in themselves of substantial value; they have led to the introduction of many hundreds of Italian artisans and workmen, and they doubtless have led, and will lead, to extensive importations of Italian material and machinery.

5. These cargoes, even with the cement trade to Iraq, may not be sufficient to render the new service profitable in the absence of subsidies from the Italian Government, but they are possibly sufficient to provide a commercial motive for the activities of that Government. I find it hard to believe that the Italian Government can have political aims in Persia in the sense of harbouring designs upon Persian territory or of wishing, or still less expecting, to acquire such a dominating position in the counsels of the Persian Government as will ensure them the support of Persia in major international affairs. I am equally sceptical about their aims in Iraq and in the Arab States of the Gulf so long, at any rate, as these are clearly marked as British preserves, although I realise that undue activity on the part of Italy in these States might force His Majesty's Government into the uncomfortable position of having to announce open protectorates.

[65 o-3]

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [25v] (50/109)

6. The aims of the Italian Government in all these countries is, I surmise, to find new outlets for Italian trade and new spheres of employment for Italian subjects. To achieve these aims they will use every art and artifice to penetrate new markets, to secure concessions and contracts and to place Italians in Government or private employ, and the exercise of these arts and artifices may sometimes be indistinguishable from political activities. In any case, the extension of Italian interests in Persia, if at the expense of important British interests, is certainly most deplorable, though not more deplorable than the extension of Japanese or German interests, and doubly deplorable when it is secured by unfair competition, such as shipping subsidies. This last question is, as the Political Resident has pointed out, one that cannot be treated locally. For the rest I can only suggest that if the competition to British shipping is serious even without the subsidy (and there appears to be some grounds for doubting whether it would prove so), and if it is necessary to maintain the British India service on political grounds (for His Majesty's Government, unlike the Italian Government, have political interests in Persia), a system of subsidies must be instituted irrespective of what the Italian or other Governments may or may not do.

7. I am sending copies of this despatch to the Department of Overseas Trade (No. O.T. (B) 34), to the Foreign Secretary to the Government of India, to His Majesty's Ambassador at Bagdad (No. 18), to the honourable the Political Resident in the Persian Gulf (No. 32), and to His Majesty's consul at Ahwaz (No. 17).

I have, &c.

R. H. HOARE.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [26r] (51/109)

Pz 1913/24

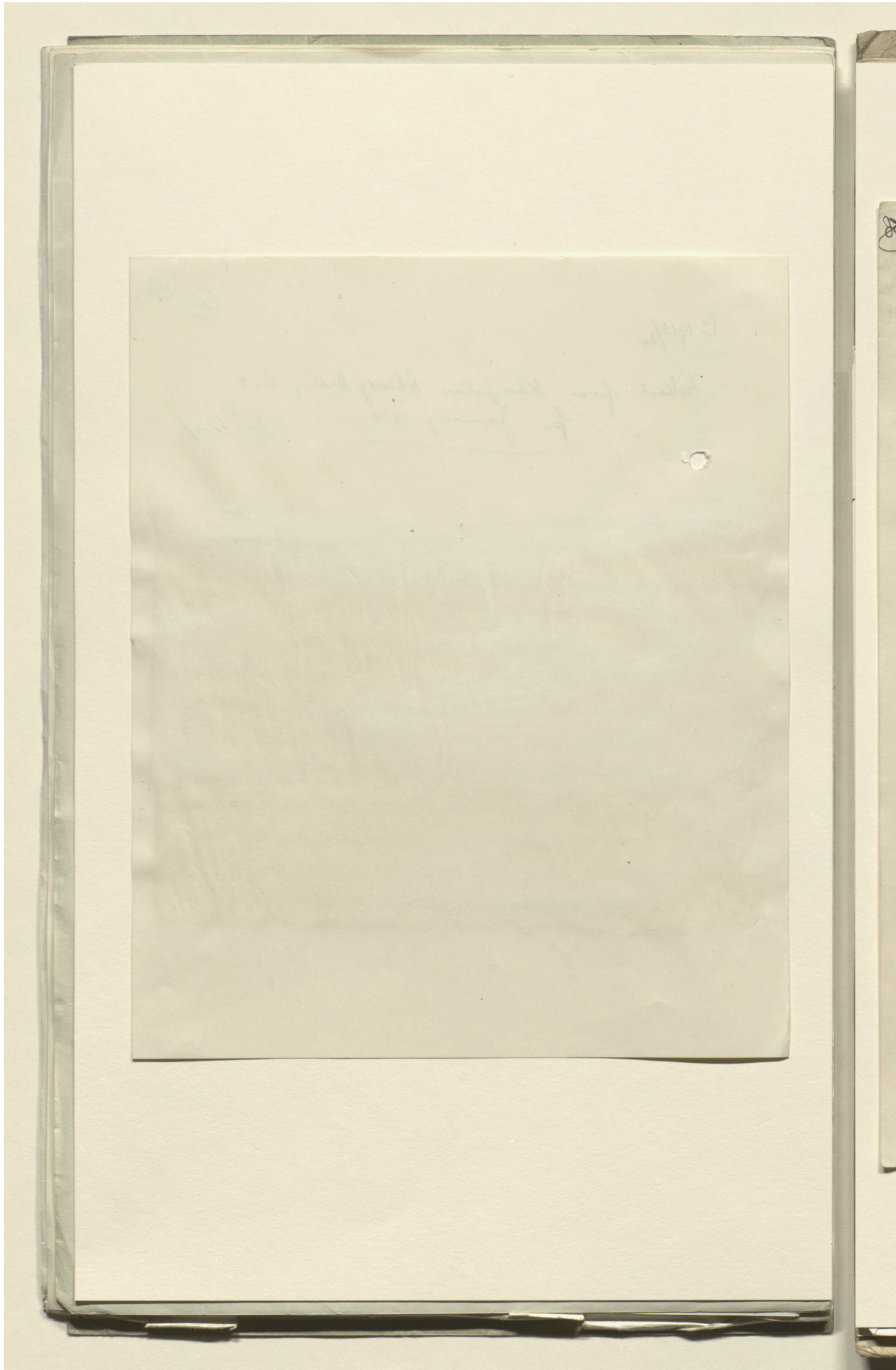
Extract from Khuzistan Akhbarat No 1
for January 1934.

Call 30/1/34 ✓

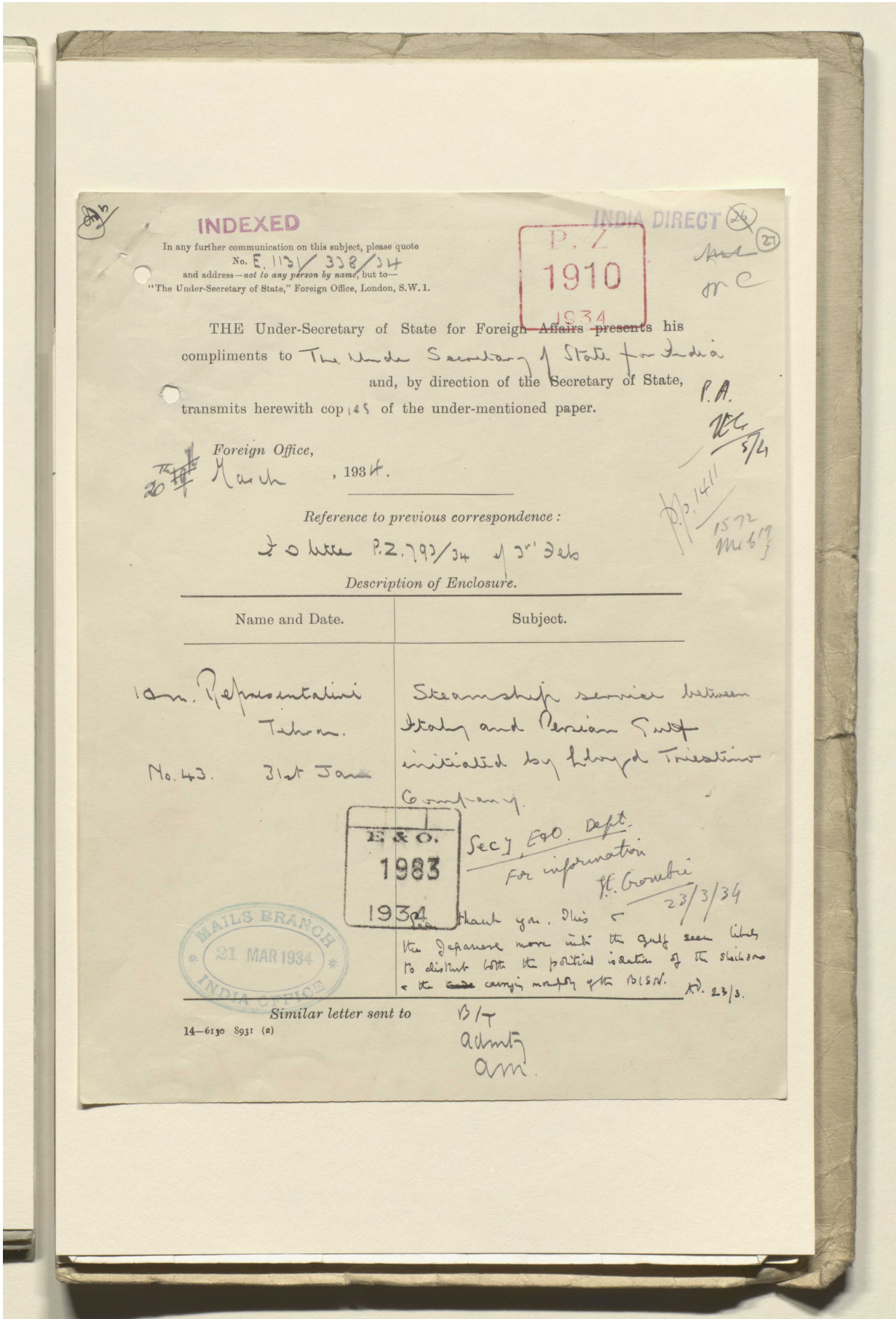
(25) (26)

7. Italian Interests.

The S.S. "Penicia" of the Lloyd Triestino Company arrived from Egypt at Bandar Shahpur on January 24. She is a tramp steamer of very small tonnage which had never been east of Suez before and was unprovided with ice. All supplies on board had gone bad and the Captain expected to be able to obtain supplies at Bandar Shahpur in accordance with the information given him by the Persian Consul at Port Said. Provisions were found with the utmost difficulty by the local agent sufficient to last until the vessel reached Basra. This is the inauguration of a regular service of Italian ships to Persian Gulf ports. The local agency is in the hands of the Mesopotamia Persia Corporation Limited.



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [27r] (53/109)



INDEXED

In any further communication on this subject, please quote
No. E. 112/328/34
and address—not to any person by name, but to—
"The Under-Secretary of State," Foreign Office, London, S.W. 1.

INDIA DIRECT (26)
P. Z
1910
1934

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m c

THE Under-Secretary of State for Foreign Affairs presents his
compliments to The Under Secretary of State for India
and, by direction of the Secretary of State,
transmits herewith copies of the under-mentioned paper.

Foreign Office,
20th March, 1934.

P.A.
REC
5/4
P.P. 1411
1572
M 619

Reference to previous correspondence :

to letter P.Z. 793/34 of 3rd Feb

Description of Enclosure.

| Name and Date. | Subject. |
|---|---|
| Am. Representative Tehran. No. 43. 31st Jan | Steamship service between Italy and Persian Gulf initiated by Lloyd Triestino Company. |

E.R.O.
1983
1934

Secy, E.R.O. Dept.
For information
H. Gombi
23/3/34

MAILS BRANCH
21 MAR 1934
INDIA OFFICE

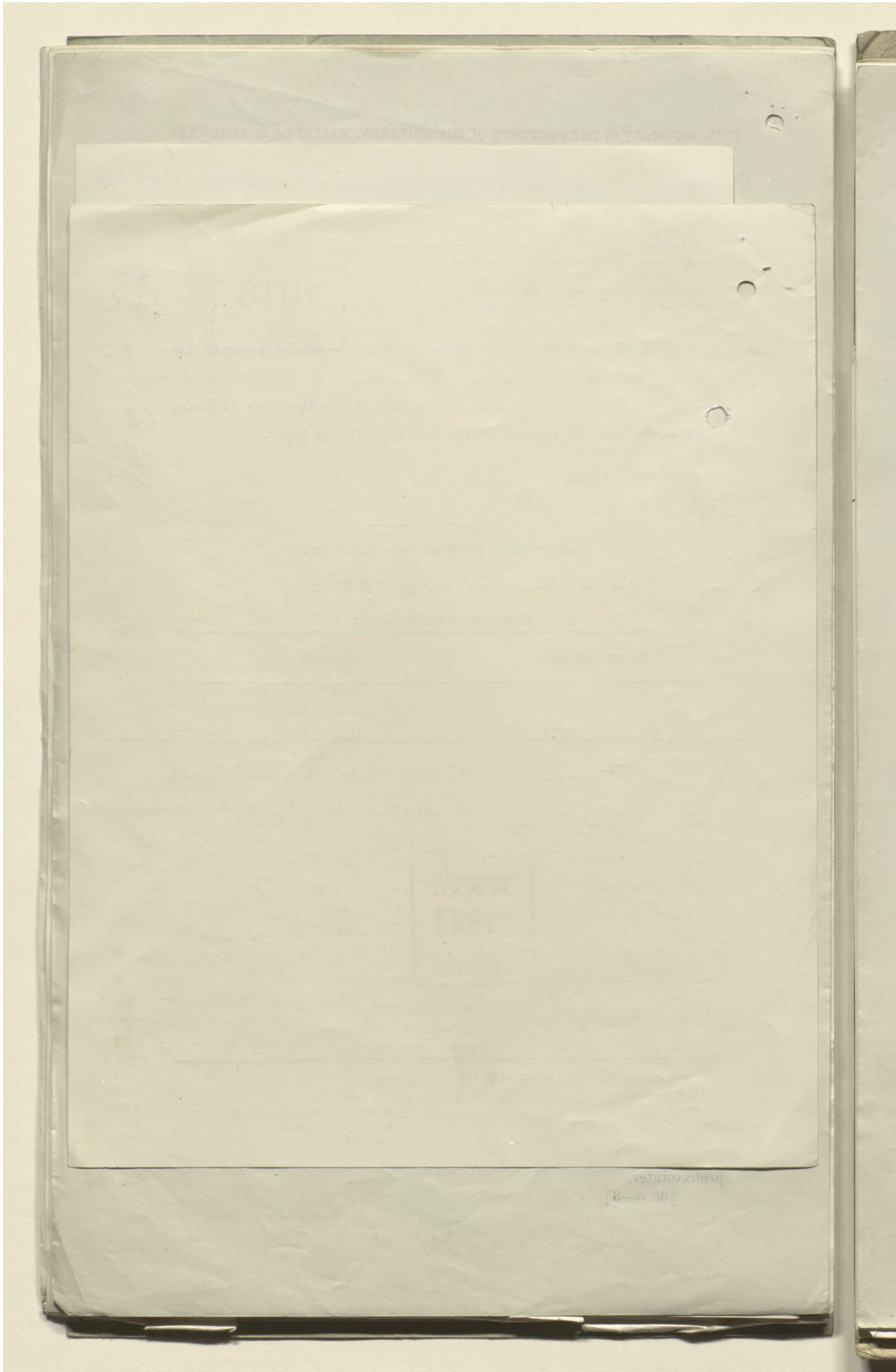
Thank you. This is
the Japanese move into the Gulf seen likely
to disturb both the political isolation of the shahdom
& the ~~and~~ carrying matter of the B.S.N. Ad. 23/3.

Similar letter sent to

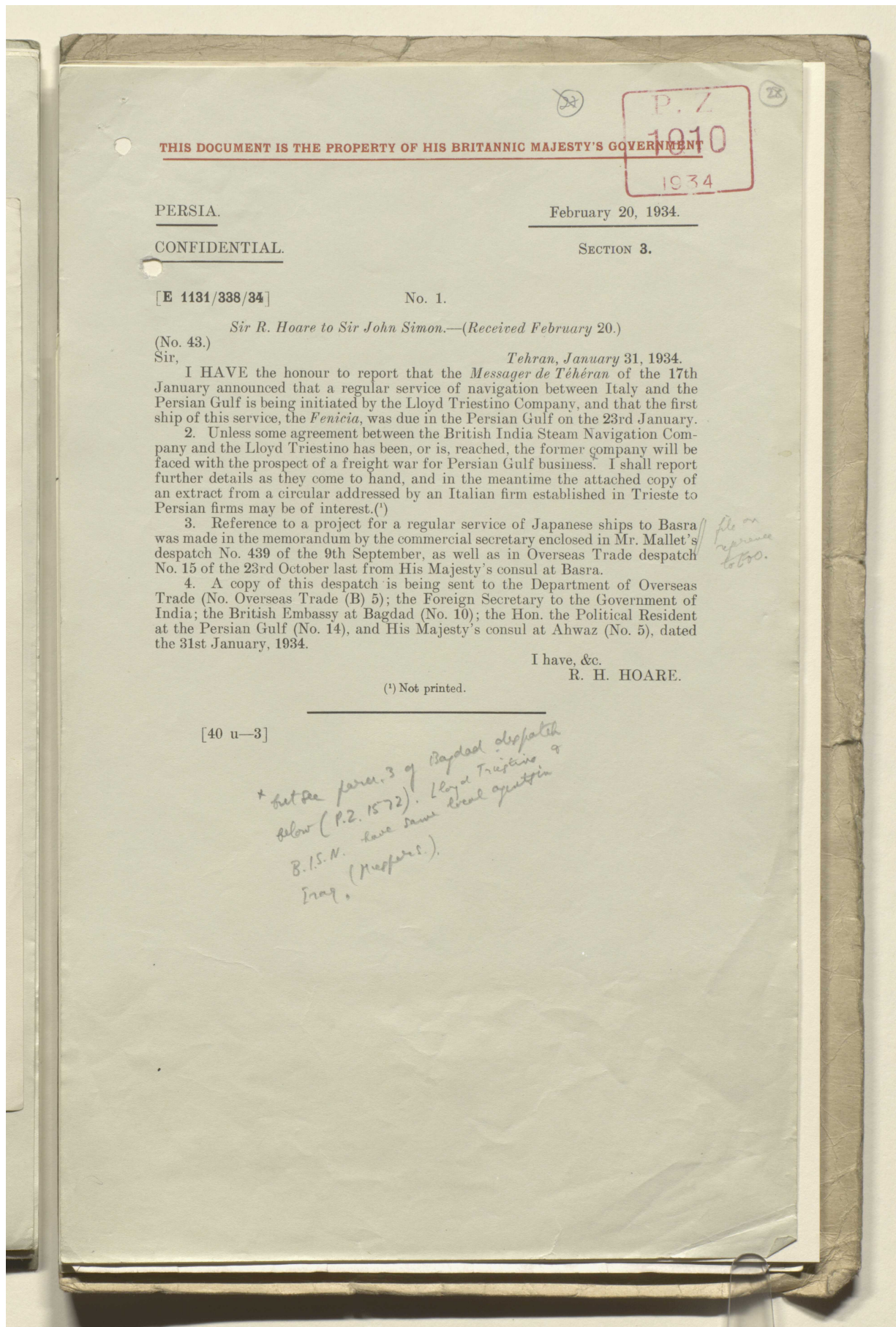
14-6130 8931 (2)

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Ann.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [27v] (54/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [28r] (55/109)



THIS DOCUMENT IS THE PROPERTY OF HIS BRITANNIC MAJESTY'S GOVERNMENT

P. Z
1010
1934

PERSIA.

February 20, 1934.

CONFIDENTIAL.

SECTION 3.

[E 1131/338/34]

No. 1.

Sir R. Hoare to Sir John Simon.—(Received February 20.)

(No. 43.)

Tehran, January 31, 1934.

Sir,

I HAVE the honour to report that the *Messenger de Téhéran* of the 17th January announced that a regular service of navigation between Italy and the Persian Gulf is being initiated by the Lloyd Triestino Company, and that the first ship of this service, the *Fenicia*, was due in the Persian Gulf on the 23rd January.

2. Unless some agreement between the British India Steam Navigation Company and the Lloyd Triestino has been, or is, reached, the former company will be faced with the prospect of a freight war for Persian Gulf business. I shall report further details as they come to hand, and in the meantime the attached copy of an extract from a circular addressed by an Italian firm established in Trieste to Persian firms may be of interest.⁽¹⁾

3. Reference to a project for a regular service of Japanese ships to Basra was made in the memorandum by the commercial secretary enclosed in Mr. Mallet's despatch No. 439 of the 9th September, as well as in Overseas Trade despatch No. 15 of the 23rd October last from His Majesty's consul at Basra.

4. A copy of this despatch is being sent to the Department of Overseas Trade (No. Overseas Trade (B) 5); the Foreign Secretary to the Government of India; the British Embassy at Bagdad (No. 10); the Hon. the Political Resident at the Persian Gulf (No. 14), and His Majesty's consul at Ahwaz (No. 5), dated the 31st January, 1934.

I have, &c.

