

EAST AFR. PROT

31741

REC  
FILE 25 11

22/8

2/11

31741

Year  
Starting Date

1917

Haye Crop

22 June

Owing to exceptional rains normal  
hay harvest will be delayed till Jan or  
Feb. 1918. Assuming local stockholders to have  
been contacted by then I estimate that  
13000 bags of high class haye clean  
unimpaired will be available for export.

Last previous Paper

305  
25934

w. Read

Said the Ford Controller to write  
a copy of our defence of the 20th  
May in 1910 - & the reply

2/11

25/11/17

at all.

H. J. R

25/11/17

all British

of note - I have all  
since to all the  
L. G.  
2/11/17

W. Wood

W. M. Wood for 21/11/17  
to G. Ford Controller 1/12/17  
James led. 21/11/17

Next subsequent Paper

no  
65046

think all you wish to do today was to let us know exactly what the position was.

MR C. T. NEEDHAM: I should like to say, Sir, that the object of my interest in the matter was not the financial argument but to see whether something could not be done to assure the continuance of the cotton growing industry.

THE CHAIRMAN: I think I should like to leave it there for the moment.

MR MURRAY: The object of our being here is to support Mr Hutton. Mr Hutton of course is very much concerned about his own industry, but we are more cold-blooded and disinterested, but Mr Tullock's Bank along with our Bank have watched for many years the development of this institution upon which a great deal of anxious thought has been bestowed, and in respect of which a great deal of trouble has been incurred and displayed tenacious courage in the formation of it, and I take the responsibility of pressing this fact upon you, Sir, although being outside the trade, that the breaking down of this Association is something more than the mere suspending of an industry which might possibly be revived afterwards, it is a breaking down of an industry which is of great national importance, and its breaking down will not be followed by a renewal of the trade, they are in a position in which I know no other trade to be in, because suspension here means calamity, and on behalf of the Banks interested in the matter we desire to bring what weight we can upon what may be thought to be an exaggerated view of the persons engaged in the industry.

THE CHAIRMAN: I quite accept that.

The Resolution withdrew.

MR HUTTON: We are working on pretty small margins, Sir Percy, because the policy of this Association always has been to if we could pay the natives a good price. What we are after is not so much to make money. We want to make money if we can but we must not lose sight of our main object, and that is to extend cotton growing in the best way to make it a profitable thing for the purchaser; and therefore, all along we have paid pretty well up to the hilt. I have had a long experience now in the cotton trade. All I can say is if we are to buy cotton and not edge I should look upon it as a mere gambling transaction.

MR MURRAY: You could not do it.

MR HUTTON: However the point really comes in this, unless we can get this cotton now or unless the Government are prepared to take it over, it will be quite impossible to get the banks to finance us, I have had the straight tip from them today, and that means that unless our business is going on there is no object in keeping our organisation together for an industry that is going to die out, and we shall have to go into liquidation.

SIR PERCY BATES: Right I ask, again quite hypothetically whether the Liverpool future market is closed at this moment.

MR HUTTON: It is to be open on Friday I understand.

SIR PERCY BATES: But what is the position of those gentlemen assuming the future market is closed at the time they wish to place the cotton upon it.

MR HUTTON: The business is going on although the market is closed, but not in futures.

SIR PERCY BATES: You could not get a paper contract to cover you.

MR HUTTON: Certainly not.

MR MURRAY: The market must be open for futures for the purpose of attracting cotton.

THE CHAIRMAN: I think we understand the problem now. I

SIR PERCY BATES: You mean to say the Bank also would not be able to see the fact that in war time it is the ship which makes the value of any commodity.

MR MURRAY: I follow what you say, but I reduce that down to the point of view of financing. Here is an Association which has a considerable amount of capital which is not mobile or liquid at all: it is invested in the colonies in un-realizable assets and if it asks the Bank to make an advance upon a commodity like cotton which is subject to fluctuations the Bank would not ought to ask, and ought not to do the business without asking I suggest, that it should be protected against a possible fall in the cotton, and the only practical way of doing that is by throwing out a sale on the market. As it turns out this has involved a considerable amount of money being found on account of the rise in cotton, but that is a subsidiary of the production which is got in the other way; and I think the answer on behalf of the Association is if they were to attempt to try and finance arrangements for the next or any other season and the Bank incurred liabilities against the cotton coming on the promise it shall come, the Bank will inevitably insist upon a hedge being thrown out, which may result in money being brought off the market or being put on the market.

