

COMMONWEALTH OFFICE,
London, S.W.1.

107
/ 8 April, 1968.

copy
Yr. ref:
SF 76/39/01
File No.
OC 21/1

UNCLASSIFIED

Tel: 839-7010

Provision of a Ship for the British Indian
Ocean Territory

You may be interested to learn that a decision has now been taken regarding the purchase of a vessel for the British Indian Ocean Territory.

2. We finally decided that the M.V. "NORDVAER" was the only vessel, of those considered, that was likely to meet our needs and the Crown Agents have now concluded an agreement to purchase her for £67,000. Modifications are now being carried out by the builders of the vessel in their Elmshorn Yard and we anticipate that she will be ready for the delivery voyage in the first week of May.

3. When we were corresponding with you in 1966, you may recall that the question of commercial management was raised, and in your letter of the 19th May, 1966 you kindly supplied us with copies of a suggested draft agreement in the form you would use for a vessel operating a similar service. We recently consulted the Treasury about this form of agreement and also our suggestion that Southern Lines, Mombassa should operate the vessel on behalf of the B.I.O.T. I enclose a copy of Kennedy's letter of the 19th March from which you will see that the Treasury have raised no objection to our proposal subject to the contract being acceptable to the Ministry of Transport.

4. A draft agreement has now been received from the Commissioner (copy enclosed), based on the form supplied by you, and which we understand will be acceptable to Southern Lines. You will notice that the management fee (£4,000), and the commission of 5% on freight are the same as those suggested by the Chairman of Southern Lines in 1966. While

/in

R J J Hale Esq, Esq,
Ministry of Transport,
Room 30,
Parliament Square House,
34/36 Parliament Street,
London, S.W.1.