R. H. HOARE.

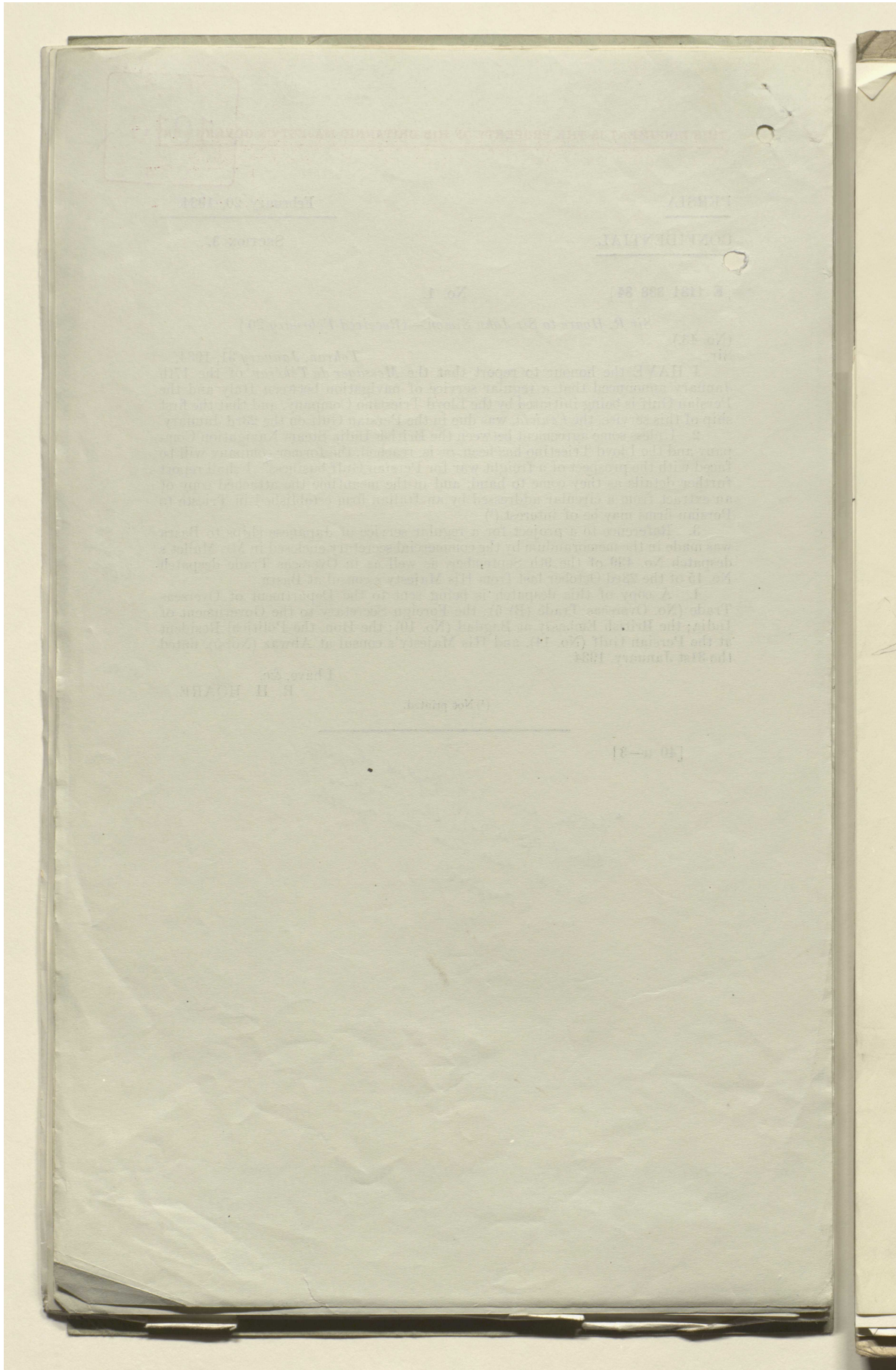
⁽¹⁾ Not printed.

[40 u-3]

* but see para. 3 of Bagdad despatch below (P. 2. 1572). Lloyd Triestino & B.I.S.N. have some deal against Iraq, (Mesopotamia).

file on reference to 1010.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [28v] (56/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [29r] (57/109)

P.Z. 1573/34.

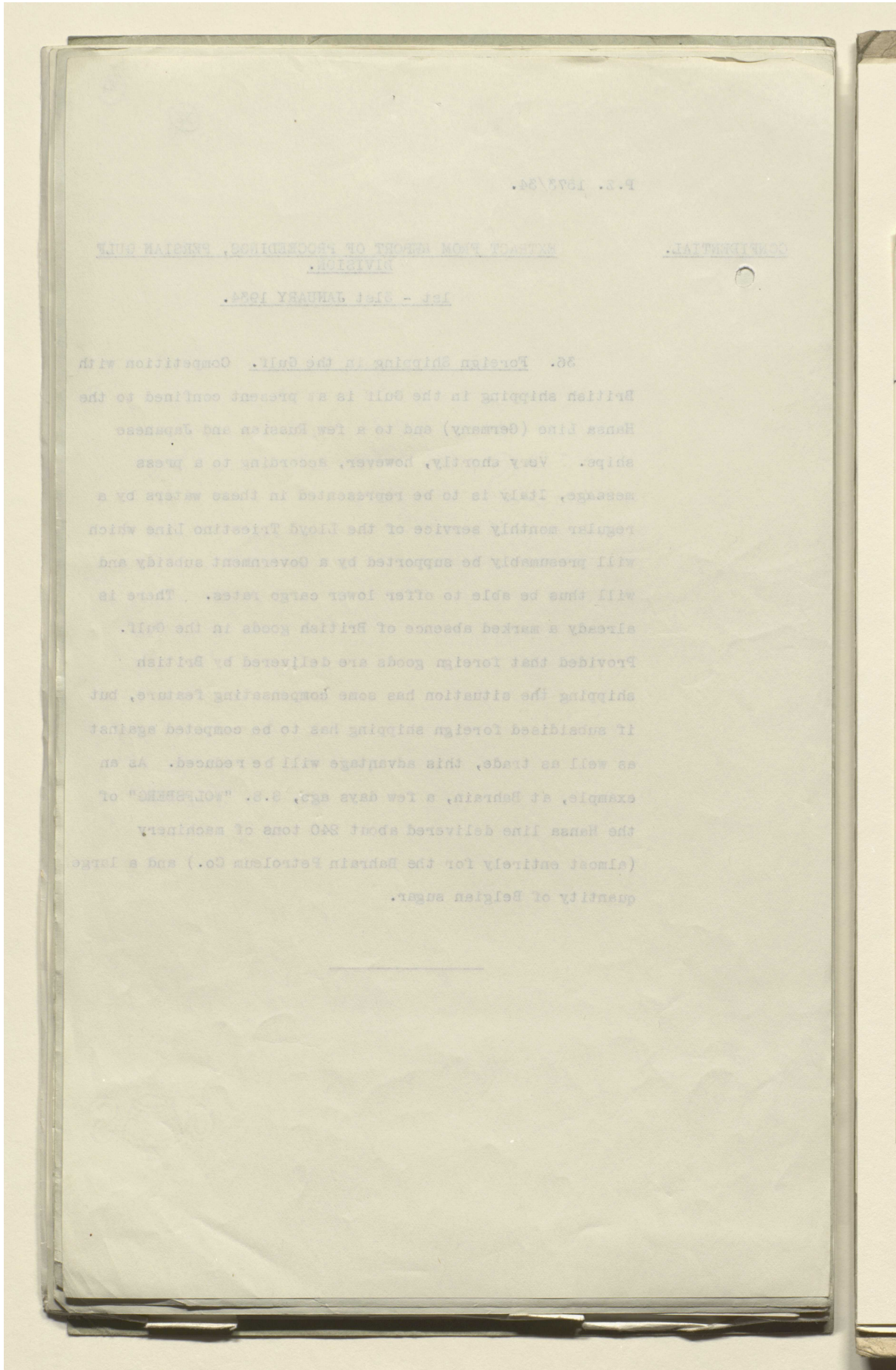
CONFIDENTIAL.

EXTRACT FROM REPORT OF PROCEEDINGS, PERSIAN GULF
DIVISION.

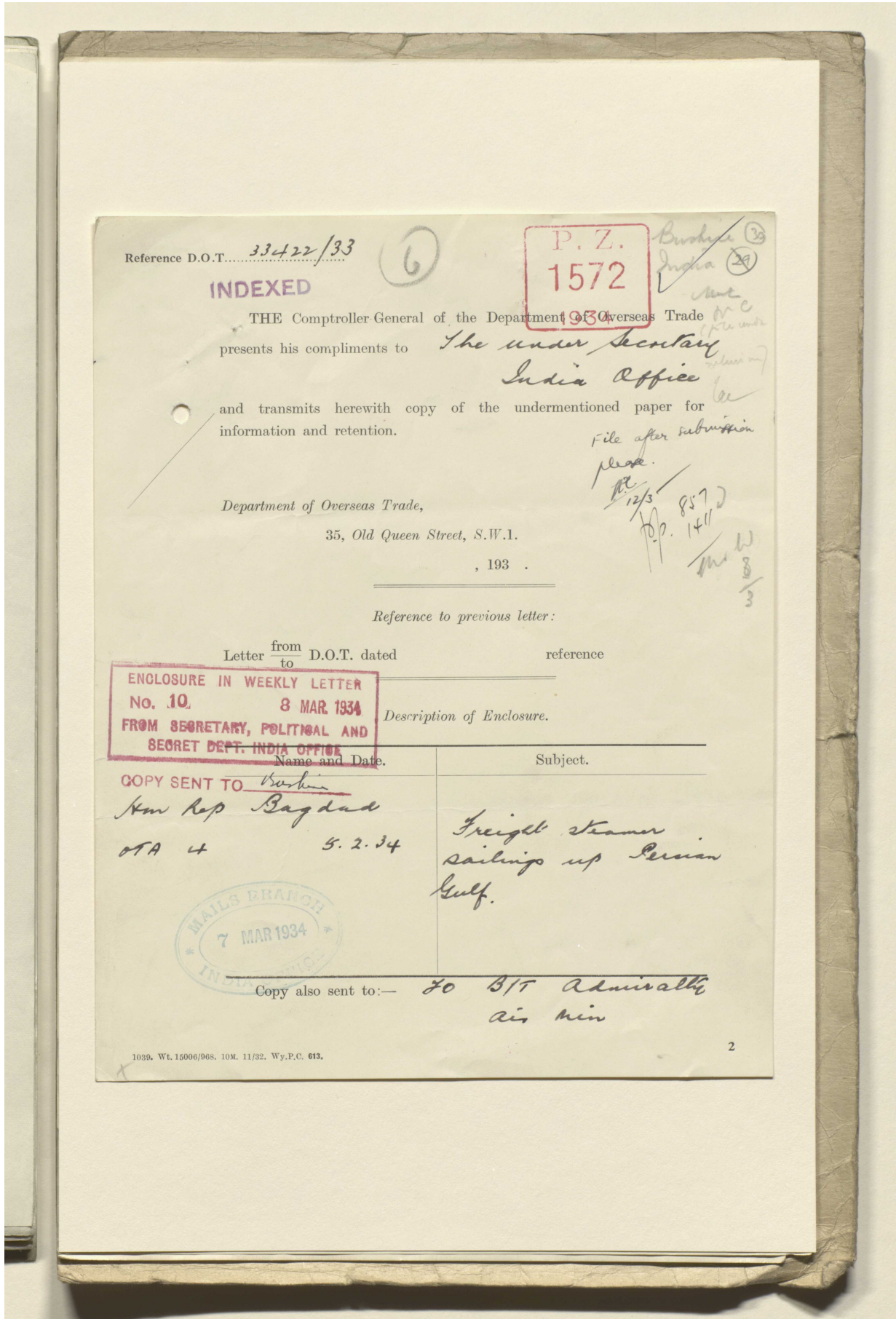
1st - 31st JANUARY 1934.

36. Foreign Shipping in the Gulf. Competition with British shipping in the Gulf is at present confined to the Hansa Line (Germany) and to a few Russian and Japanese ships. Very shortly, however, according to a press message, Italy is to be represented in these waters by a regular monthly service of the Lloyd Triestino Line which will presumably be supported by a Government subsidy and will thus be able to offer lower cargo rates. There is already a marked absence of British goods in the Gulf. Provided that foreign goods are delivered by British shipping the situation has some compensating feature, but if subsidised foreign shipping has to be competed against as well as trade, this advantage will be reduced. As an example, at Bahrain, a few days ago, S.S. "WOLFSBERG" of the Hansa line delivered about 240 tons of machinery (almost entirely for the Bahrain Petroleum Co.) and a large quantity of Belgian sugar.

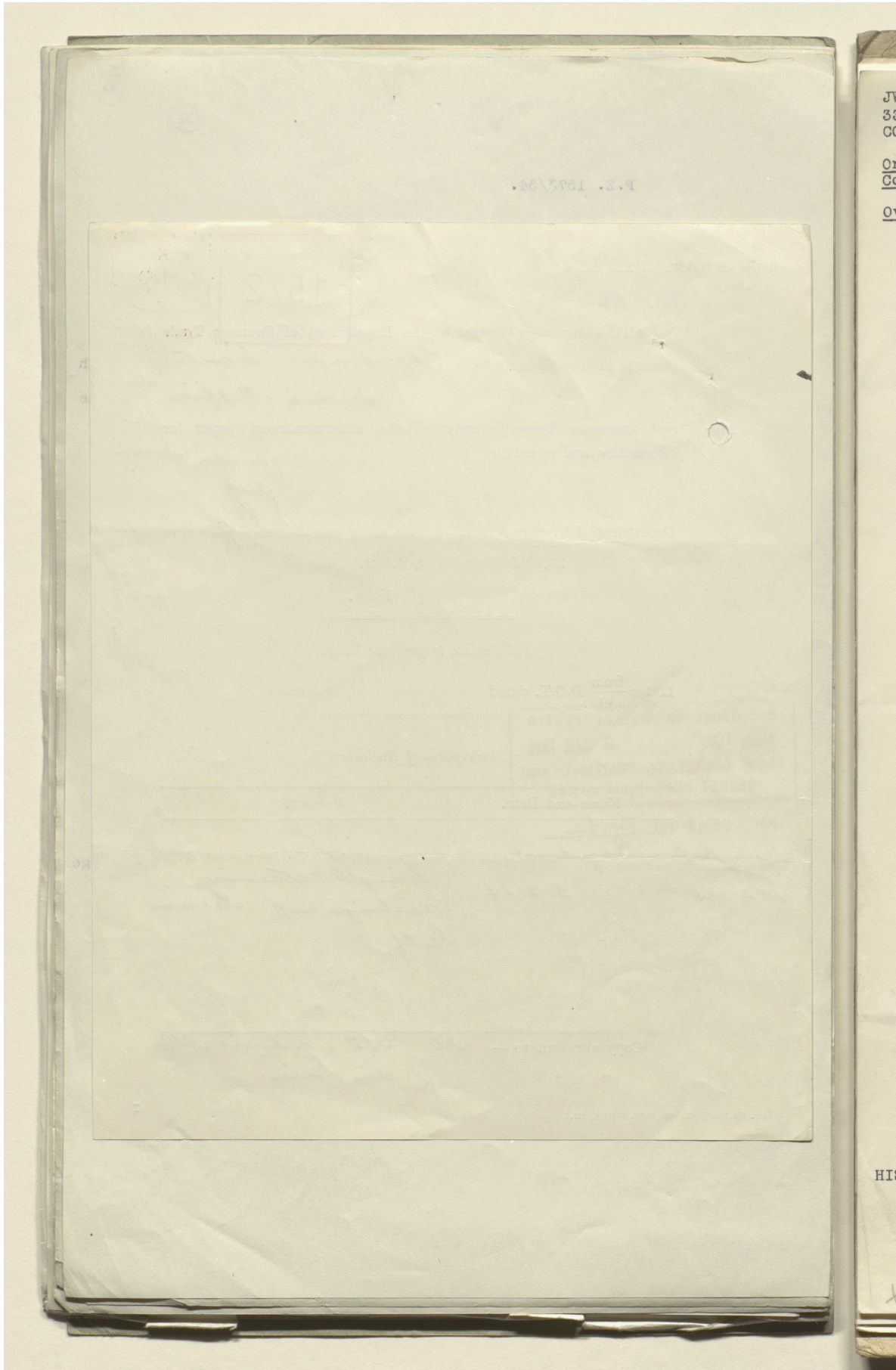
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [29v] (58/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [30r] (59/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [30v] (60/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [31r] (61/109)

JW.
33422/1933.
COPY.

Original by Bag.
Copy by K.L.M.

Overseas Trade No.(A)4.

BRITISH EMBASSY

BAGDAD.

5th February, 1934.

Copy sent by Air Mail.

Sir,

I have the honour to inform you that, at the end of January, a Lloyd Triestino cargo vessel called at Basrah with a cargo of Italian cement.

2. Mr. Walter Denso, a representative of the Lloyd Triestino, is visiting Iraq from Bombay to make arrangements for a regular service between Trieste and Basrah. It is understood that the agents in Iraq will be the Mesopotamia Persia Corporation, who are the local agents for the Peninsular and Oriental, the British India, the Khedivial Mail, and the Ellerman and Bucknall Steamship Companies, as well as Lloyd's. Presumably therefore shipping interests in the United Kingdom are already well aware of the development.

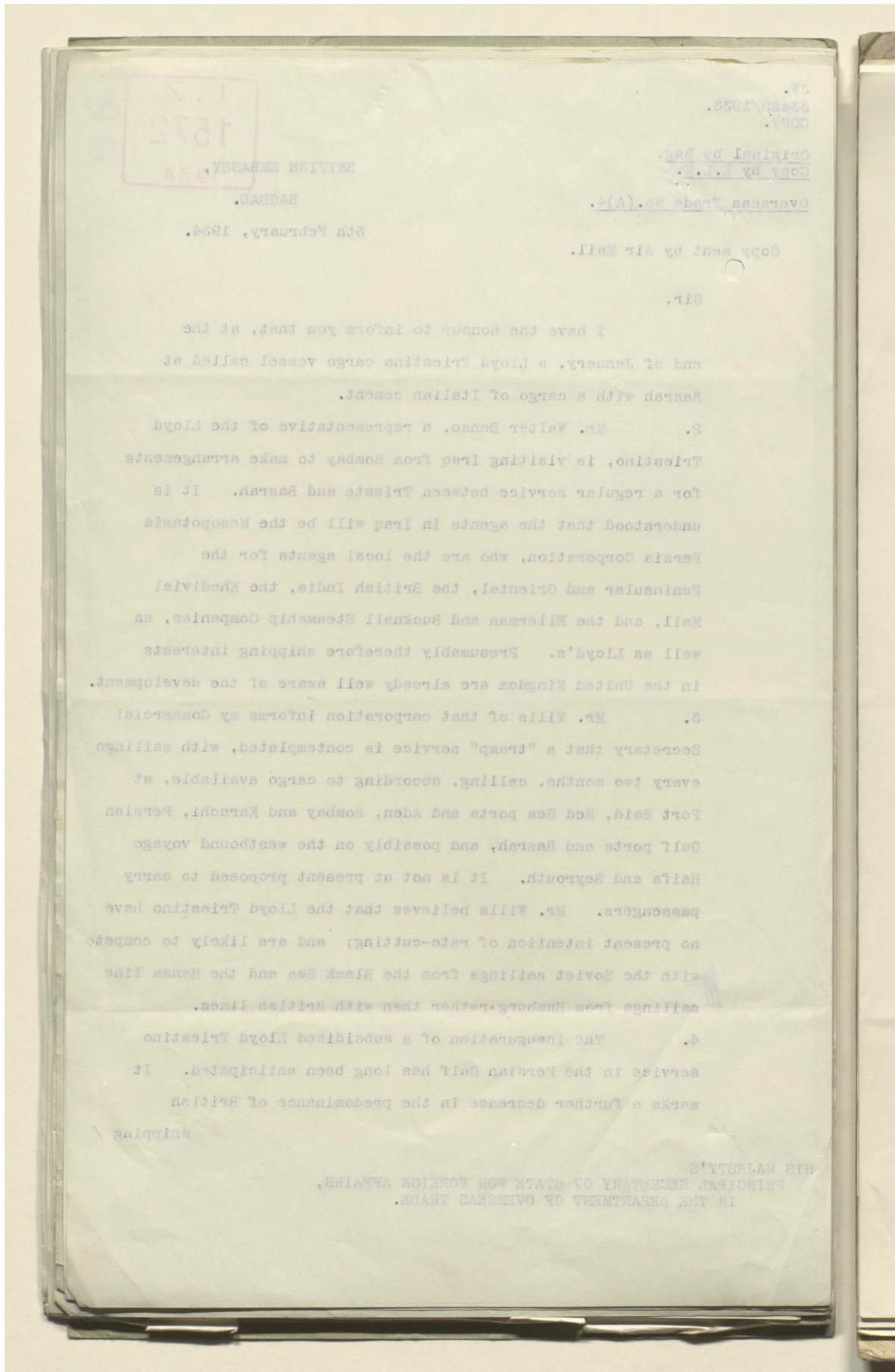
3. Mr. Wills of that corporation informs my Commercial Secretary that a "tramp" service is contemplated, with sailings every two months, calling, according to cargo available, at Port Said, Red Sea ports and Aden, Bombay and Karachi, Persian Gulf ports and Basrah, and possibly on the westbound voyage Haifa and Beyrouth. It is not at present proposed to carry passengers. Mr. Wills believes that the Lloyd Triestino have no present intention of rate-cutting; and are likely to compete with the Soviet sailings from the Black Sea and the Hansa line sailings from Hamburg rather than with British lines.

4. The inauguration of a subsidised Lloyd Triestino service in the Persian Gulf has long been anticipated. It marks a further decrease in the predominance of British

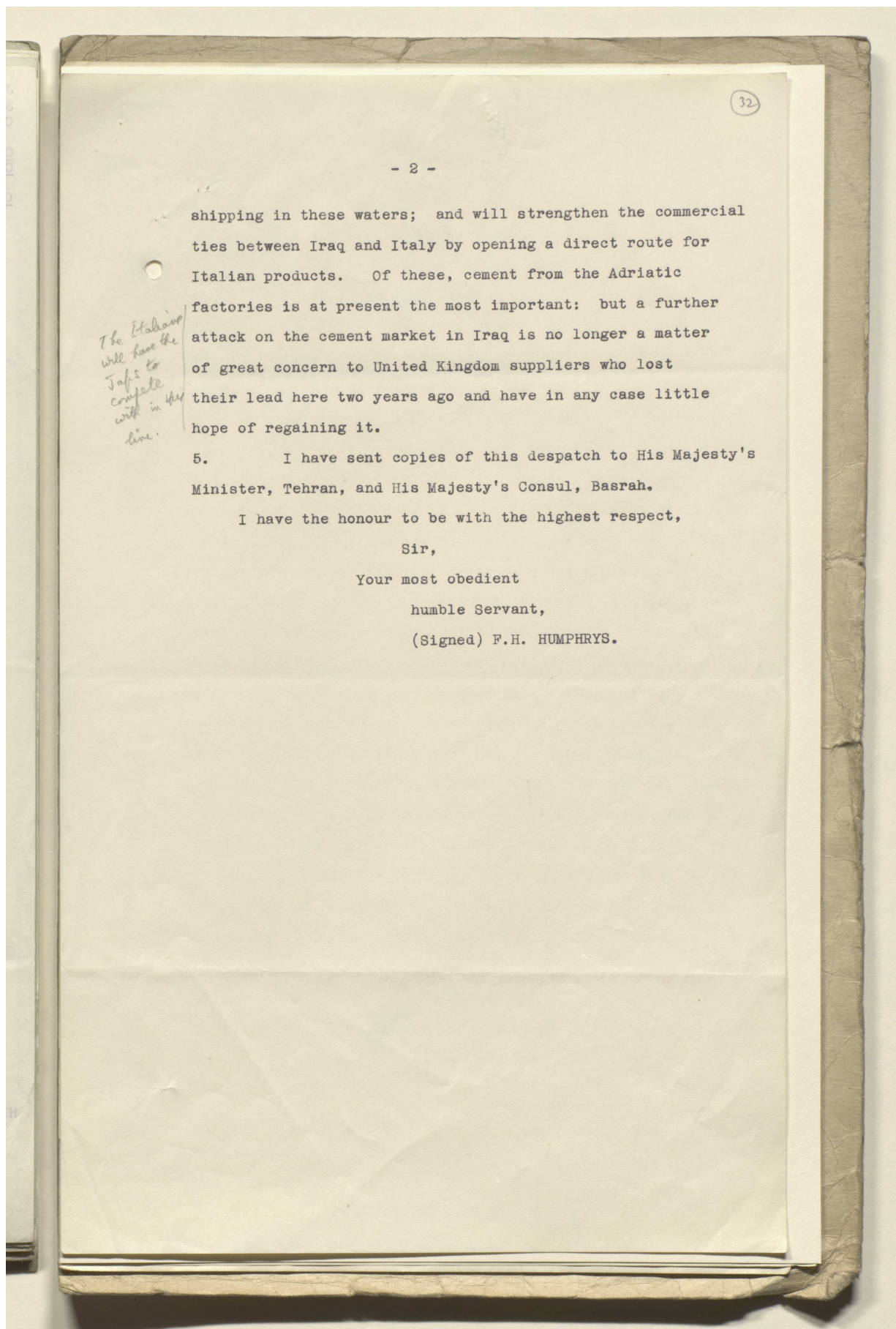
shipping /

HIS MAJESTY'S
PRINCIPAL SECRETARY OF STATE FOR FOREIGN AFFAIRS,
IN THE DEPARTMENT OF OVERSEAS TRADE.