MR TULLOCK: It is quite clear we could never undertake the financing of the operations of the cotton growing Association unless we have this hedge.

SIR PERCY BATES: Even although we are told the price to the native is three farthings or one penny farthing a lb.

MR JACKSON: But you are talking there of something which is not complete.

MR HUTTON: Penny farthing a lb means something like sixpence a lb first cost because it includes the seed as well. Lots of people make that mistake.

SIR PERCY BATES: I accept the correction.

MR HUTTON: I join issue with you there at once. If a cautious business man has a profit <sup>he</sup> always seizes it; if he does not he is speculating. You are giving me the advice of the speculator. I say that my business as a cautious man and responsible for a big philanthropic body like this is to run no risk whatever. As soon as I can sell my future hedges to give me a profit it is good business to take that profit even if it is only a farthing in the pound. You must remember, Sir, that most of this cotton was bought 6 and 12 months ago and these hedges were taken out 6 and 12 months ago.

SIR PERCY BATES: That only shows you are using a business system perfectly well adapted for a time of peace, but how you can link up stuff half-way across the world to a contract market in Liverpool, to a ~~market~~ <sup>market</sup> to which you cannot get your stuff, I cannot see.

MR HUTTON: would you advise the British Cotton Growing Association to enter into contracts to buy all the cotton growing in Africa, some of it will be ready for buying within the next month or two when they know quite well that in the normal course of things that cotton will not be delivered in Liverpool until twelve months ahead. Would you advise us to pay these enhanced prices at the moment?

THE CHAIRMAN: Who has enhanced them?

MR HUTTON: It is a question of supply and demand.

SIR PERCY BATES: But my point is that Uganda cotton in Uganda cannot possibly affect the Lancashire supply and ought not to be governed by the Lancashire price.

MR MURRAY: Might I say one word. I think Mr Tallock you will agree, correct as if you do not, that the banks would not undertake to give the financial assistance necessary to this Association unless protective hedge contracts were taken out.

would clear up the ~~Cyber~~. It was next represented to me that it would not in any way clear up the ~~Cyber~~, there was a good deal more than 1000 tons, so I still allotted the 1000 tons on each ship but elected it to ~~Cyber~~, and that is the principle on which we operate these priority lists -- what do we want here and which is the nearest place we can get it from. It is on that principle that we operated in this connection. The question did not occur to us, that the British Cotton Growing Association were in the least involved in this matter, and I had no information as to their financial solvency or otherwise. -- We are I am sorry to say almost becoming harassed to requests to the Colonial and other Government Offices to move stuff which nature has grown and which we cannot possibly move, and we regarded the cotton in much the same way as we are forced to regard every day hundreds of different commodities all over the world. with regard to the finance of this business I have had a explanation from Mr Murray who called to see me at the Ministry of Shipping, but Mr Murray left me quite unconvinced as to why for the future at all events it was necessary to link up the growth of British cotton to that exceedingly wild out business the Liverpool future market. Today in war time conditions are quite different to what they were in times of peace, and broadly speaking I think it is absolutely safe to say that ~~some~~ anything for which there is any demand here at all cannot possibly fail to meet with a good market here if only it can be got here. In other words the Liverpool hedge to my mind would appear to be unnecessary, and it is Liverpool hedges in this particular case that have raised the value of the cotton.

MR HUTTON: No, it is the rise in the Liverpool price which has raised the value of cotton.

SIR REXCY BARRIE: Quite so, but that is a different thing from maintaining an industry.

Mr HUTTON: There has been allowed in these two large ships a reserve space of a certain number of tons at Mombasa. Is it your intention to allow a reserve space in every ship in future, because if it is surely we ought to have some consideration in regard to cotton as well as coffee, ground nuts and other commodities which did occupy some portion of the reserved space. We are only talking about this 2,000 tons altogether which is a mere bagatelle. If we could only be assured of a portion of that reserved space it would relieve the matter considerably.

