The Company at War

It was the London staff that most delighted me. Without Blue Funnel background they were as keen and self sacrificing as the Liverpool men and their courage was something to marvel at.

(C. Cameron Taylor, Straits Steamship Co., 1945)

The Company entered the war in a sound financial position, with an ageing though still largely robust fleet, and an ageing though still largely robust management. As far as the Blue Funnel ships were concerned, fleet development had been virtually stagnant since the last pre-depression orders, Memnon and Ajax, were delivered in 1931. The only exceptions were the little Gorgon (1933) and Charon (1936), built for the Singapore–West-Australian trade. The major building programme had belonged to Glen. Of the eight Glenearn class vessels ordered under the programme initiated in 1936, only three had been delivered by the outbreak of the war, but others soon followed under the spur of national emergency, four more being launched before the end of 1939 and the last one, the Glenartney, was completed in 1940. These were fast, powerful ships, and not surprisingly, four were requisitioned by the Royal Navy within the first few months of war to be converted into Fleet supply ships under the White Ensign. The Breconshire became one of the best known of the heroic ships which sustained Malta during the siege of 1942.

New tonnage for the Blue Funnel fleets had been under consideration for some time, and the company had carefully nursed its resources in preparation for what shareholders in 1938 were told would be a ‘considerable building programme’. Already in 1936 Richard Holt had written to John Nicholson, then on his Far Eastern tour, ‘if you were building new boats for the London berth homewards would you make them bigger or faster than the Agamemnon and if so to what extent?’ This, incidentally is an excellent example of the sort of large and responsible question with which Richard Holt would suddenly confront his younger assistants. No building programme was forthcoming, however, because of the overcrowded conditions of Britain’s shipyards as war approached. Only in 1939 were new orders placed with Caledon for two Glenearn-type vessels for Ocean, the Telemachus, which was taken over on the stocks by the Admiralty and completed as an escort...
carrier, HMS Activity, in February 1940; and Priam, which was completed as planned in 1941. Subsequently, to replace their former ship, Holts were allowed a replacement which was delivered in 1943, and which was also named Telemachus.

So, in the autumn of 1939, Holts were in a somewhat fortunate situation in that their carefully harboured reserves had not been dissipated upon costly soon-to-be-destroyed tonnage. The fleet was fully covered by war insurance and government compensation agreements, and investments had been built up through the traditional conservative policy of dividend restraint and prudent husbandry of resources. The strength of investments is indicated by the growth of their yield, from only around £40,000 a year in the period 1932–4, to more than £234,000 in 1939. By the time war broke out the reserve fund stood at £5 million, and the special building fund at £324,776.

In the early hours of 3 September 1939, the British ultimatum to Germany expired, and the two countries were at war once more. For Alfred Holt and Co and other British shipping companies the circumstances were vastly different to those at the beginning of the earlier war. Then, in what retrospectively looks like an age of innocence, there was a great deal of ‘business as usual’, even the sinking of merchant ships conducted in a way which observed certain standards of decency, and no Ministry of Shipping to regulate every movement made by the nation’s merchant fleet. By 1939 much had been learned by both sides, and much of the old-world innocence lost. The vastly stronger German fleet of surface raiders and submarines was now fortified by the powerful Luftwaffe. New weapons like the magnetic and acoustic mines had been developed. And Hitler’s orders were to strike and sink without warning. Long before the outbreak of hostilities the Admiralty, too, had laid its plans for the defence of Britain. These included once again the wholesale ‘chartering’ of merchant ships in the service of the nation, and on 27 August 1939, even before the formal declaration of war, the Admiralty assumed control of merchant shipping. Also, and in contrast to the arguments and vacillations of the earlier war, a convoy system was at once operated. As Captain Roskill has written:

As the lights went out that evening in the darkened India Building in Liverpool every man or woman in the Holt organisation, from the Senior Manager down to the youngest office boy and the most junior typist knew that control of their great fleet had been taken out of their hands for an indefinite period: and that their ships, though remaining in the company’s theoretical ownership, thenceforth formed a part of a greater organisation – comprising the whole British Merchant Navy mobilised for war.¹