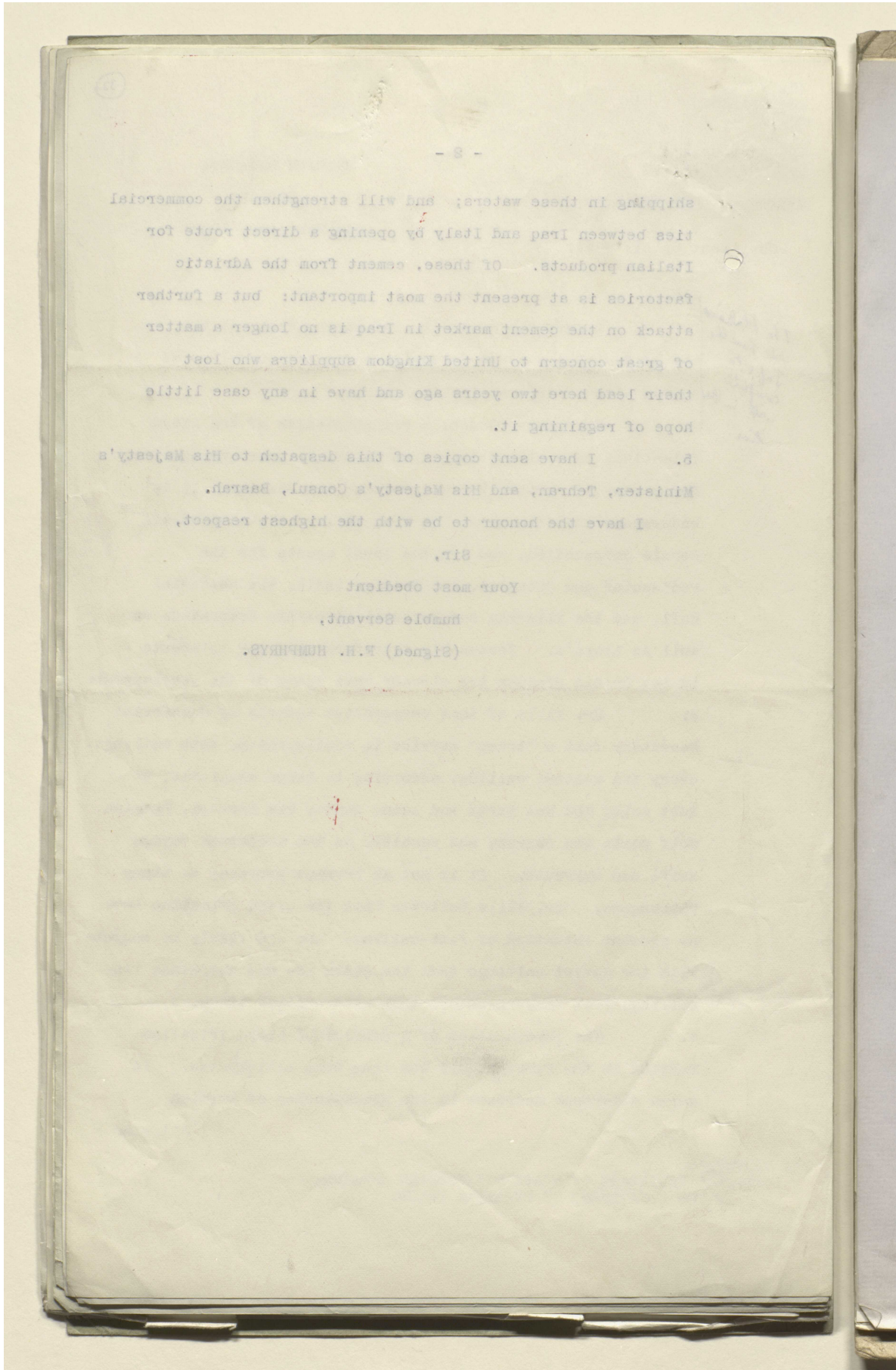
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [31v] (62/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [32r] (63/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [32v] (64/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [33r] (65/109)

33

Register No.
P. 2.
 1411 / 34

SECRET.
POLITICAL DEPARTMENT.

Letter _____ from _____ Dated _____ 19 .
 Telegram _____ Rec. _____

Formally acknowledged _____

| | Date. | Initials. | SUBJECT. |
|------------------------|--------|-------------|--|
| To | | | <u>Persian Gulf.</u> |
| Chairman..... | | | Proposed subsidised Lloyd Triestino Service. |
| Under Secretary | 14. 3. | <i>Hand</i> | |
| Secretary of State... | | | Views of Resident and Government of India. |
| Committee..... | | | |
| Under Secretary..... | | | |
| Secretary of State.... | | | |

Copy of *hr. 6212* to *ad am BIT SET India* 17
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34

FOR USE BY DEPARTMENTS ONLY.

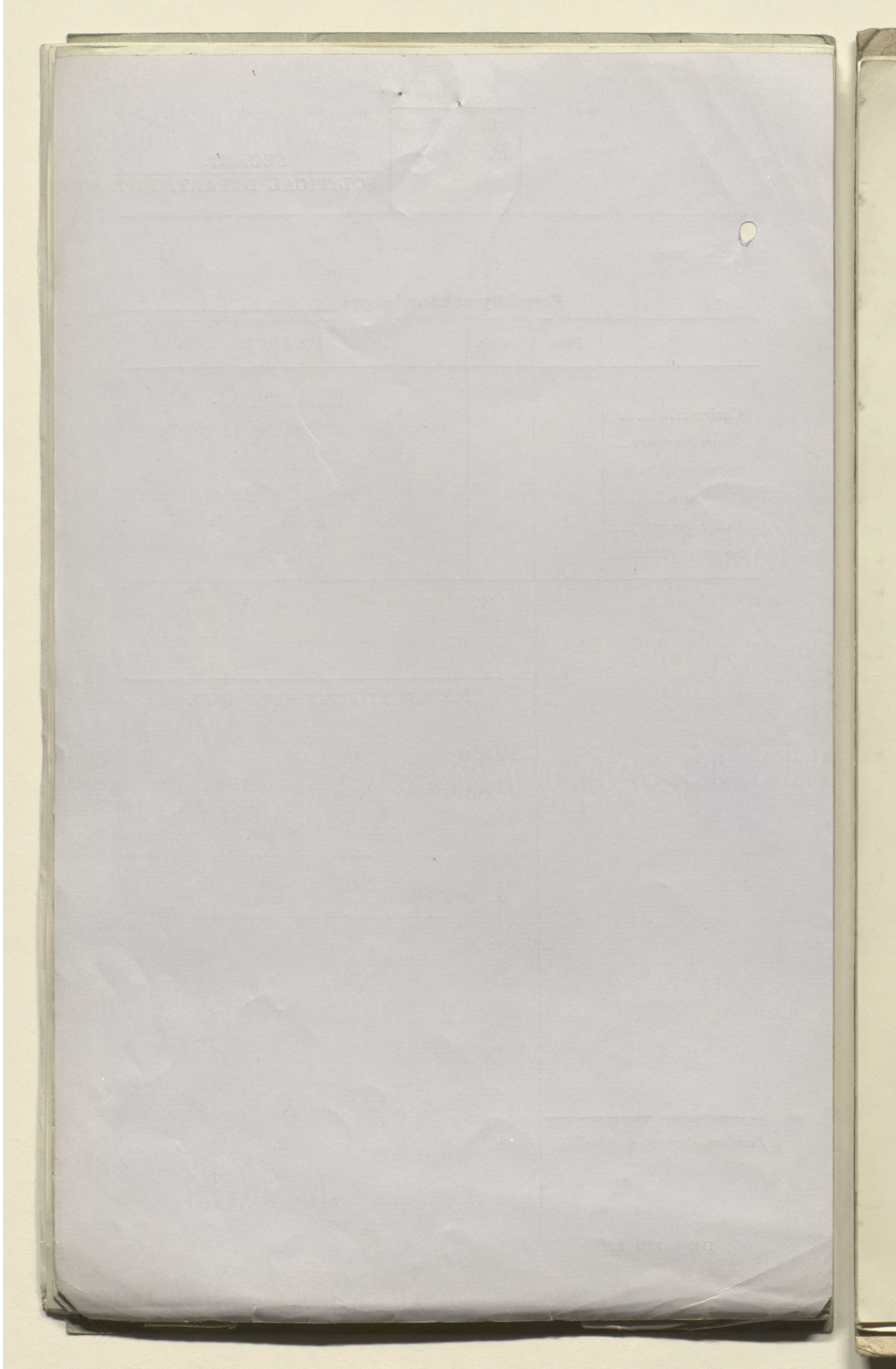
Minute.

Draft letter to Foreign Office, expressing general agreement with views of Government of India and Colonel Fowle.

16 MAR 1934 *Letter to F.O.*

Previous Papers :-

1140 1000 8.32



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [34r] (67/109)

32 34

Minute Paper.

POLITICAL Department.

Please see Mr. Crombie's minute on P.Z.288/34, flagged below, and the subsequent correspondence with the Political Resident and the Government of India. The Resident has not dealt with our enquiry as to the possible commercial importance of this further competing service and the extent to which it is likely to pay its way, but on that he is perhaps not in a very good position to offer observations of value.

2. The situation is eased by the fact that the service will not, at any rate at this stage, call at the ports on the Arab littoral. If and when it does, it will be impossible to differentiate between it and the Hansa Line, which, from Colonel Fowle's telegram of 27th February, already calls at Dabai and Shargah, although no landings can be made with ^{out} a special permission.

3. I submit that we may write to the Foreign Office as in the draft attached.

V. G. Lambton

Secretary, E. & O. Department,

2-3-34

For information and any observations.

E. & O.
1502
1934

V. G. L.
2-3-34

The Political Resident's telegram quoted in the G. of I. telegram of the 2nd February seems to imply a belief that the only possible way of meeting the Italian policy of subsidising shipping is to do the same. I doubt the correctness of this proposition, and should think the S. of S. would not wish to support it--as the present draft in form does--without careful consideration.

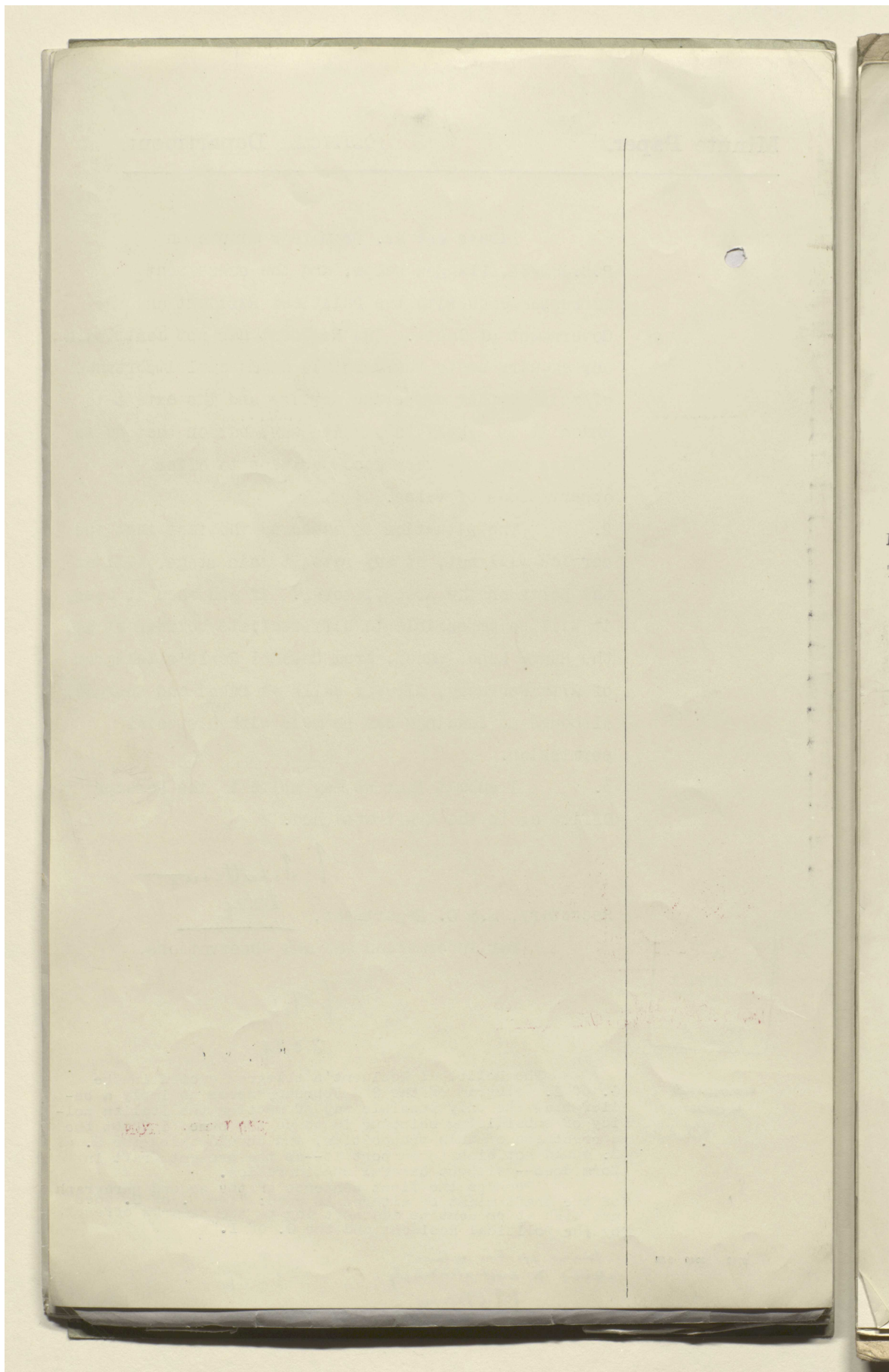
Perhaps the first sentence of the second paragraph of the draft might be altered to read: "The S. of S. does not wish at present to add anything to the remarks offered by the Political Resident and the G. of I."

2119 5000 8.33

*loans of it in a line
added to draft accordingly.
V. G. L. 2/3/34*

E. G. Turner
2-3-34

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [34v] (68/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [35r] (69/109)

Draft Paper.

20
P.2.1411/34

POLITICAL Department.

35

DRAFT TELEGRAM.

16 MAR 1934

U.S.S.,
F.O.

Sir,

In reply to your letter of the 11th January, No. E.7900/7900/34, regarding the proposed operation of a regular service to the Persian Gulf by the Lloyd Triestino Company, I am directed by the S/S for I. to refer to the correspondence with the G. of I. and the Political Resident in the Persian Gulf noted in the margin, of which copies have already been sent from time to time to the F.O.

Express Letter to G. of I. dated 12th January, P.Z.288/34.
Telegram from G. of I., No.240, dated 2nd February.
" to G. of I., No.413, dated 14th February.
" to G. of I., No.492, dated 21st February.
" from Resident, No.243, dated 27th February.
" from G. of I., No.461, dated 28th February.

2. The S/S ^{does not wish at present to add anything} is in general agreement with the observations of the Political Resident and the G. of I., to which he had nothing to add. The position is slightly eased by the fact that from the information contained in D.O.T. memorandum No.33422/33 dated 20th February, the service will not apparently at this stage call at the ports on the Arab littoral of the Persian Gulf.

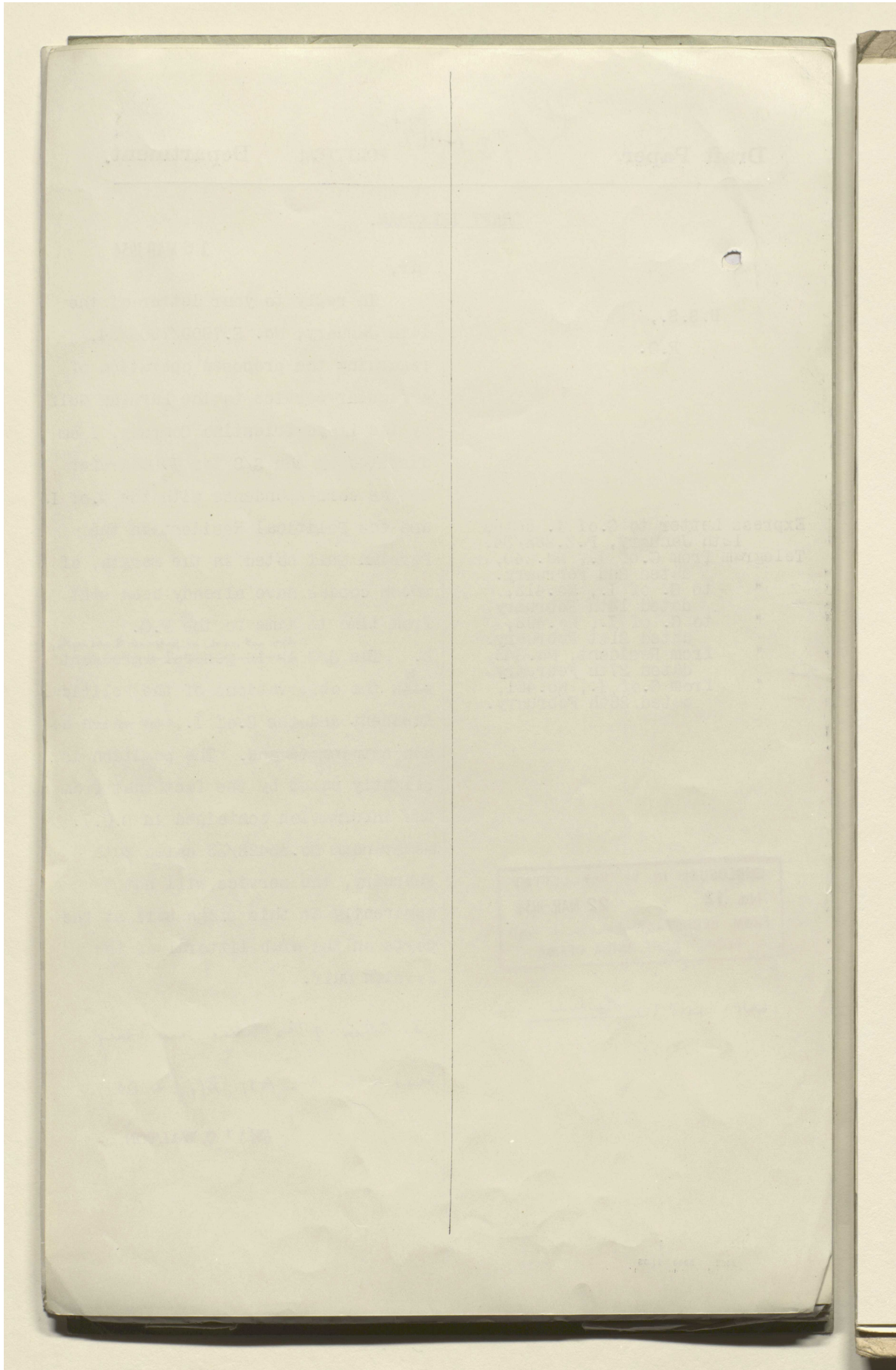
3. Copies of this letter are being sent to the A.S., A.H., B.T., + D.T.