Sr PERCY BATES: I think, Mr President, these questions are owed an explanation with regard to what happened in regard to those last two ships. We intended those boats to take the ordinary South African priority cargo filling up with as much maize as they could carry. We have got the balance of the last maize crop and we have bought the whole of the maize crop south of Mombasa, and between the two of them I have to find from Mombasa freight for maize in twelve months and of about 478,000 tons. I have got practically nothing but the liners to do it with. That in itself is a very tall order. There were various representations made to us with regard to lifting the products of the country, and when I first heard of these two steamers there I proceeded to enquire what those products were. I was informed that there were <sup>Sisal</sup> ~~wool~~, there were gloves, rubber, ground nuts, cotton seed, in fact a variety of miscellaneous stuff. The only article which I could not supply from a nearer source was <sup>Sisal</sup> ~~wool~~. The arrivals from Manila have been very bad and as far as one could I thought I had fairly well cleaned up the East African <sup>Sisal</sup> ~~wool~~, and I put that Houston boat in about which there were some discussion in the House of Commons. So my first move was to put at the bottom of our South and East African priority list an additional 1000 tons for sundries which I felt at all events

THE CHAIRMAN: I do not mean that. What happens to the material itself?

MR HUTTON: You can store it as long as you like.

THE CHAIRMAN: It will keep as long as you like?

MR HUTTON: Yes.

THE CHAIRMAN: Without any difficulty?

MR HUTTON: The question of insurance comes in now. I am afraid after what has happened we could not now insure it. We had a good deal of difficulty in obtaining our last policy and after what has happened (I am a Director of an Insurance Company myself so I know something about it) I do not think there is the least chance of our now getting this cotton insured.

MR TULLOCH: Unless the Government take the insurance risk. But it will not deteriorate, it will keep for years. I think that is so.

MR HUTTON: What we should have to do would be to keep the cotton up country and not send it all down. Unfortunately <sup>all</sup> we are talking ~~XXXXX~~ the time as if we were only dealing with Uganda cotton. In Nigeria the associations have pretty good storage themselves.

SIR PERCY BATES: In any case the insurance of the cotton is a very much less difficulty from the shipping point of view than East African cotton.

MR HUTTON: Yes.

MR JACKSON: Against the short journey there is the higher spinning value of the East coast cotton.

SIR PERCY BATES: I am looking at it from a selfish point of view: it is easier to move cotton 2000 miles than 3000 miles.

MR JACKSON: My point is it would take twice as long to bring the East African cotton over but when it comes here it is three times as much value to us as the other.



MR BOTTOMLEY: And a good deal of the present one.

MR HUTTON: No, what remains to be shipped of the present crop I cannot say exactly. It is very dangerous to give figures when one is not quite sure about them, but I should think the best part of half of the crop that have been shipped by now. That is taking the whole of Africa together, I should think there will be about 6000 or 7000 tons of last year's crop at the outside to ship, and next year's crop of course if it is going to be bought will be small I say some 15,000 tons. The reason why the matter is urgent is this. If we are going to buy next year's crop we shall have to be making arrangements for financing the matter: in fact with regard to the Nyasaland crop, which is not a very big matter, buying has already commenced. With regard to the Uganda crop the buying commences about December. The Egyptian crop buying commences also about December, but say January. The Sudan crop also begins to come in in January. Well, we have to have all our arrangements completed and we have to begin pretty soon completing the financial arrangements if we are to go on. We really do feel that we are entitled to put a fair question as to <sup>we</sup> did about the seed matter. What we feel is we should like to know definitely where we stand so that we may know what to do about the next crop. I do not want to use polemic or anything of that sort, but if this British Cotton Growing Association movement had to come to an end it would be nothing less than a national calamity, for I am sure if our efforts are now destroyed they cannot be started again during the next generation.

THE CHAIRMAN: Let me ask you this, it is a hypothetical question. Assuming there is not a single ship on the sea, what would become of the cotton?

MR HUTTON: Then you want to say that the only thing to do is for the government to take it over to save the industry.

boston they are growing is of the finer quality and it is, therefore, of immense value to the country. I do not want to say anything about possible trouble in Lancashire; that you can judge of far better than I can, but I should like to point out that in asking for cotton to be put on the priority list we are not really asking for very much.

THE CHAIRMAN: Priority to what?

MR HUTTON: I do not quite know myself what the priority list is but of course we quite understand there are munitions of warfare.

THE CHAIRMAN: Do you expect food-stuffs and munitions of warfare not to have priority over cotton?