(Sd.) J. C. WALTON,

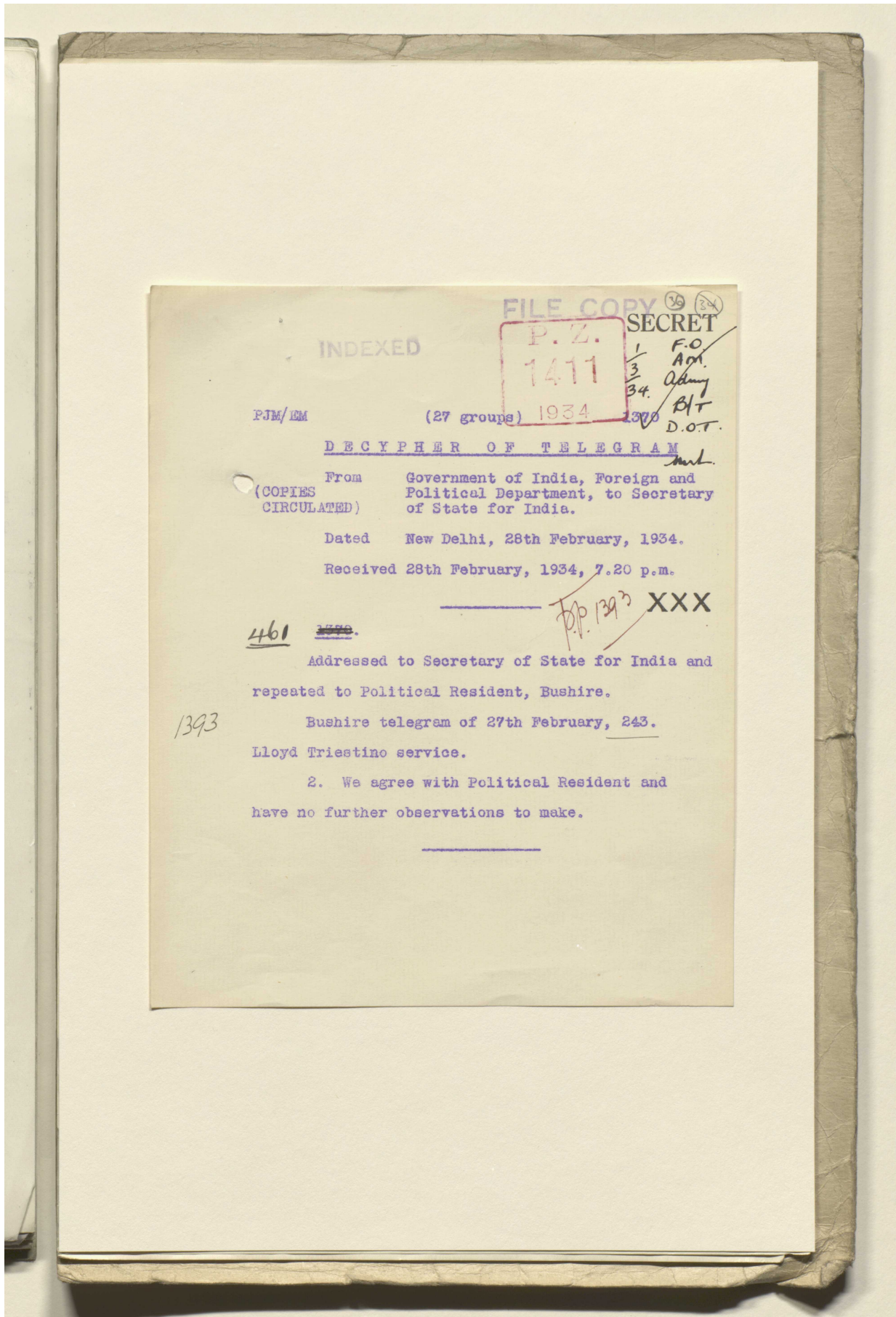
ENCLOSURE IN WEEKLY LETTER
No. 12 22 MAR. 1934
FROM SECRETARY, FOREIGN AND
SECRET DEPT. INDIA OFFICE

COPIES SENT TO Bushin

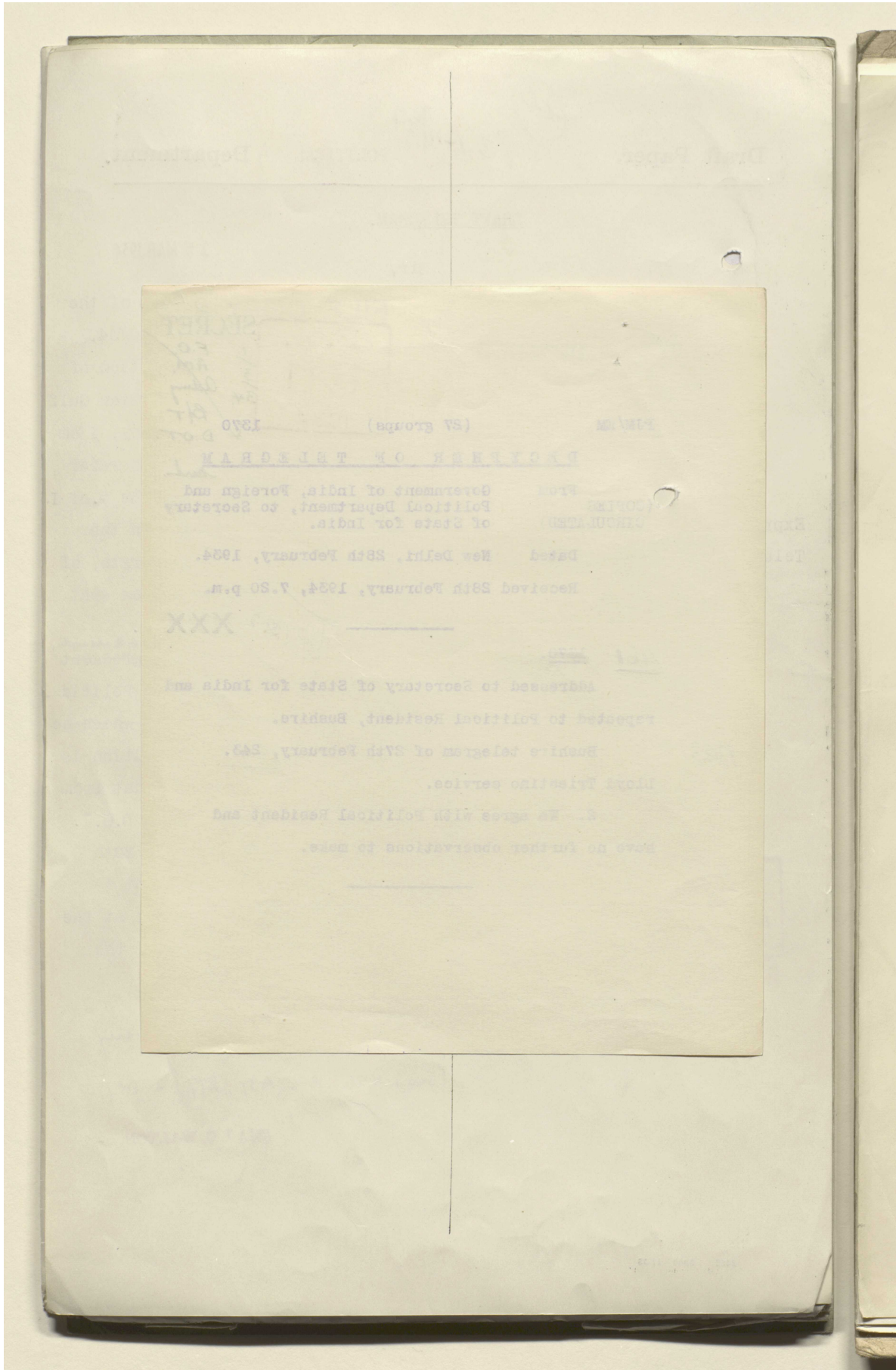
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [35v] (70/109)



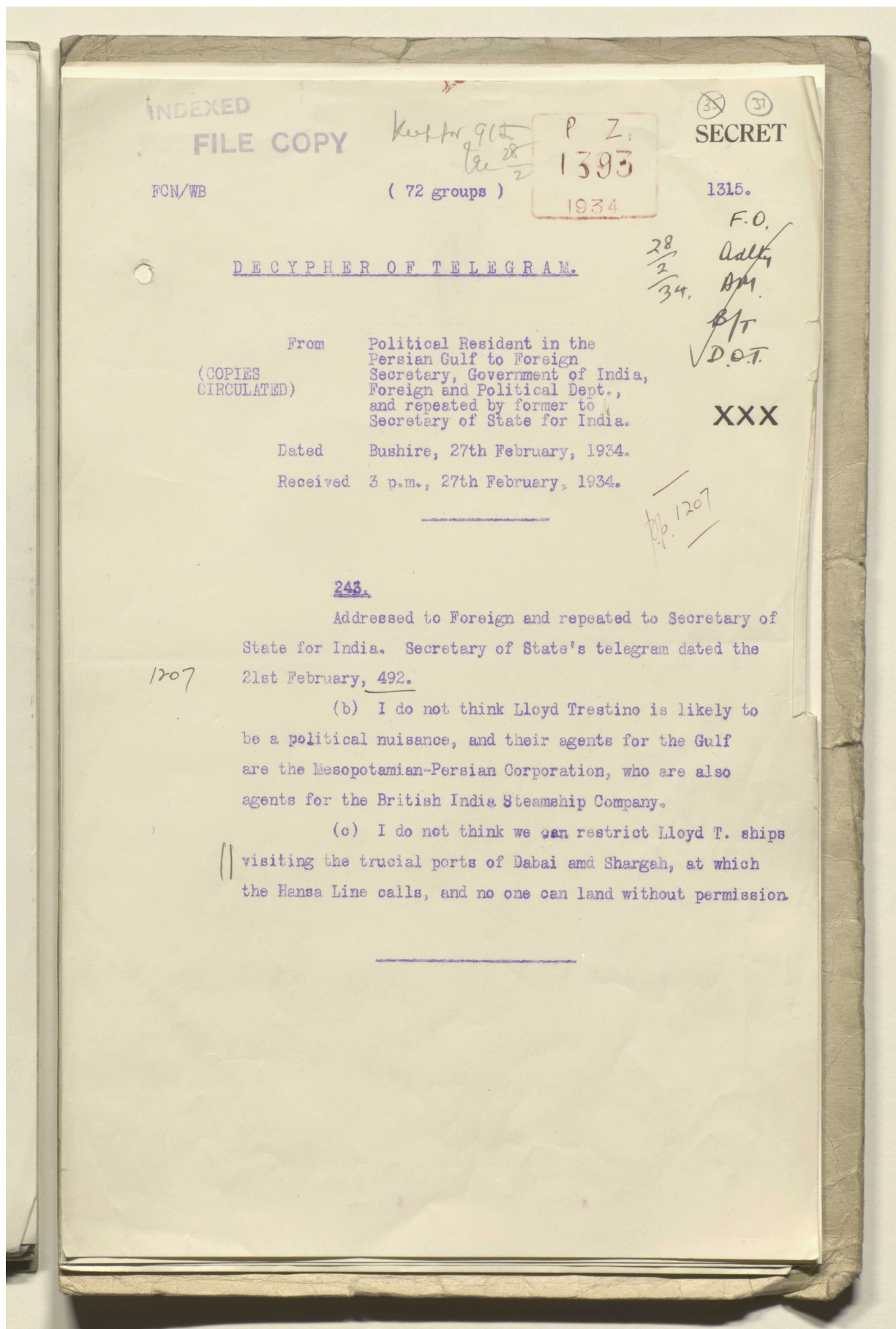
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [36r] (71/109)



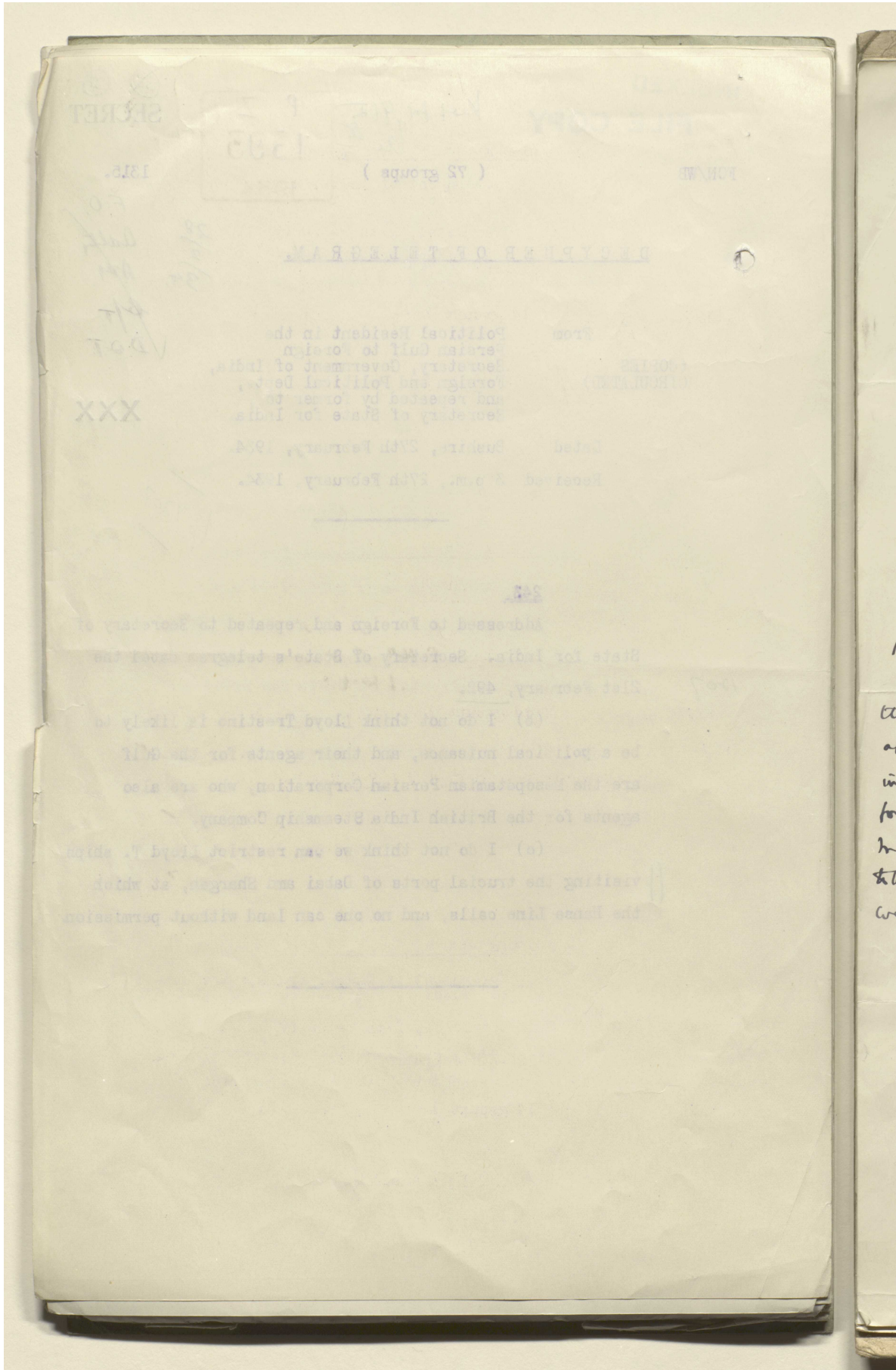
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [36v] (72/109)



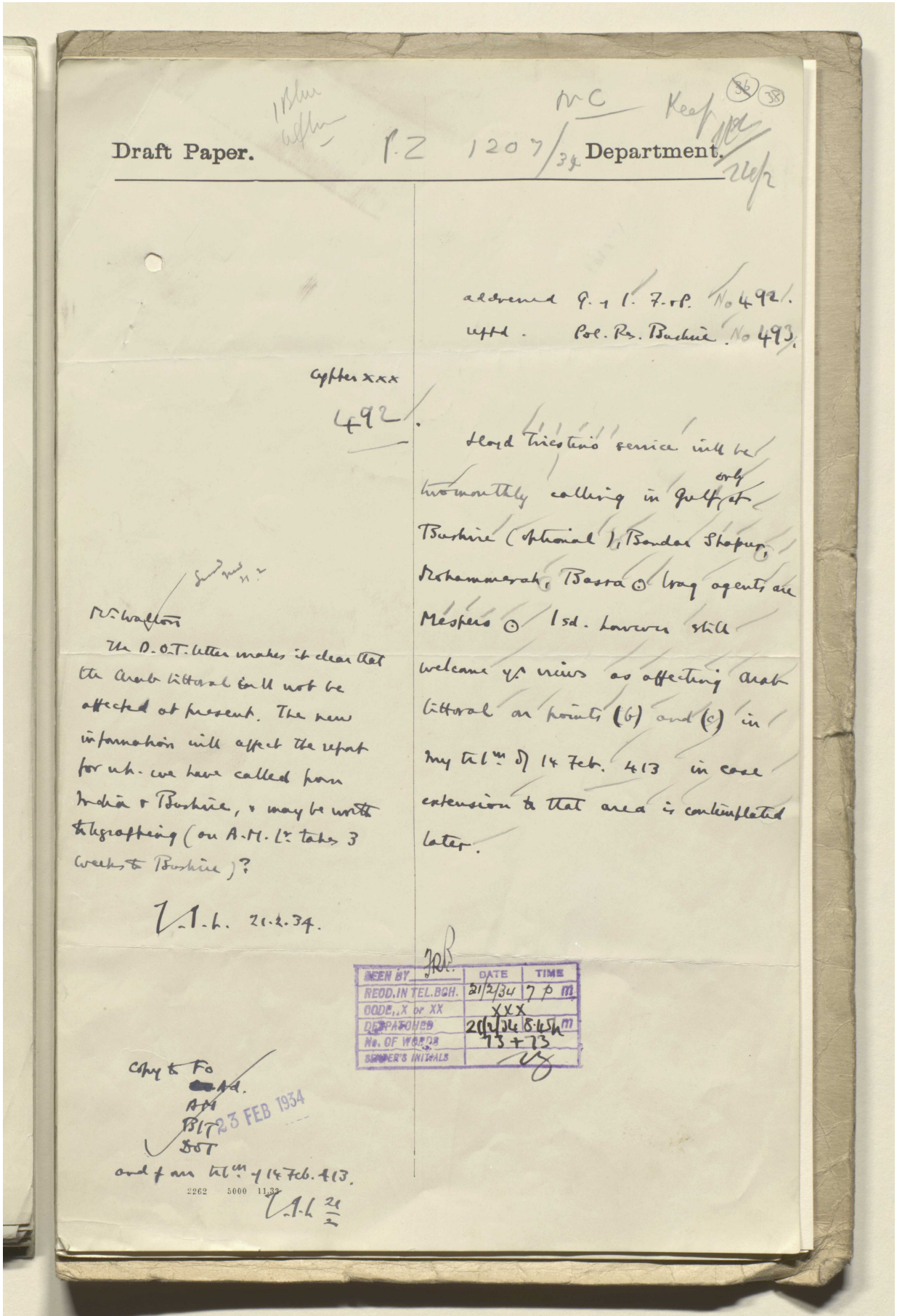
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [37r] (73/109)

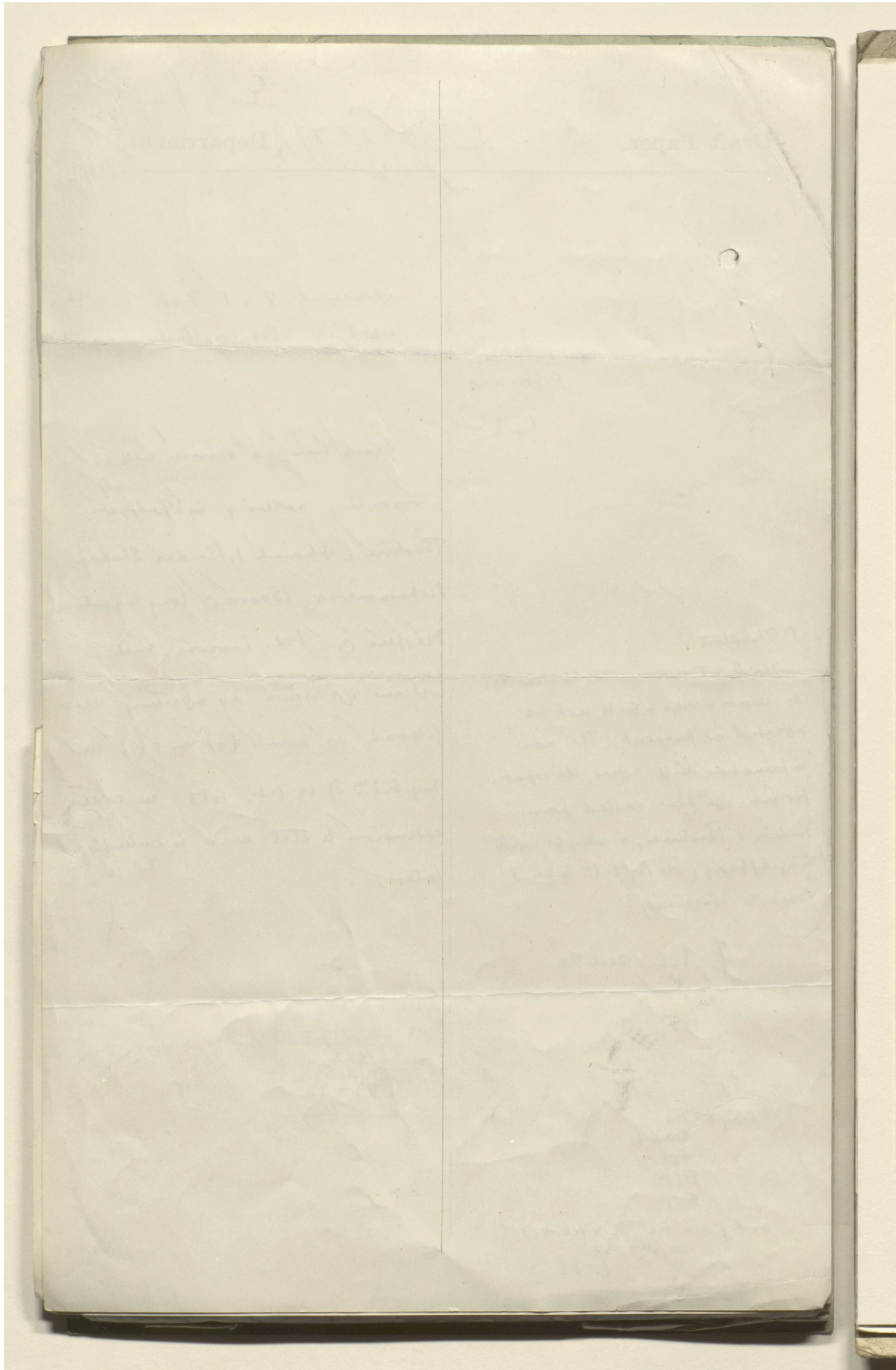


Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [37v] (74/109)

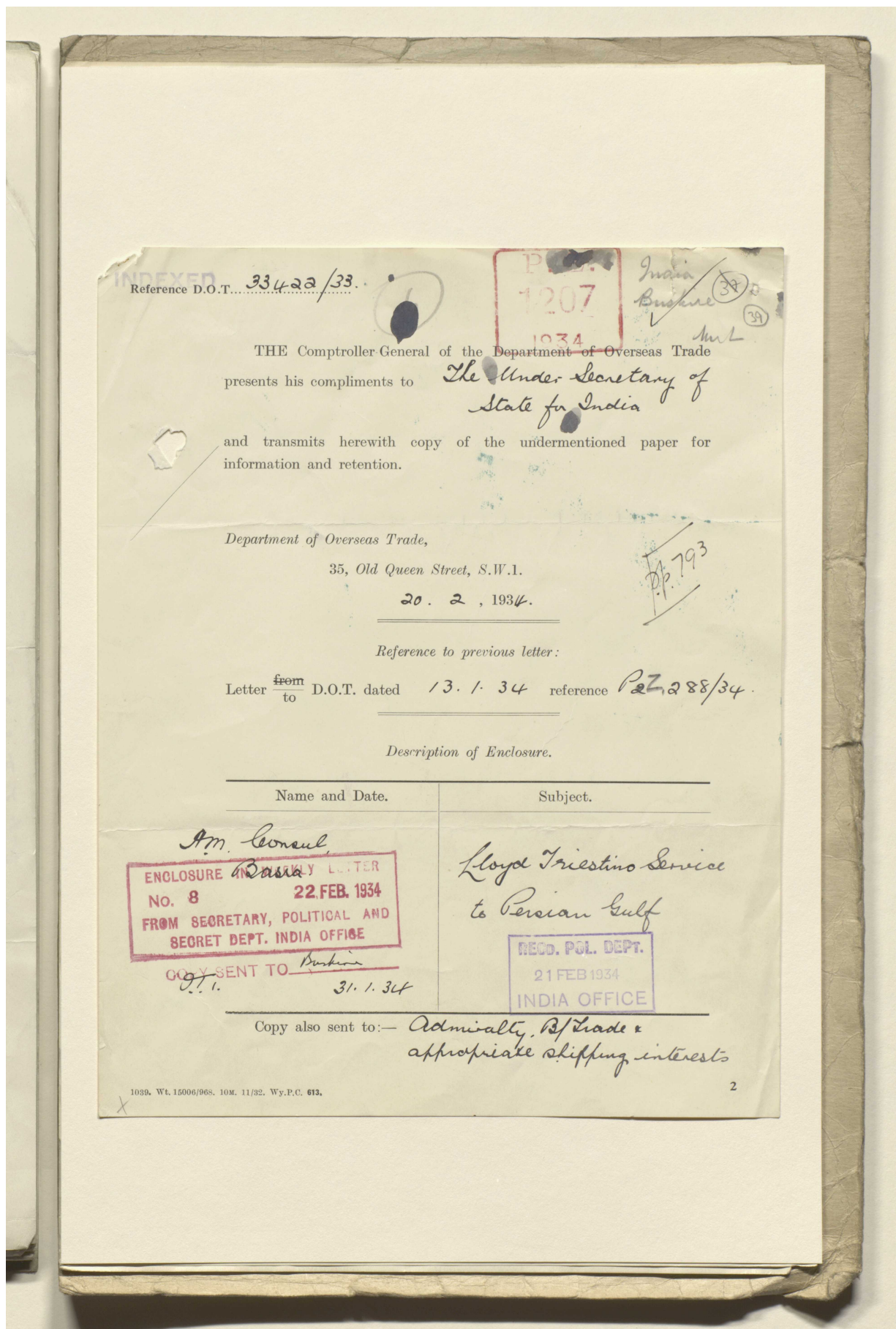


Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [38r] (75/109)