MR HUTTON: In any case we have to bow to your decision. I should not like to commit myself to that, but I think cotton ought to be put on a preferential list. I will put it in that way. It must be for the good of the country naturally. All I am asking for is to keep the industry going. I personally have no axe to grind in the matter whatever. In some ways it would be a great relief to me if the Cotton Association came to an end tomorrow, because it would put an end to my rather toilsome labours. But I want to point out that we are really not asking for very much. The total cotton crop in West Africa is only 13,000 tons weight, which represents 24,000 tons space. It is not as if we are asking for a big thing. 2500 tons per month would clear the whole of the cotton that is grown in Africa. It is not a big thing we are talking about; if it were much larger than that it would be a different thing. I should put the value of the known crop at about £3000,000 sterling, and the cotton that is left unshipped I should put at something over £1,000,000.

MR W.C. BOTTLER: By the cotton lying unshipped do you mean the past crop?

MR HUTTON: The crop that is practically coming to an end now. <sup>27th/8/42</sup> I find the whole of that previous crop has been shipped.

there is more than a probability of other troubles coming along. But of course that is more a matter for the Colonial Office to consider. Then there is another aspect which struck me in dealing with this point. Supposing it is absolutely impossible to ship the cotton, if this industry is to be kept on foot the Government will have to buy it, there is nothing else for it; otherwise the whole industry will disappear. As to how it is to be done is perhaps another matter, but it is almost unthinkable, and I want to make it perfectly clear that the Government should allow all the time, all the trouble, all the labour and all the enthusiasm that has been devoted to this great cause during these last 14 years to be absolutely thrown away, which must absolutely be the case if the British Cotton Growing Association is to go into liquidation. There has been a deal of talk lately about developing the resources of the country. So far as I know this is the only ~~instance~~ instance there is of any practical attempt to develop the resources of the country. We established this Association 14 years ago, and to my mind it is almost unthinkable that this industry that we have seen at such pains and trouble to establish should be allowed to disappear. The other aspect as far as it affects Lancashire I do not think it is necessary for me to say very much about. I think you have had quite enough of Lancashire in the last day or two but just let me point out that that cotton is most urgently needed at the moment, and this applies particularly to Uganda cotton and Sudan cotton because they are both fine cottons, and you can take it that a pound of Uganda cotton will provide as much employment as practically two pounds of American cotton.

THE CHAIRMAN: And what about Egyptian?

MR HUTTON: Perhaps three quarters of a pound of Egyptian. The finer the cotton the more the employment. Most of the

seed so it may be that as far as cotton seed is concerned we must take a back seat and we must probably be prepared to destroy the whole lot. Then, Sir, we were hoping to get the cotton shipped. Supposing half of this 1000 tons of space had been allotted to cotton 2500 bales could have been shipped. Cotton occupies about 85 cubic feet for the ton weight, or in other words 2 tons of space for 1 ton of weight. Cotton today is worth about £220 per ton weight so that if half that space had been allotted to cotton it would have meant to us a sum of well over £100,000. If it can be done we shall be very grateful to have an explanation why this space was allotted in those two steamers to commodities other than cotton.

Now coming to the question as affecting the Colonies because that is an aspect which ought to be taken into consideration, the huge efforts we have made to establish cotton growing in the Colonies have caused immense satisfaction and indirectly this country has benefited because wherever you establish cotton growing you inaugurate prosperity. In consequence of the prosperity we have taken with us the Imperial funds at home have been relieved of the grants in aid which used to be necessary in former times. It equally follows that if this great cotton industry is going to disappear there will be serious trouble in respect of revenue of the Colonies and possibly also trouble with the natives. We have recently had information that there has been some trouble in Nigeria in trying to get the natives to come in as carriers. Only the women brought the cotton in, the men did not show themselves and only recently we have had similar information from East Africa that the Government were commandeering natives for German East Africa and the result is there has been considerable trouble, and it seems to me

MR HUTTON: We have the remainder of the growing crop still to clear up. The total weight for the whole crop is 6000 tons.

THE CHAIRMAN: Then what happens?

MR HUTTON: Then comes the question of next year's crop.

THE CHAIRMAN: Any question with regard to that will not arise till next year.

MR HUTTON: That question will arise very soon. Unless something can be done it really means that the Association and other merchants will absolutely have no choice but to go into liquidation. I would not take the responsibility of carrying on the Association with all these liabilities on our shoulders knowing there is going to be very little possibility of our meeting them. Then there is another point I should like to clear up although it is going off a little into detail. We understand that about 1000 tons of space was given on the Berwick Castle and the Spectre, <sup>also</sup> but no cotton was allowed to be shipped at all although permission was given to ship other crops which were not on the priority list. Of course naturally we consider if you are going to ship something not on the priority list cotton ought to have a share of the space. A great deal of feeling was occasioned because it was thought that some of this cotton ought to have been shipped. For instance we understand 10 tons of coffee has been shipped. Ten tons is certainly not a big amount, and as it belonged to Lord Kitchener's estate I say nothing about it, but we understand there is any quantity of coffee in the country. Amongst other things cotton seed was shipped. I went into this question of cotton seed very fully with Mr Bottomley's Department and discussed the matter very fully with him and in fact he convinced me that there were other articles like palm oil palm kernels and ground nuts which were infinitely more valuable to the country than cotton

*The reporter has got the wrong name. Should be - not C.O. L.S.*

out that we had the greatest difficulty in getting the Insurance Companies to grant this policy at all: they do not like cotton; it is a bad property to insure. Then we had advice yesterday that there had been a serious fire in Mombasa, we have lost ourselves £40,000 in losses and the result will be I am afraid that it will be absolutely impossible for this Association or for anybody to insure this cotton that is held up there. I do not think we shall be able to get the Insurance Companies to look at it after this loss.

THE CHAIRMAN: While you are dealing with that question I should like to ask, is the amount of cotton which is now ready for shipping a cumulative amount?

MR HUTTON: Yes, and I can explain why there is more than usual at the present time. Owing to the Expedition to East Africa the railway was very much blocked, and we had great trouble in getting the cotton down to the coast at all. Eventually of course after things were going better the situation was relieved and we were able to get the cotton down, and as a consequence there is rather a larger accumulation than usual. I think it was the case steamers had to come down from Mombasa without a full cargo because the stuff could not be brought down on the railway.

SIR PERCY BATES: I think I had three steamers during the last five months before the Uganda railway <sup>was completed</sup> and they were unable to load them.

MR HUTTON: You confirm my impression.

SIR PERCY BATES: But while the railway conditions have been getting better the shipping conditions have been getting worse and now that you have the cotton down on the coast I have not the steamers.

THE CHAIRMAN: On that point may I ask this: I am looking into the future a little bit. Supposing the stock at the ports ready now for shipment is cleared up, what happens?

Now in the world we are going to recover that money because the only possible way we could do so would be by shifting our ledges forward, which I think you can take it from me would certainly involve us in heavy loss. In addition to that there is a further point, and I shall be getting on Finance's technical ground here, but I want to make it quite clear if I can. There is a great scarcity of Egyptian cotton at the moment. Therefore the relative price of American cotton and Egyptian cotton has changed. Egyptian cotton today is much higher than American cotton, and it carries up the intermediate grades with the result that today we are now getting sixpence a lb more for the Uganda cotton than American cotton, whereas the normal difference is only two pence.

THE CHAIRMAN: Who gets that money?

Mr RUTTON: Partly the natives and partly the merchants. If we cannot get that cotton home for 12 months or something of that sort the probability is that that difference will not be maintained. We and others have been buying cotton to a certain extent on these higher prices, and I may point out that taking the Uganda crop alone there is a material loss running up. One serious matter has come up within the last few days which I ought to mention. When we saw these figures were going to grow we consulted our insurance offices about it. We have a covering Policy which covers the cotton against all risks from the time we buy it and up to the time it is warehoused in Liverpool. Our insurance offices pointed out that we were asking them to carry a bigger risk than was contemplated, and they stated that we should have to take out extra cover for the time we estimated the cotton was going to be locked up. After a good deal of haggling we had to pay additional premium of 30/- per cent, and we paid £1000 to cover £30,000 worth of cotton lying at Uganda and Mombasa. I should also point

Mr JACKSON: The Government I understand have just appointed a Commission to consider the question of the Cotton Growing Association.

THE CHAIRMAN: That is to deal with the wider problem?

Mr JACKSON: Yes.