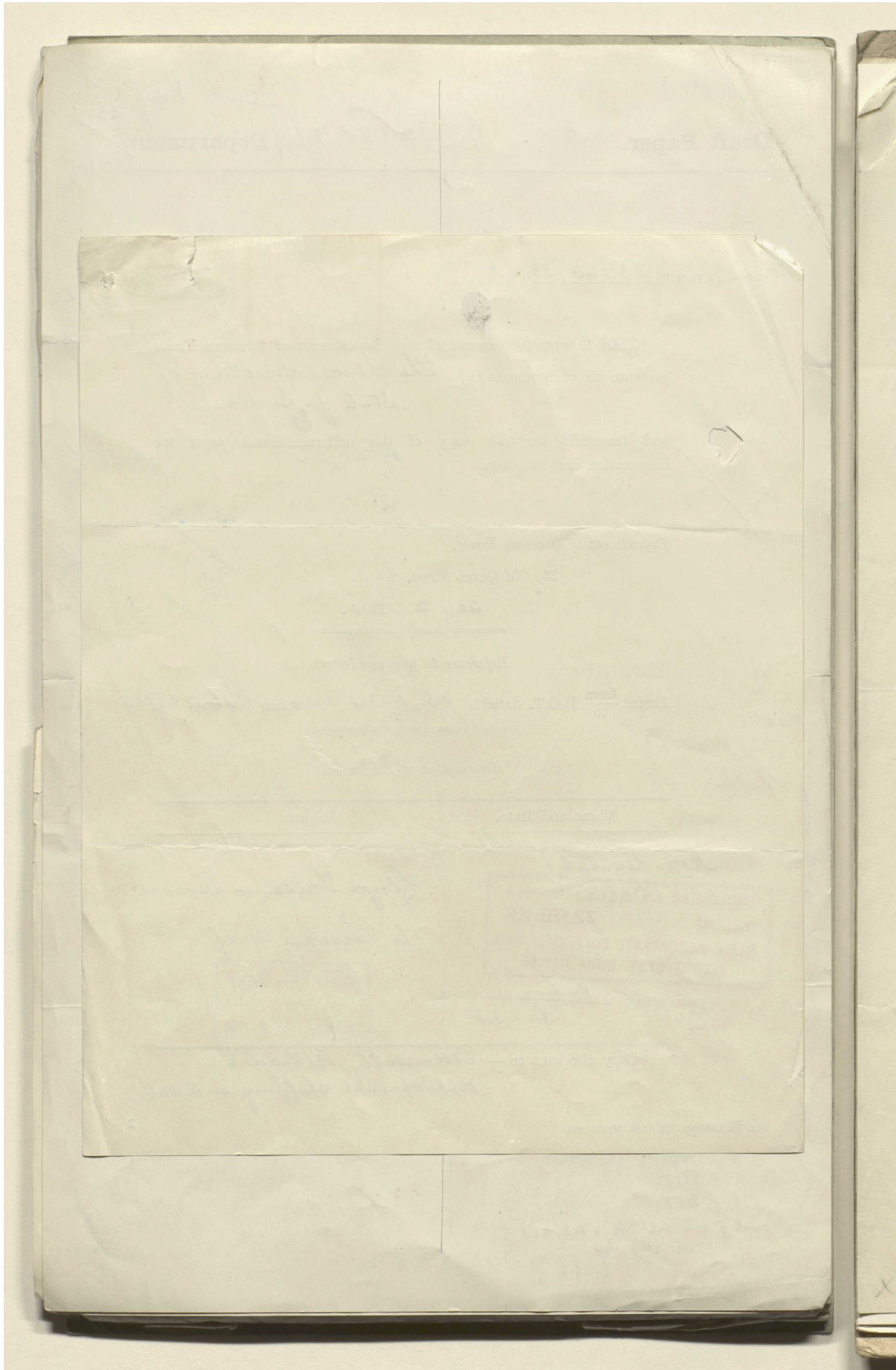




Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [39r] (77/109)

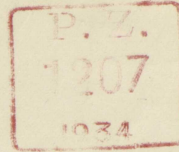


Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [39v] (78/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [40r] (79/109)

D.O.T. 33422/1933.



LLOYD TRIESTINO SERVICE TO PERSIAN GULF.

The Lloyd Triestino shipping company have inaugurated a new regular line of freight steamer sailings up the Persian Gulf.

It is proposed to make the service a two-monthly one, and to follow the itinerary Trieste, Venice, Fiume (optional), Port Said, Aden (optional), Bushire (optional), Bander Shapur, Mohammerah, Basra, Karachi, Bombay (optional), Marmagoa, Aden, Port Sudan (optional), Port Said, Venice, Trieste.

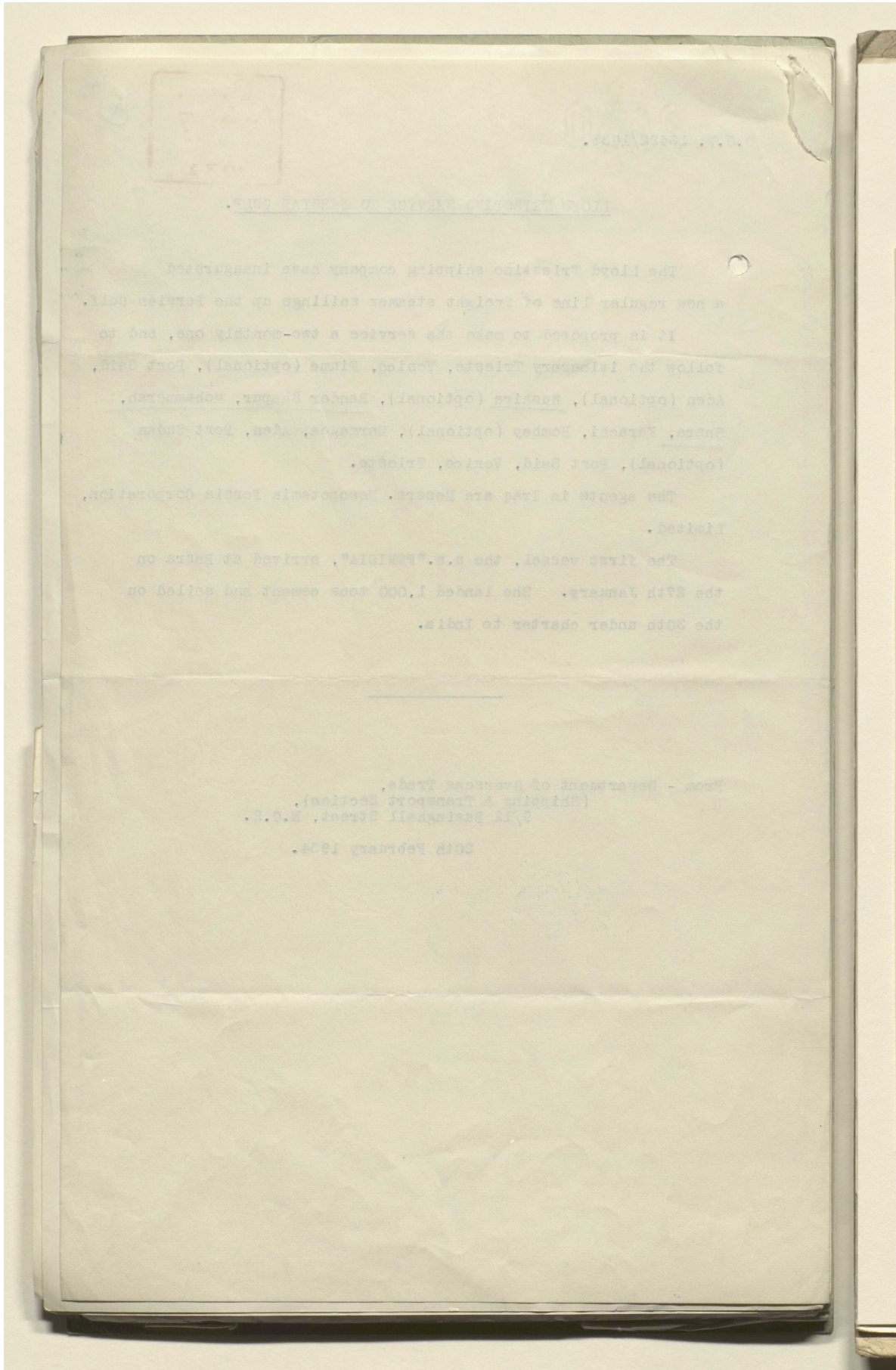
The agents in Iraq are Messrs. Mesopotamia Persia Corporation, Limited.

The first vessel, the s.s. "FENICIA", arrived at Basra on the 27th January. She landed 1,000 tons cement and sailed on the 30th under charter to India.

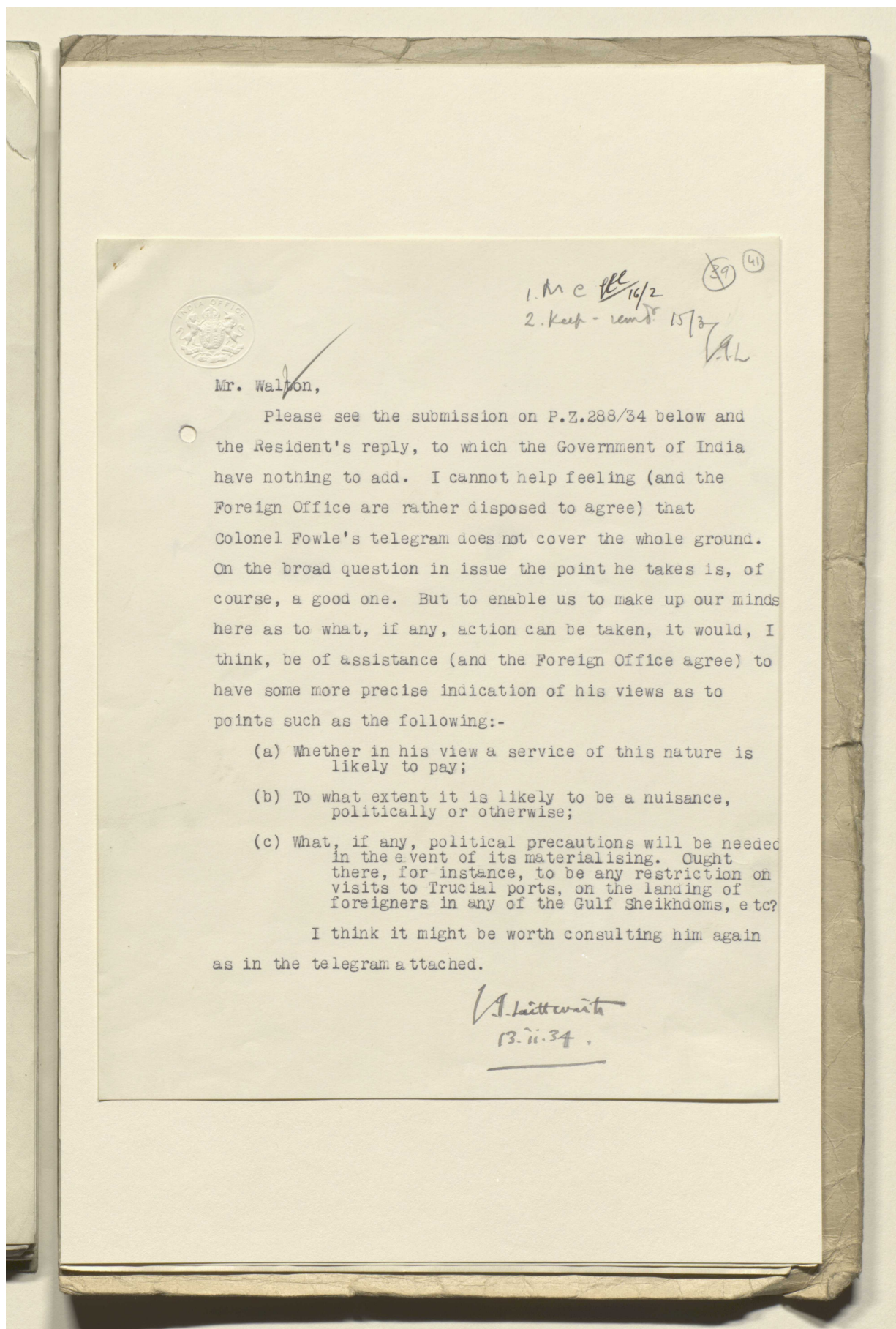
From - Department of Overseas Trade,
(Shipping & Transport Section),
9/12 Basinghall Street, E.C.2.

20th February 1934.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [40v] (80/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [41r] (81/109)



Mr. Walton,

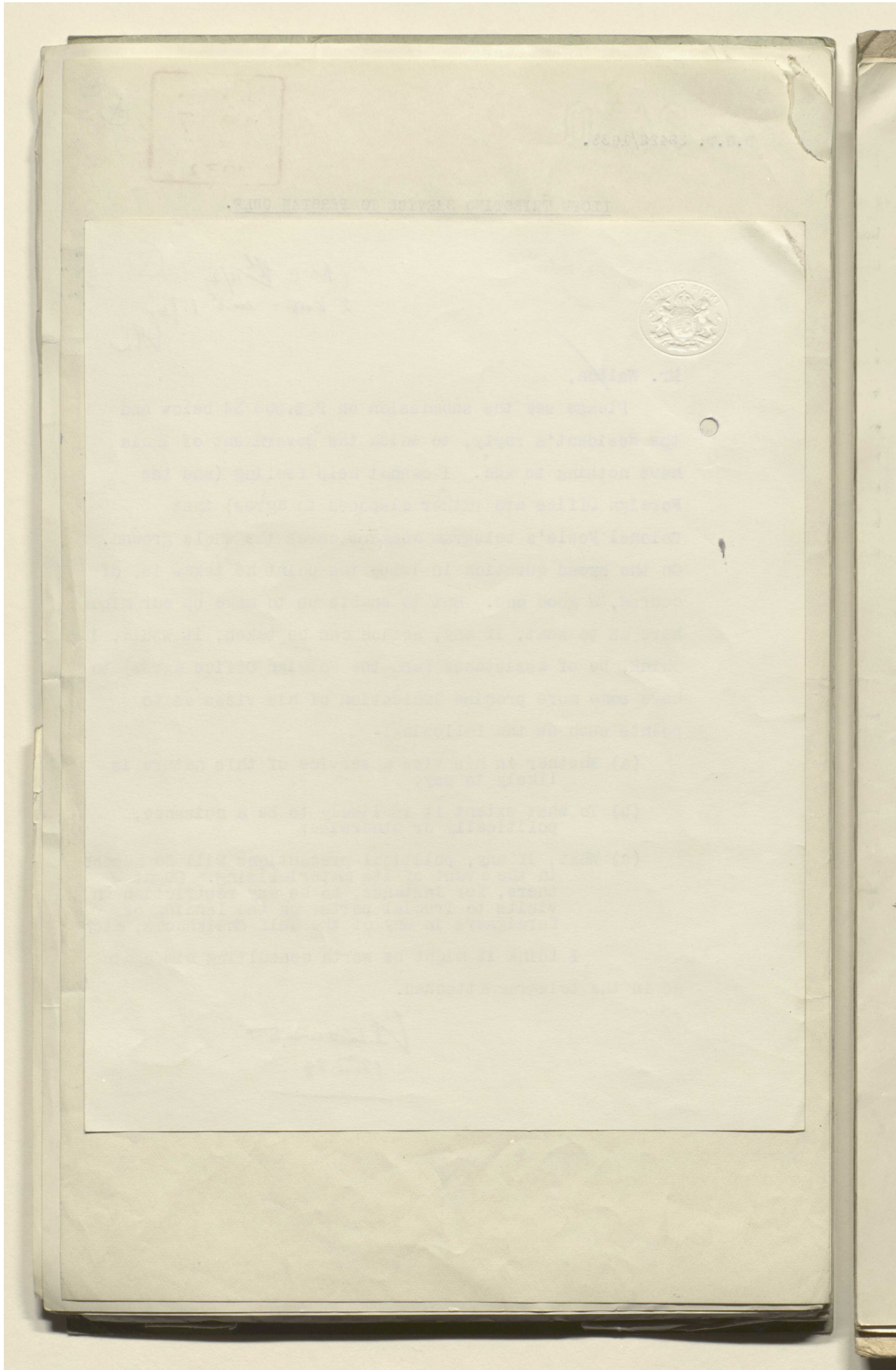
Please see the submission on P.Z.288/34 below and the Resident's reply, to which the Government of India have nothing to add. I cannot help feeling (and the Foreign Office are rather disposed to agree) that Colonel Fowle's telegram does not cover the whole ground. On the broad question in issue the point he takes is, of course, a good one. But to enable us to make up our minds here as to what, if any, action can be taken, it would, I think, be of assistance (and the Foreign Office agree) to have some more precise indication of his views as to points such as the following:-

- (a) Whether in his view a service of this nature is likely to pay;
- (b) To what extent it is likely to be a nuisance, politically or otherwise;
- (c) What, if any, political precautions will be needed in the event of its materialising. Ought there, for instance, to be any restriction on visits to Trucial ports, on the landing of foreigners in any of the Gulf Sheikhdoms, etc?

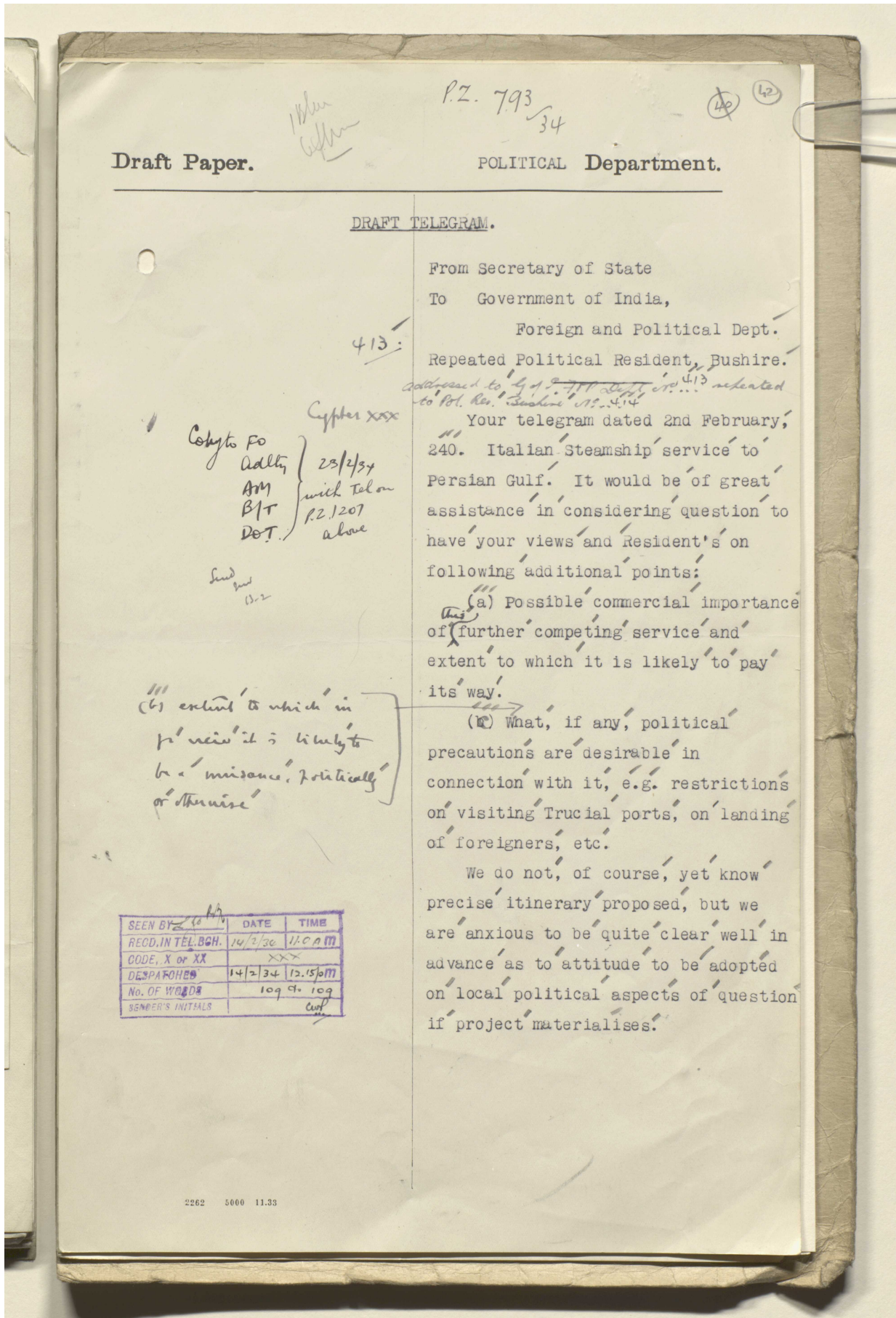
I think it might be worth consulting him again as in the telegram attached.