Mr HUTTON: Then I was going to point out that although these figures show that a sum of £638,000 is involved, since they were got out we have had to pay owing to the rise of cotton in Liverpool a further £58,000 so that altogether the Association themselves along with their Bankers have incurred liabilities amounting in the aggregate to something like £700,000. But that does not quite represent the whole of it because there are merchants engaged in the industry and I think it would be no exaggeration to say that in one way and another that the money which has been advanced principally by the banks amounts shall I say perhaps one and a quarter million sterling at the present moment which is all locked up in cotton abroad. In making that statement, Sir, I am trying to keep it on the underside if possible. It is quite evident from what you have just heard that unless the cotton is shipped we cannot repay the banks, and then arises the rather serious question of future contracts. As you are aware, as cautious business men we buy the cotton and we sell covers in futures. There has been a good deal of talk about speculations in futures about which I might say a good deal but I will not go into that now.

THE CHAIRMAN: I think it has now been made quite clear that it is a legitimate transaction.

Mr HUTTON: It has. During the past few weeks we have paid out ourselves owing to this rise in cotton £375,000 in differences, all of which has been found by our Banking friends. Unless we can get the cotton home I do not see



material indeed, in relation to general finance in the future.

THE CHAIRMAN: Really this cotton has been purchased.

MR TULLOCK: Yes.

MR. HUTTON: If I might say so I agree absolutely with what Mr Murray has said that facilities have been granted here which do not obtain in the ordinary way, and it has been from a national point of view for the helping of this Association. We have done it specially on these lines. We have incurred a liability and accepted bills upon the representation that we believe the cotton has been bought and upon the promise that the documents will come forward to us to protect our acceptances. If that cotton is held up at the other end the Association will be quite unable to carry out the promises they have made on the faith of which we have given our acceptances. The Association is also in the meantime incurring enormous expense in paying the differences upon the protective ledgers under the contracts which have been opened out and they will not be able to deliver the cotton upon those future contracts, and we shall be in trouble by not having the security here on the faith of which we gave our names. It is not usual to get such accommodation in the ordinary way of trade.

THE CHAIRMAN: It practically amounts to an overdraft.

MR HUTTON: Yes.

THE CHAIRMAN: What happens to Mr Hutton if the thing goes wrong?

MR TULLOCK: Mr Hutton will go bust.

MR HUTTON: It is unthinkable, Sir, that this Association, which has been formed after all this trouble and all these many years, where men have taken a very long and broad view as to the future of the cotton trade, should have to go into liquidation.

carried by the Banks.

MR HUTTON: The Banks have actually found £70 cash at the present moment £280,000 and there will be a further liability in respect of these bills of £200,000.

THE CHAIRMAN: Have they undertaken to meet those bills?

MR HUTTON: When the cotton comes. We cannot possibly provide any funds to meet those bills until we get the cotton.

MR MURRAY: The Banks having accepted these bills are of course bound to meet them whether the cotton comes or not and as a matter of practice we do.

THE CHAIRMAN: And therefore you have that further liability of £300,000 in round figures.

MR MURRAY: Yes.

MR TULLOCK: In respect of cotton to come.

THE CHAIRMAN: Although the cotton is not necessarily here you have a lien on the cotton wherever it may be. It does not necessarily mean that that cotton is here, and therefore, your money is tied up if you cannot sell the cotton.

MR TULLOCK: Yes.

MR MURRAY: Money is advanced to the Association on more favourable terms than it would be to ordinary business houses as we deal with the matter here from the point of view of Imperial considerations. We really do not get a lien on the cotton until it is put on board in the form of bales, and I want to make it clear that we in dealing with the British Cotton Growing Association deal with them in rather a special way. I do not know that it is very material, but it will inform your mind as to the way we deal with the Association.

THE CHAIRMAN: I think it is rather material, is it not?

MR HUTTON: Not in relation to bringing cotton home from the point of view of the consumer, but I agree it is very

the priority list. I understand the priority list to East Africa is a list drawn up really more for South African products, and it is quite a question whether that South African priority list is suitable for East Africa. That is another point. Now there are three aspects with regard to this matter. There is one as it affects the British Cotton Growing Association and the merchants; secondly, as it affects the Colonies themselves; thirdly as it affects Lancashire. To deal with the first point, which is after all as far as we are concerned the most important point, I should like to point out that very large sums of money have been advanced by the Banks for the purpose of buying this cotton, and I have here a statement, a copy of which I can hand you in, showing that on the 26th June 1918 the British Cotton Growing Association had £22,602 of their own cash locked up in cotton. There was also in round figures a sum of £280,000 which had been advanced by the Banks, in addition to which there were further liabilities of £250,000 on bills which have been accepted and which of course if we are <sup>not</sup> able to find the cash the Banks will undertake to find it. That makes a total of £538,372.