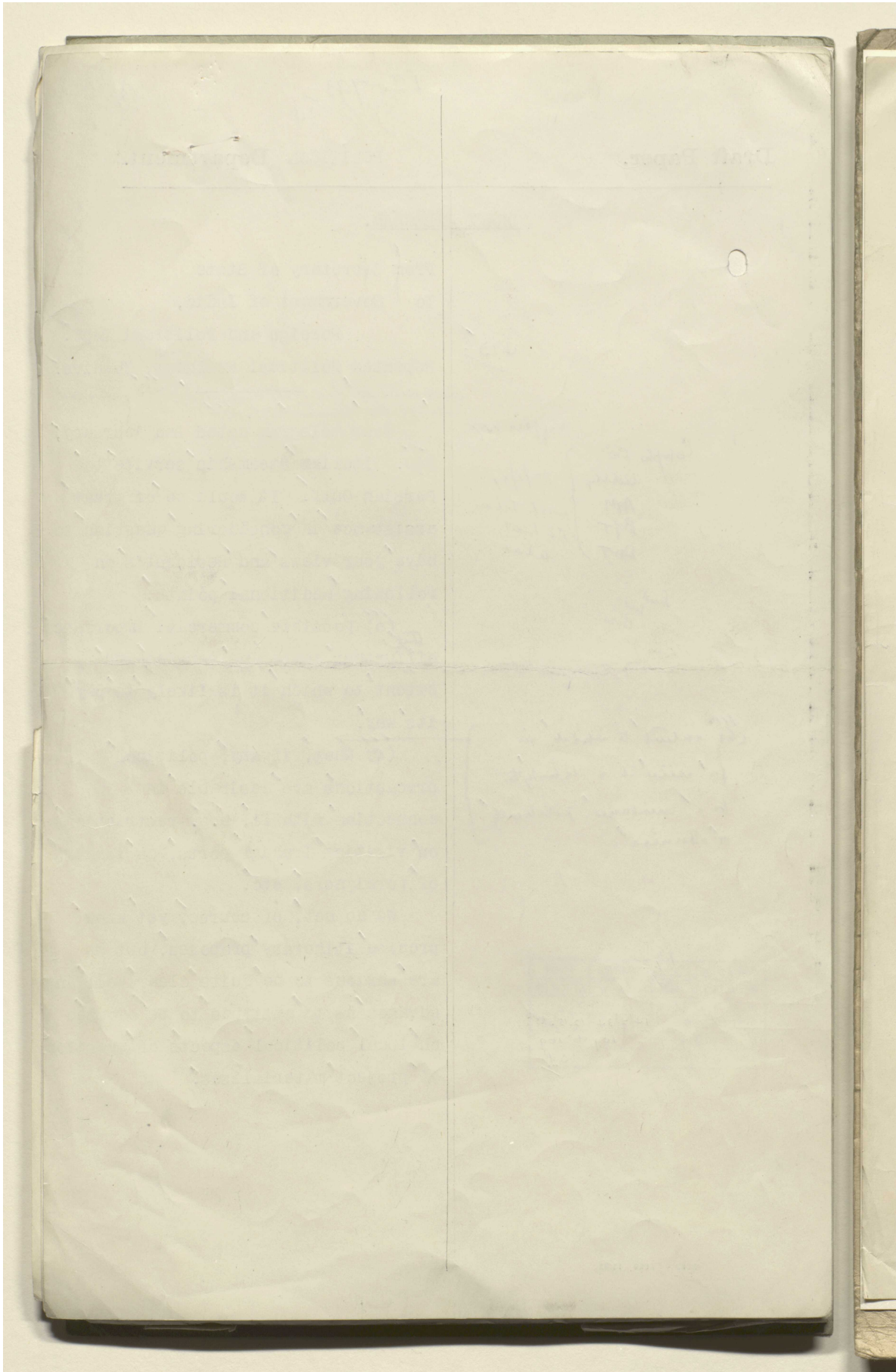
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Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [41v] (82/109)

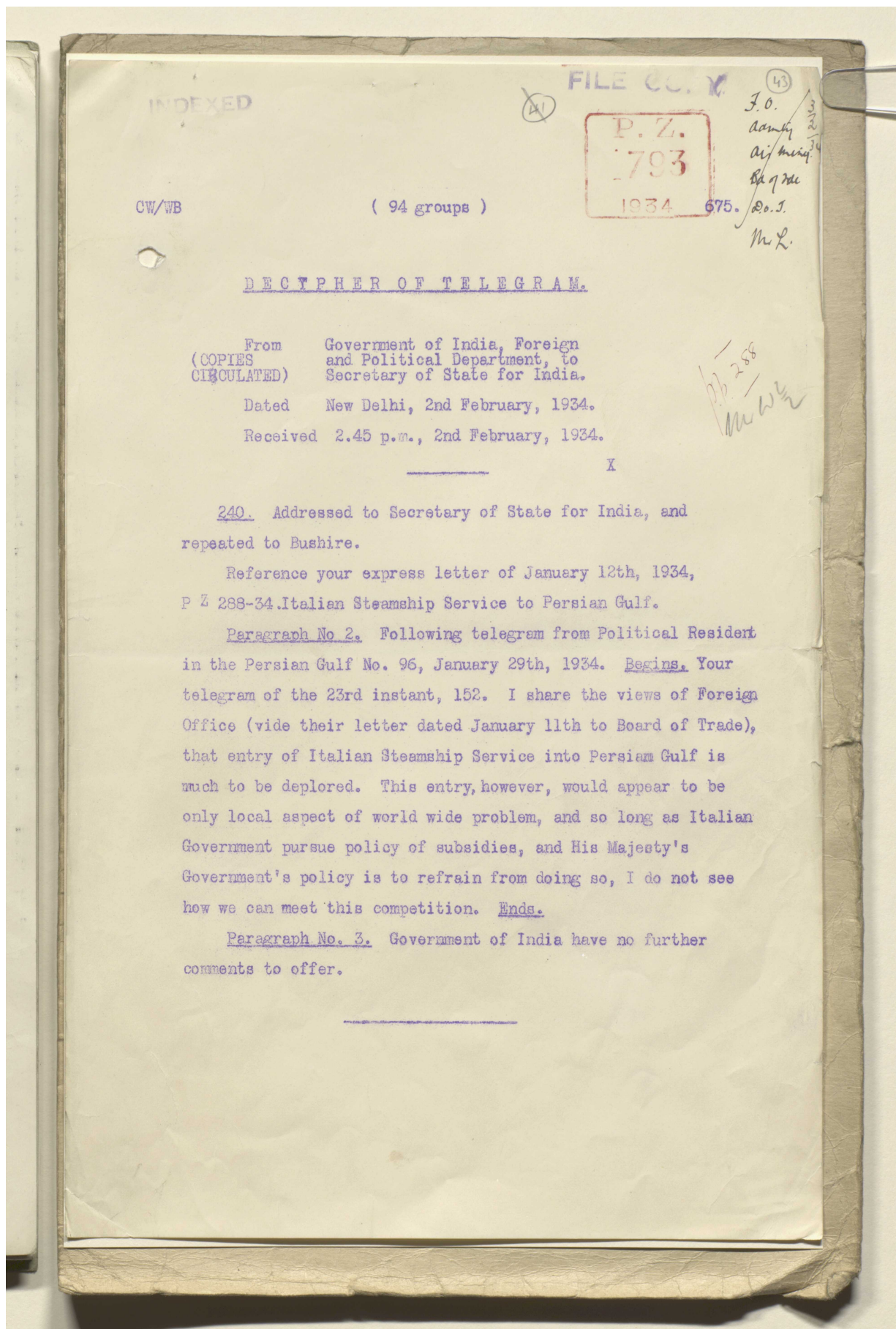


Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [42r] (83/109)

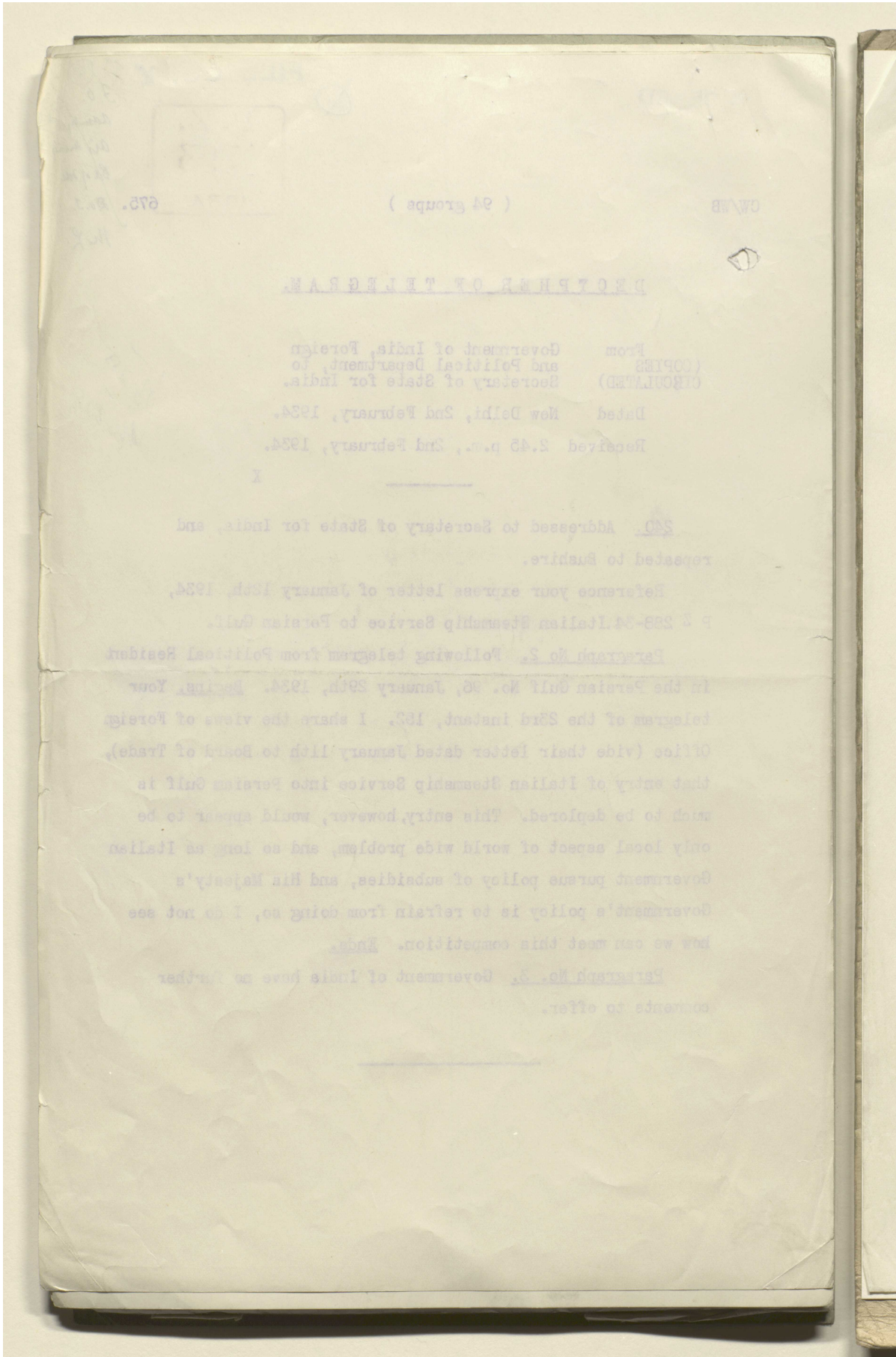




Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [43r] (85/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [43v] (86/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [44r] (87/109)

copy
P.Z. 627/34.

42
44

Enclosure in covering letter from the Department of Overseas Trade, No. 24265/34, dated 26th January 1934.

BY FOREIGN OFFICE BAG.

24265/1934.

Confidential.

26th January, 1934.

Sir,

With reference to Express Letter No. 24 addressed to you on January 6th by the Political Agent, Bahrain, a copy of which was sent to the Department of Overseas Trade by Lieutenant-Colonel Lock, on the subject of the activities of the Hansa Line in the Persian Gulf, I am directed by Secretary Sir John Simon to state that Messrs. Frank C. Strick & Co. Ltd., 117, Leadenhall Street, London, E.C.3., who are loading brokers for the Strick and Ellerman Lines (referred to in paragraph 3 of the Political Agent's despatch as the "City Line"), are at present negotiating with the London representative of the Bahrain Petroleum Co. Ltd., for a three years' contract for the carriage of their cargo from the United States with transhipment at an United Kingdom or continental port.

2. As Messrs. Frank C. Strick & Co. Ltd., are loading brokers to the Ellerman Line for the Persian Gulf service, and in view of the fact that their negotiations have now reached an advanced stage, it would not seem to be expedient at the present moment to raise the question of another route, which would not, as far as is known, make any serious difference as regards the rate of freight and would divert transhipment from an United Kingdom port.

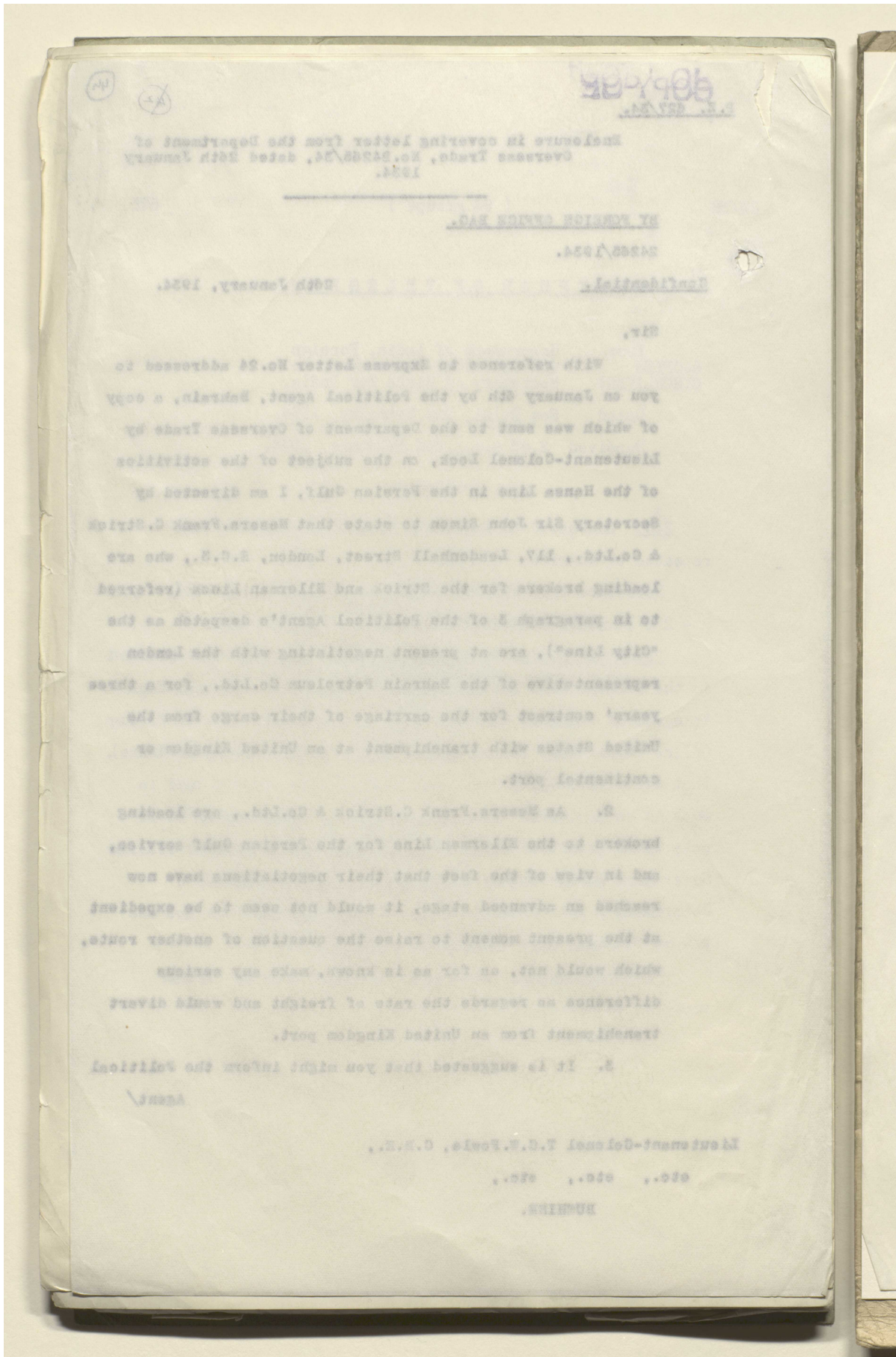
3. It is suggested that you might inform the Political Agent/

Lieutenant-Colonel T.C.W. Fowle, C.B.E.,

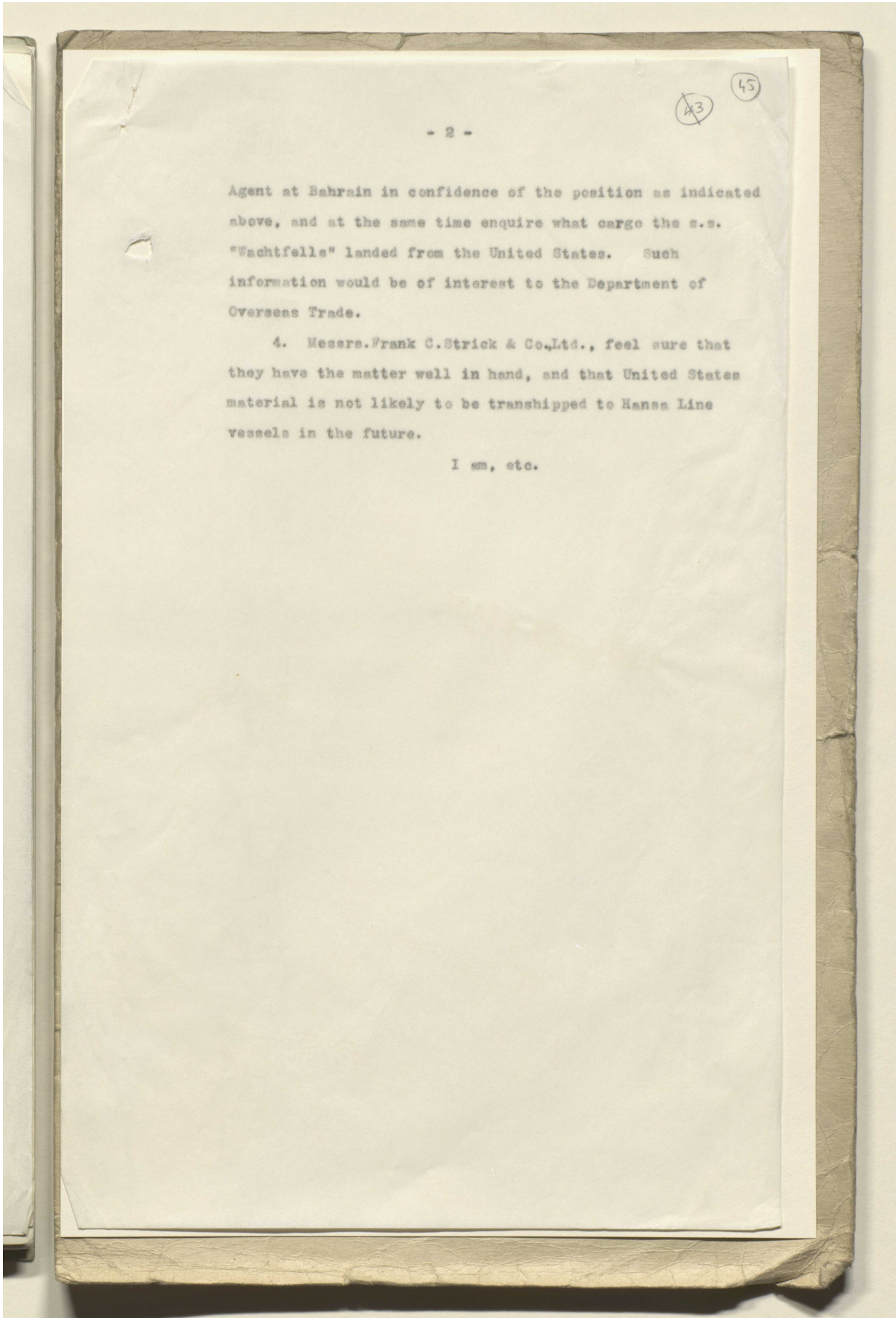
etc., etc., etc.,

BUSHIRE.

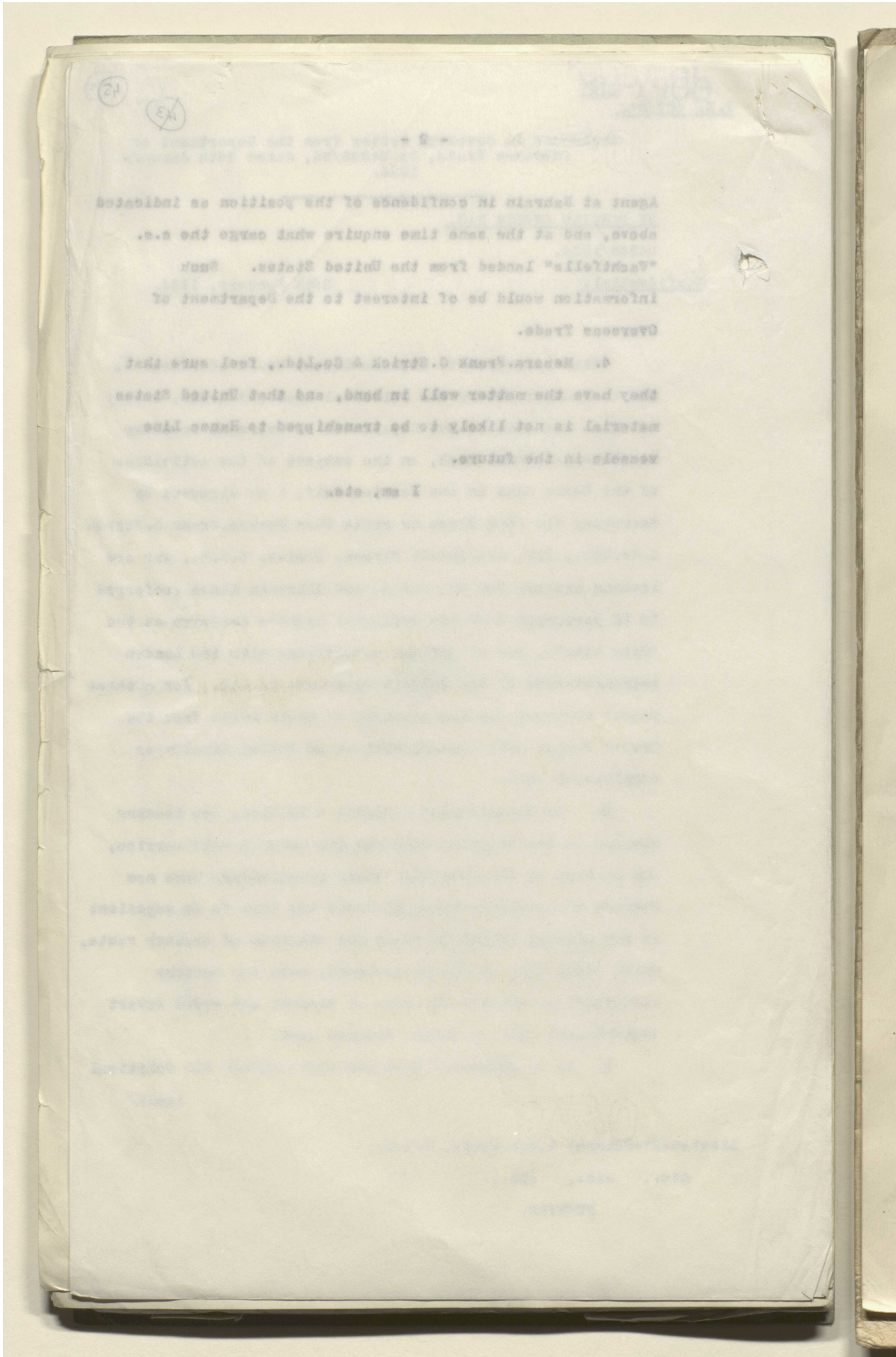
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [44v] (88/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [45r] (89/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [45v] (90/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [46r] (91/109)

44 46

Notes.

Register No.
P. Z.
 288/34.

SECRET.
POLITICAL DEPARTMENT.

Minute Paper.

Dated _____ 19__
Rec. _____

| | Date. | Initials. | SUBJECT. |
|---|-------|-----------|--|
| <i>To</i> Under Secretary Secretary of State... Committee..... Under Secretary.... Secretary of State... | | | <u>Persian Gulf.</u> <u>Inauguration of a regular service to the Persian Gulf by the Lloyd-Triestino Company.</u> |

Copy of _____ to _____

FOR INFORMATION.

The Foreign Office are consulting the Board of Trade and H.M. Minister, Tehran, about this development which they regard as being of considerable potential importance, and we have also sent an express letter asking the Government of India and the Political Resident for their views. It seems clear that the Italian line is receiving a heavy Government subsidy, and it is considered that the Italian Government's motives must be mainly political.

The attached note prepared by the Department of Overseas Trade shows the foreign services at present running to the Persian Gulf with their ports of call as far as these can be specified. It will be seen that the German Hansa line is the only one which hitherto

has/

Previous Papers :—

5041 2000 1.31

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [46v] (92/109)

has been maintaining what can be described as a fairly regular service. The Department of Overseas Trade think that the Italian service will probably call at Bandar Shahpur and any other port for which they have sufficient cargo, and the possibility arises that they may wish to call at ports on the Arab Coast of the Gulf. We may, therefore, have to consider whether it is desirable that any steps should be taken to restrict the penetration of Italian influence into the Arab States. There can, of course, be no objection to Italian vessels landing cargo at Bahrain, Koweit or Muscat, but it might be considered necessary to prohibit the crews from landing at these ports, and some action may also have to be taken in regard to the Trucial Coast where, as far as is known, vessels belonging to ^{foreign} European States have not hitherto made calls. * The Trucial Shaikhs have in the past been generally hostile to the idea of visits being made by foreign vessels to their States and reference is invited to the papers at P.951/26 in the attached bound volume regarding the Shaikh of Debai's refusal to allow the landing of cargo from a German vessel. There are precedents for excluding foreigners from the Arab Coast, and after the war restrictions were imposed on German ~~Nationals~~ visiting any of the Arab States in the Gulf (please see Mr. Laithwaite's note of 2nd October, 1930, flagged). These restrictions ^{on German nationals} have since been withdrawn in the case of Bahrain, Muscat and Koweit. Restrictions have also been imposed on Soviet vessels, and in 1928 the Shaikhs of
Koweit/

* Col. Fowler says
Kawra Live calls
at Debai & Hajjah
(P.Z. 1393/34 above)

Minute Paper.

Department.

Koweit and Bahrein were advised not to allow the crews of Russian vessels to land (P.2954/28). The Shaikh of Bahrein, who has a religious objection to Soviet citizens, went further than this, and in 1929 the Bahrein Government issued a notification forbidding Russian vessels even to land cargoes at Bahrain. (P.320/30)

Meanwhile we can await the views of the Government of India and the Political Resident, and the question whether any special action need be taken can be considered in the light of these.

H. Crombie

24/1/34

P.S. The statistics given in the Persian Gulf Administration Report for 1932 ~~was~~ regarding the relative volume of British and foreign shipping in the Gulf may also be of interest in this connexion. These give the number of steamships calling at certain Gulf Ports during 1932 as follows:—

| | | |
|---------------------|-----|---|
| <u>Bandar Abbas</u> | 127 | { 112 British 4 German 11 Russian |
| <u>Lingah</u> | 64 | { 63 British 1 German |
| <u>Bahrain</u> | 165 | { 151 British 11 German 3 Norwegian |
| <u>Kuwait</u> | 102 | { 99 British 2 German 1 Norwegian |

2119 5000 8.33

H.C.
24/1

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [47v] (94/109)

Secy E-o Dept.

For information & any observations at this stage. The question of the steps which it may be practicable & desirable to take to counter Italian efforts to develop their interests in the Gulf will need careful consideration once the views of the Resident & the G.C.A. have been received.

A. H. H. W. W.

20.1.34.

Secy P.O. Dept.

I imagine you are likely to find objections to any action which - even in the Gulf - involves a system of flag discrimination under British auspices. The B/T will no doubt have views but I suppose you will not wish to consult them till you know what the Resident & G.C.A. say.

A. H. H. W. W.

31/1/34

I think we had better mark time till we hear from India & the Gulf & can consider our own attitude. B/T in the meantime have had copies of the correspondence & know what is happening.

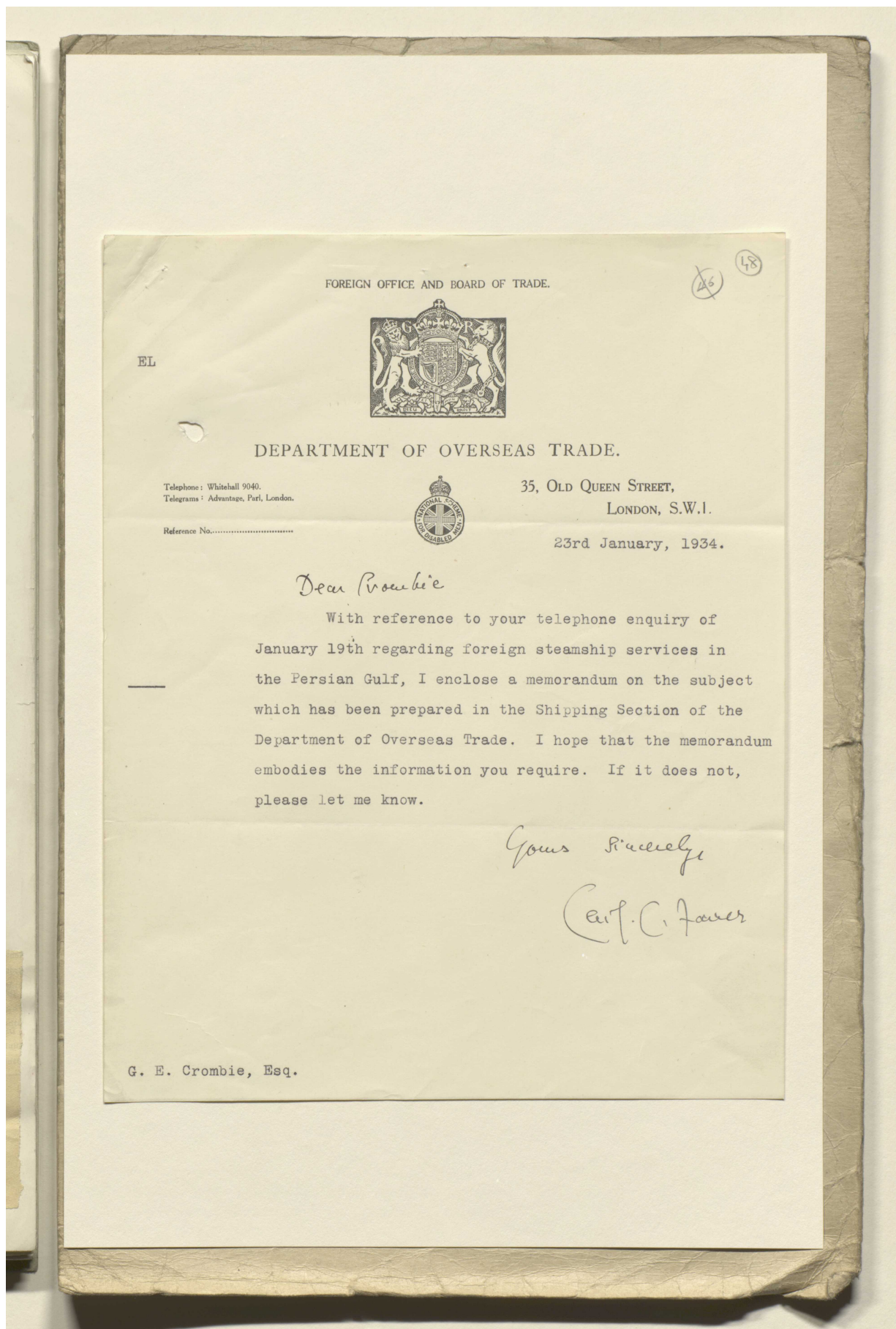
A. H. H. W. W.

31.1.34.

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Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [48r] (95/109)



FOREIGN OFFICE AND BOARD OF TRADE.

EL



DEPARTMENT OF OVERSEAS TRADE.

Telephone: Whitehall 9040.
Telegrams: Advantage, Parl, London.

Reference No.



35, OLD QUEEN STREET,
LONDON, S.W.1.

23rd January, 1934.

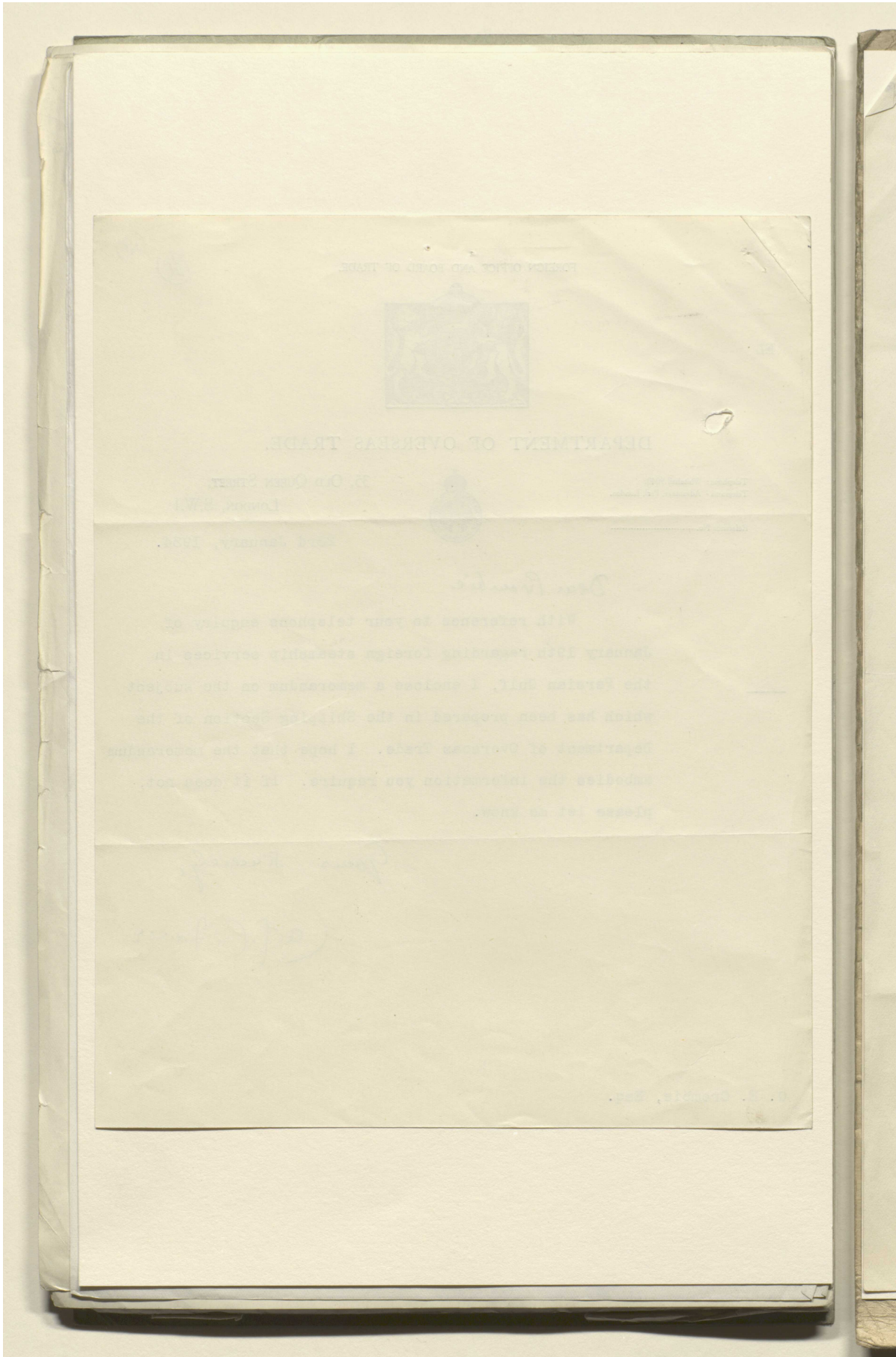
Dear Crombie

With reference to your telephone enquiry of January 19th regarding foreign steamship services in the Persian Gulf, I enclose a memorandum on the subject which has been prepared in the Shipping Section of the Department of Overseas Trade. I hope that the memorandum embodies the information you require. If it does not, please let me know.

Yours sincerely
Carl C. Fawer

G. E. Crombie, Esq.

Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [48v] (96/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [49r] (97/109)

49
47

The only foreign services at present running to the Persian Gulf are:-

- (1) Hausa Line (German), of Bremen, which advertises calls at Bunder Abbas, Lingan, Bahrain, Bushire, Mohammerah and Basra. Lloyd Triestino, of Trieste, from the Adriatic. Sovtorgflot, of Odessa, from Russian Black Sea Ports. Swedish East Asiatic Co., of Gothenburg, from Gothenburg and the Continent.

While the Hausa Line advertise calls at all the ports mentioned, they call only when sufficient inducement offers, and it frequently happens that ports are omitted. The same remarks apply to all lines.

The Lloyd Triestino service started in December, 1933 and was based on Italian exports for the new railway. They will, therefore, probably call at Bandar Shahpour and any other port for which they have sufficient cargo.

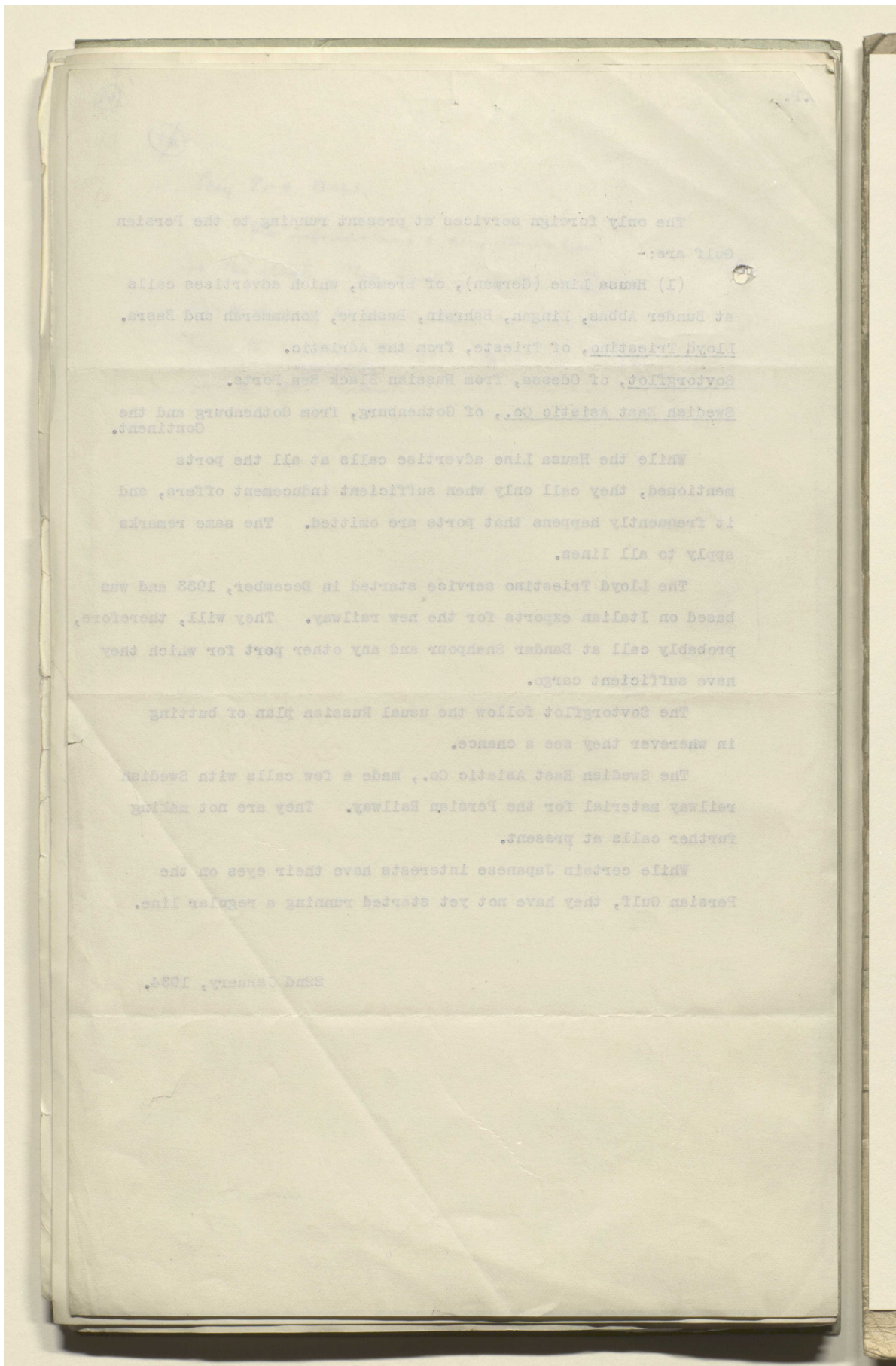
The Sovtorgflot follow the usual Russian plan of butting in wherever they see a chance.

The Swedish East Asiatic Co., made a few calls with Swedish railway material for the Persian Railway. They are not making further calls at present.

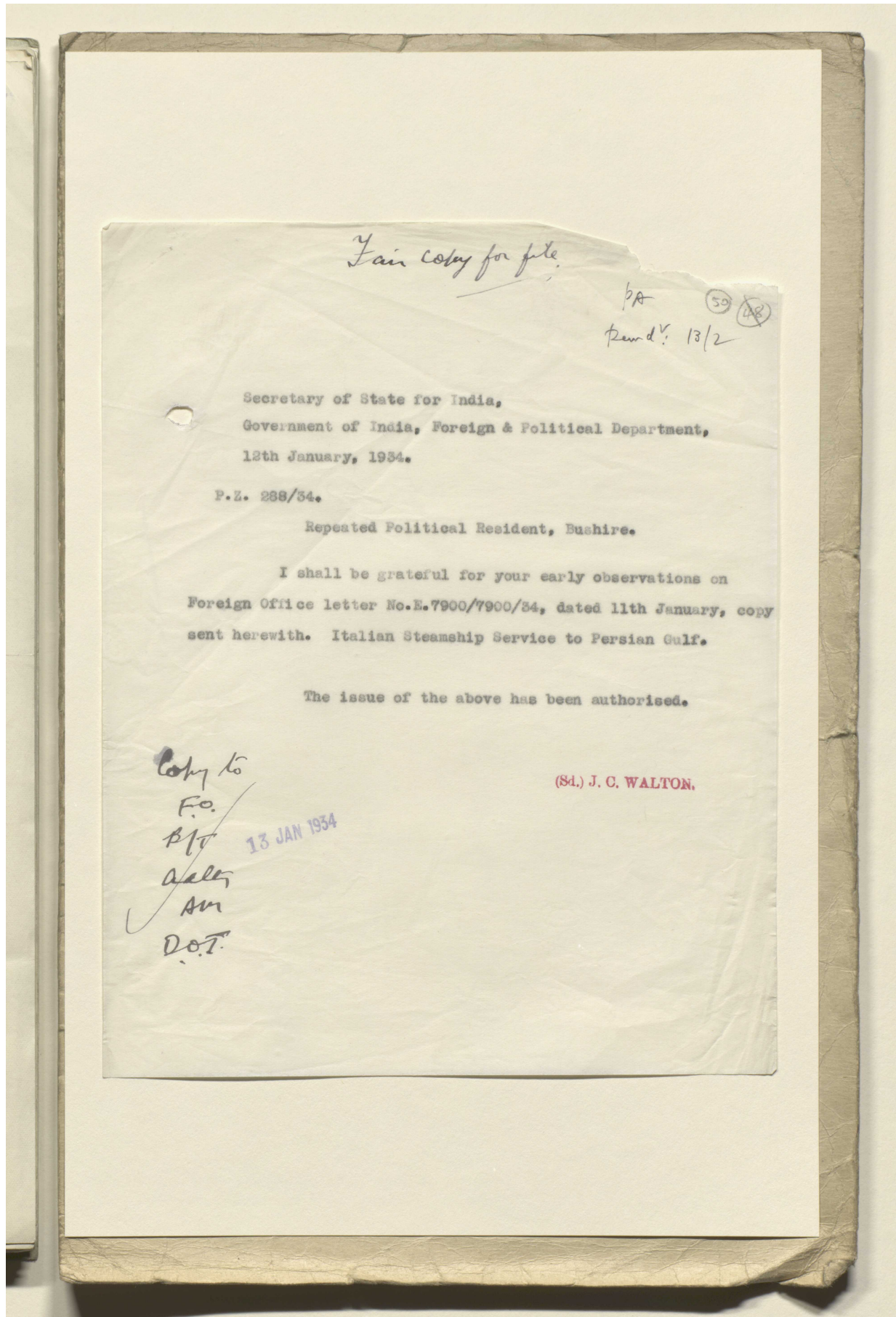
While certain Japanese interests have their eyes on the Persian Gulf, they have not yet started running a regular line.

22nd January, 1934.