THE CHAIRMAN: What does that mean exactly?

Mr BUTTON: The bills are drawn by our people out on the coast as soon as they buy the cotton, and we have a working arrangement with the Banks as soon as we accept the bills to hand them over to them <sup>and</sup> on maturity if the cotton has not come home, and has not matured, the banks find the necessary funds.

Mr MURRAY: The two banks interested I understand are the  and the City of London & Midland Bank?

THE CHAIRMAN: Of this £280,000 how much is paper being

*Manchester Liverpool District Bank*

The Deputation to the President was introduced by Mr. C.T. Needham, M.P.

MR J. A. HUTTON: If it would meet with your view, sir, I will just run through several points I have made. I will try to make them as short as possible, as I know your time is valuable. We raised this question with the Colonial Office about a month ago; it came up at the same time in connection with Nyasaland cotton, which, of course, is rather a small matter. We then urged, as Mr Bottley may remember, that it would be better if the whole question was taken into consideration, East and West Africa and the Sudan being the countries in which we are mainly operating. If I may suggest it, I think it would be better to-day if we treated the matter from a broad point of view rather than deal particularly with the main question of Uganda. The first information we had about Uganda was a telegram we received on the 14th of June from Mombasa saying that cotton could not be shipped. There are just two points I should like to mention here. We felt a little bit hurt that we should have such short notice -- in fact we had no notice whatever. Another matter that struck us, and I suggest it for the consideration of the Shipping Controller, was in regard to

7, Whitehall Gardens,  
London, S.W.

Thursday, 25th. June, 1919.

**DEPUTATION**

from

THE BRITISH COTTON GROWING ASSOCIATION.

to

THE PRESIDENT OF THE BOARD OF TRADE.

(The Right Hon. Sir Albert Stanley, M.P.)

Sir Albert Stanley was accompanied by:-

*M. Forster*

Sir Percy Bates (Ministry of Shipping).

Mr W.C. Bottomley (Colonial Office).

Mr H.W. Matther (Board of Trade).

REPUTATION

from

THE BRITISH COTTON GROWING ASSOCIATION

to

THE PRESIDENT OF THE BOARD OF TRADE.

---

20th June, 1917.

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June 26th 1917.

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S. V. Wither, Esq.,  
Board of Trade,  
LONDON.

Dear Mr. Withers,

Many thanks for your telegram reading:-

"Mr. Hutton's letter to shipping Controller 18th June  
it has been arranged for deputation to be received by  
Sir Albert Stanley with representatives of Shipping  
Controller and Colonial Office step Sir Albert can  
receive deputation Thursday 28th June 4 o'clock"

Private secretary Board Trade.

Will you please convey our thanks to Sir Albert Stanley for  
his kindness in arranging for the deputation. It will  
probably consist of the following:-

Mr. D. V. Needham, M.P.

Mr. G. Crapper

Mr. Jackson

and myself, as representing the Association and possibly Mr.  
Tulloch, the managing director of the Manchester & Liverpool District  
Bank, and possibly also a representative of the London City &  
Midland Bank.

What I would suggest is that the proceedings should  
not be formal at all, but that we should meet together to discuss  
in a friendly manner, the best way of treating the difficulty.

Yours faithfully,

(Signed) J. ARTHUR HUTTON.

CHAIRMAN.

COPY OF TELEGRAM.

218 71

The BRITISH COTTON GROWING ASSOCIATION, 13, Cross Street Manchester

We beg to confirm Telegram sent you this day as follows:

TO

*Handwritten recipient name*

191

FROM

*Handwritten sender name*



THE BRITISH COTTON



GROWING ASSOCIATION

5, FORT STREET,

MANCHESTER 5, ENGLAND.

June 26th 1917.

W. C. Bottomley, Esq.,  
Colonial Office  
LONDON, S.W.

Dear Bottomley,

Thanks very much indeed for your telegram.

We will arrange to attend at the Board of Trade on Thursday afternoon at 4 o'clock.

I enclose copy of letter which I have sent today to Sir Albert Stanley's Private Secretary.

Yours sincerely,

*Arthur Bellon*

Enclosure.