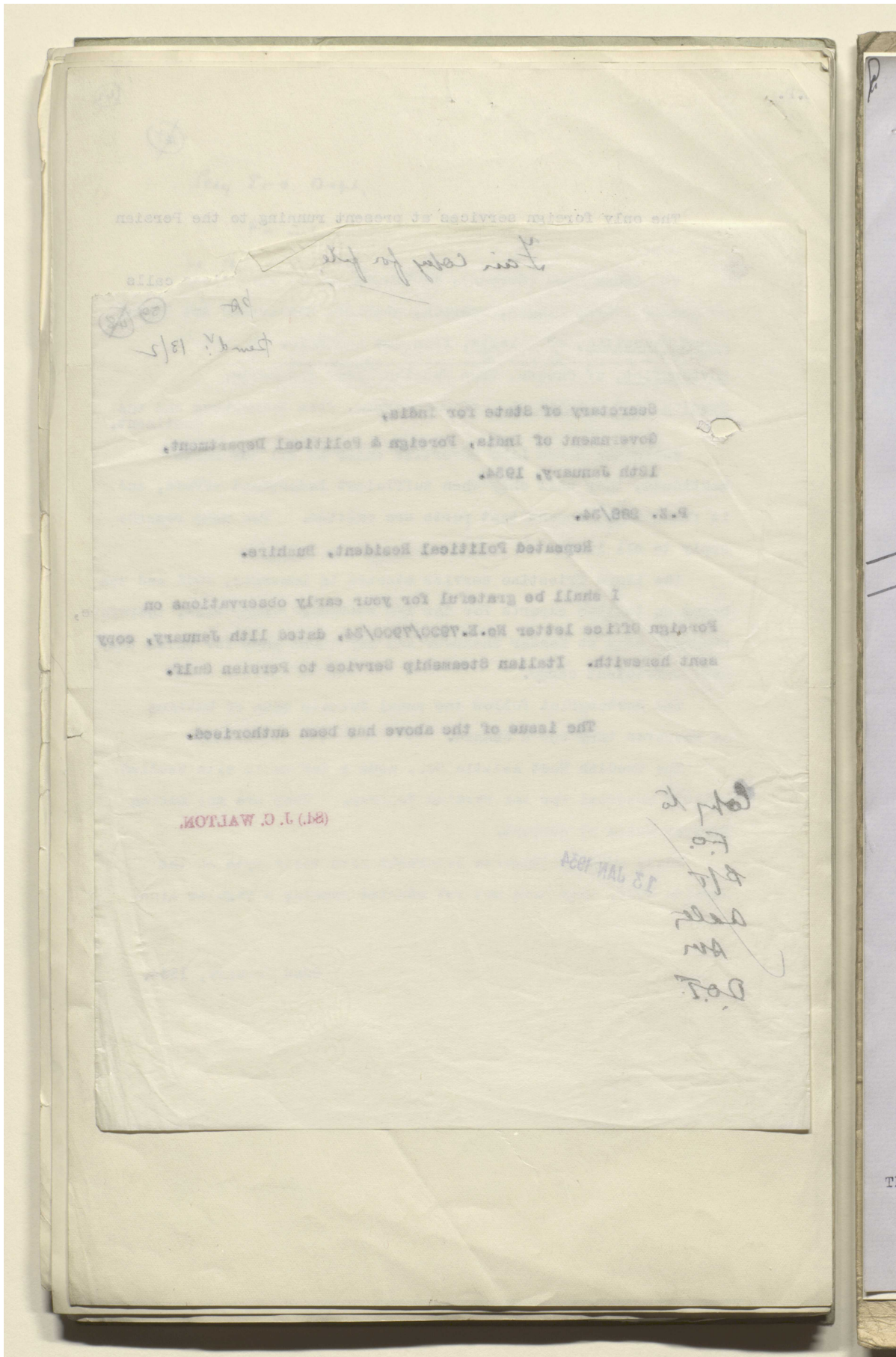
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [49v] (98/109)



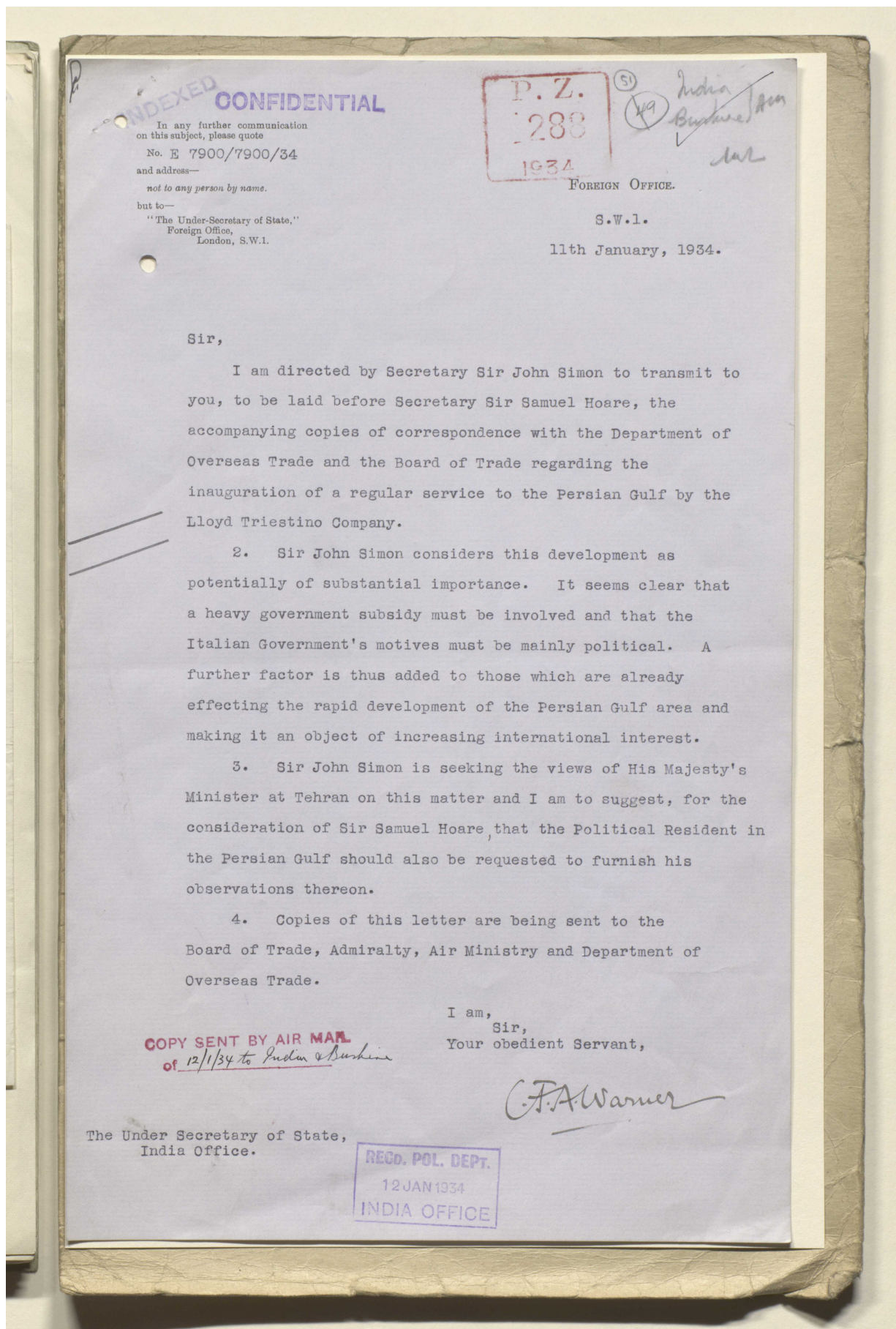
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [50r] (99/109)

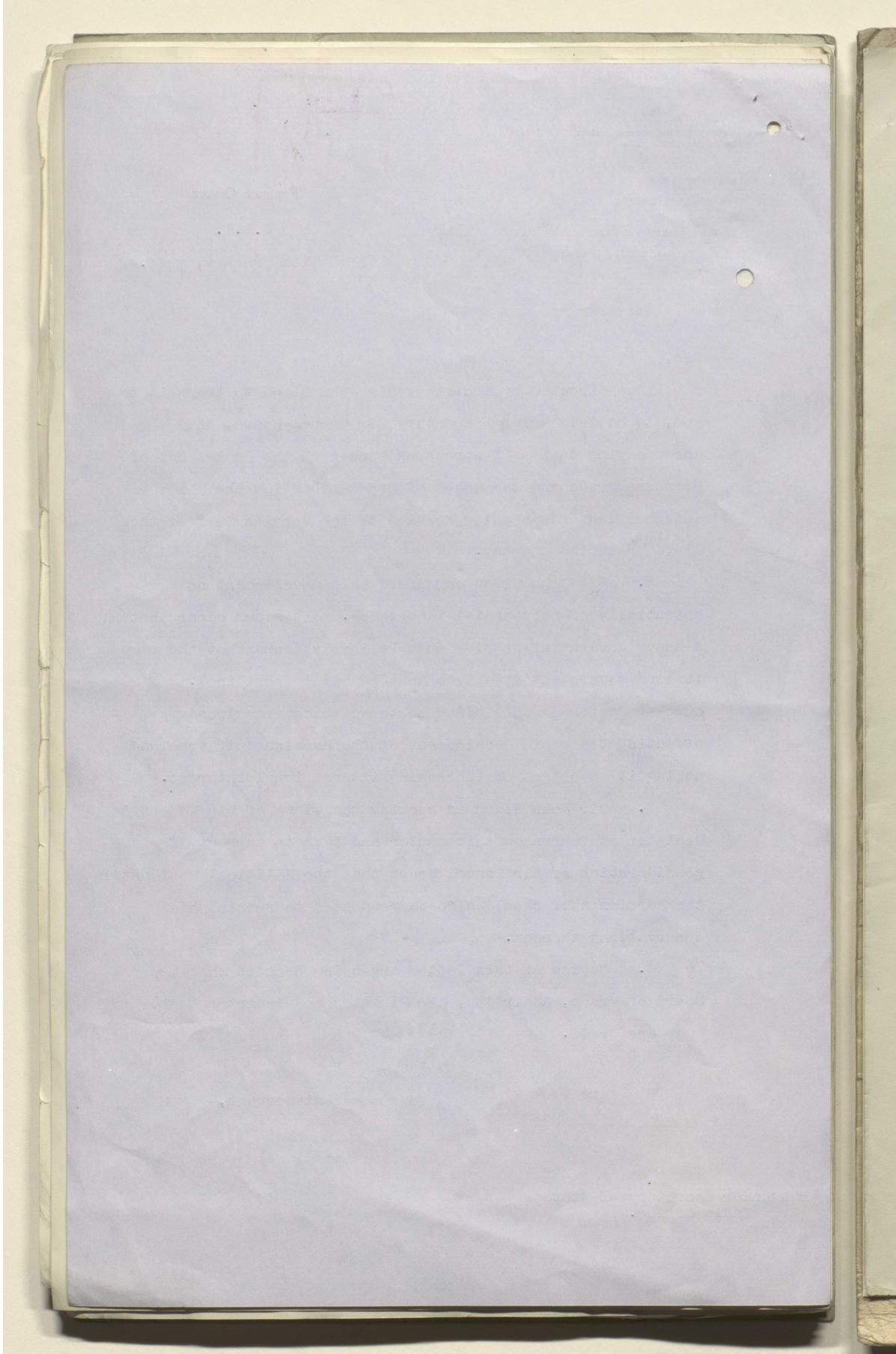


Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [50v] (100/109)

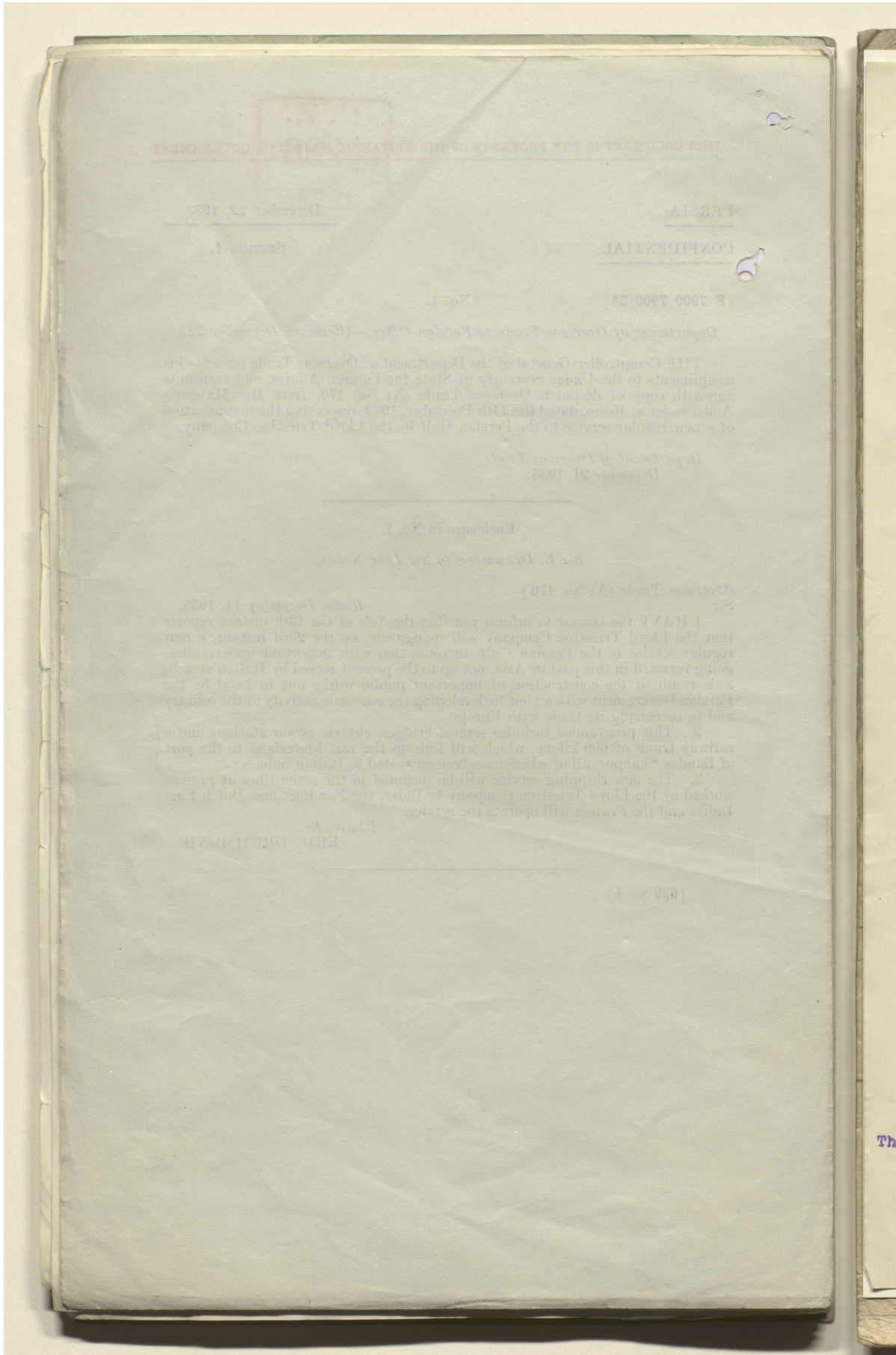


Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [51r] (101/109)

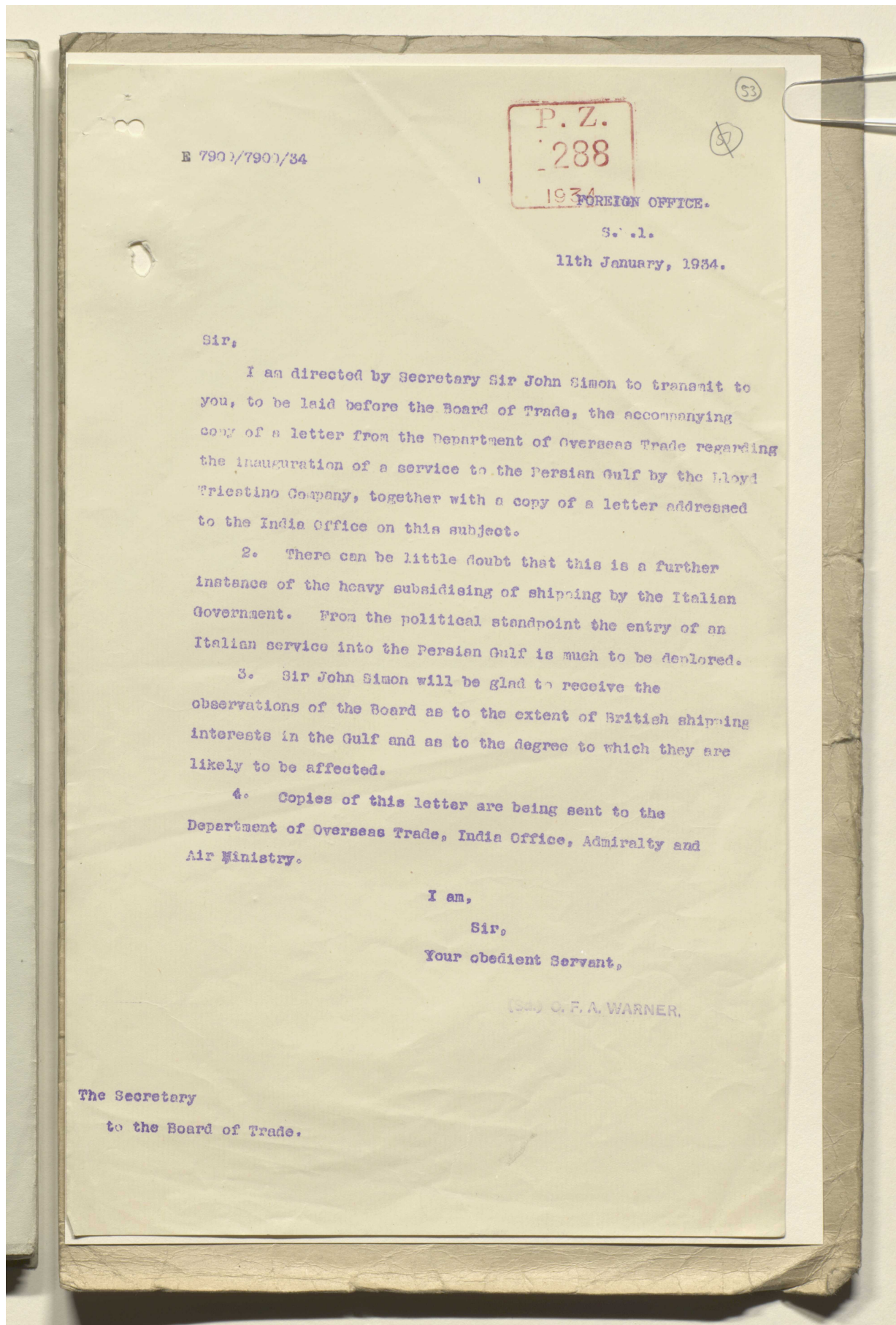




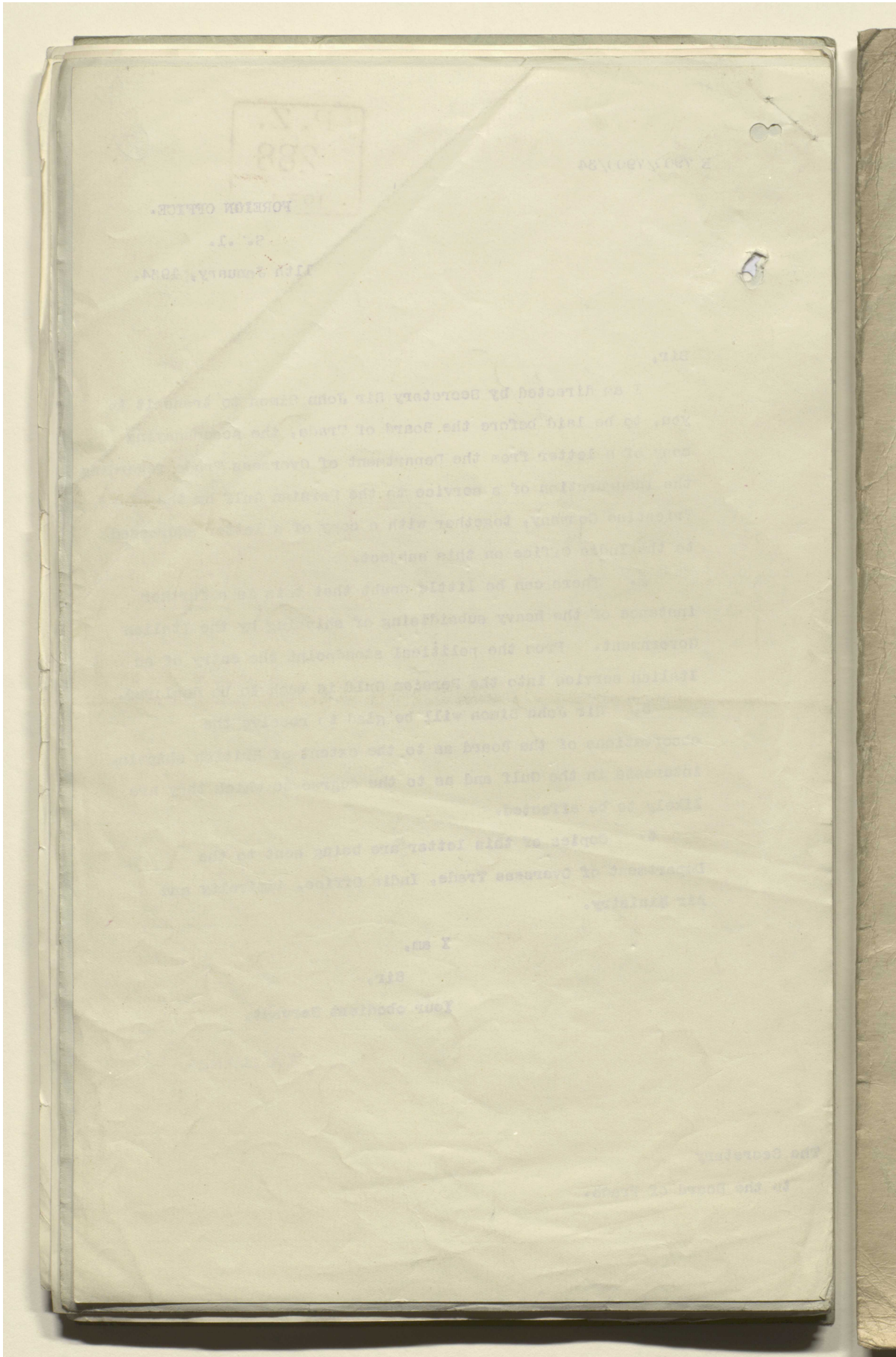
Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [52v] (104/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [53r] (105/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [53v] (106/109)



Coll 30/72 'Foreign Shipping in: Inauguration of regular steamship service from Italy by the Lloyd Triestino Company.' [54r] (107/109)