Y:

2 You have already  
heard some of the  
report by the President  
of the Board of Trade, and  
also by the Shipping  
Controller, in due to be  
conveyed at the  
request of the latter, in  
view of the fact that  
the President has recently  
received the report  
and regard to it. It  
is hoped, however, that  
a representation of the  
Shipping Controller will  
be placed at the meeting.

John M. Butler  
Secretary

8  
7  
GEO. E. READ



Exp/31737 IAP  
Yanda

216

26 June 1917

Ser,

I am in receipt of the

30644  
31143

rest of your letter of the

DRAFT

A. Chasman

16<sup>th</sup> and your letter of the

British Cotton Growing Assoc.

18<sup>th</sup> of June, on the subject

MINUTE.

of the shipment of American

Mr. Hottel 26/6/17

cotton to the country, and,

Mr. Pyle (away)

in confirmation of the

Mr. Orville

same official letter sent to

Mr. Lambert

you today, to wit you

Mr. G. Fisher

Mr. East, Montreal

Mr. Long

that the President of the

for copy

Board of Trade has

consented to receive a

deputation from the

B.C.G.A. at the Board

of Trade office on the

28<sup>th</sup> of June at 4 pm

Refers to letter to  
British Cotton

W. B. ...

215

... about ...

1. ... for ...

... ..

... ..

ms

... ..

... ..

... ..

31464

214

DRAFT

Manager,  
The Standard Bank of  
South Africa, Ltd.  
MINUTE.

- Dr.
- Mr. Bodman 2/3/6/17
- Mr. Butler 25/6/17
- Mr. Dredin
- Mr. Ganshart
- Mr. Jans
- Mr. G. J. Jans
- Mr. G. J. Jans
- Mr. Jans

- minute attached.

25 June 1917

Sir,

I am in back the  
 recd. of your letter of the  
 25<sup>th</sup> of June, and to  
 inform you that the  
 execution of the shipment  
 of cotton from Eastern  
 Africa is engaging his  
 careful attention & that  
 your representations  
 will not be overlooked.

4 app. on 31737

401/31737 EAP

15

25 June 1971

Sir,

With reference to your letter of the 13<sup>th</sup> of June (B/4 3178/71) and subsequent correspondence,

With reference to the letter from the Dept. of the 23<sup>rd</sup> of June, no: 31660,

I am etc. to recommend to you, to be laid before the

Shipping Controller,

Board of Trade,

the accompanying copy of a tel. which has been received from the Acting

Gov. of the EAP, as to the amount of Myandri Cotton now which is low or will shortly be available

DRAFT

The Secretary  
Ministry of Shipping

The Secretary  
Board of Trade  
MINUTE.

30120  
W.T.  
U.S.A

- Mr. [unclear]
- Mr. [unclear] 23/6/71 M.C. 31660
- Mr. Butler 25
- Mr. [unclear]
- Mr. Lambert
- Mr. [unclear]
- Mr. E. Fisher
- Mr. [unclear]
- Mr. Long

for comment

22 June (31737)

... ..  
... ..  
... ..  
... ..  
... ..

10.000 *part*

*quantity shipped*

**112**

SHIPPED MINERAL SALES BY WILKINSON STEELCO

15.000

SILVER CO. BALANCE AMOUNT MINERAL SALES

PART IN ROUTE AND PART BEING GINNED

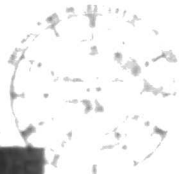
**DOMING**

SIGNALS, AVE. ... 20 30 ...

# TELEGRAM

3-417 FROM WEST CEMET STATION, ALABAMA HOUSE, FURNISHED PATENT  
REPLIES SHOULD BE ORDERED

*Via Eastern*



31757 [Redacted] [Redacted]

SYI 22 JUN 1950

211

YES 41 NA INOB 1 9/50 22 PY GVT -

CHARLES LN

343 URGENT COTTON CROP TUNABLY UNCHIPPED

NIL SILVERWOOD ESTIMATED CROP FROM UGANDA

31,000

HUNDREDS WINTERING BAGS GINNES 4444800

*British Post Office*

CROP FROM COTTON PRACTICALLY NIL SILVERWOOD

295,000

OF ABOVE QUANTITY WILDMONEY SALES ALREADY



22  
210  
31737  
JUN 22 1917

TELEGRAM THE OFFICER ADMINISTERING THE GOVERNMENT OF  
the East Africa Protectorate. to the Secretary  
of State for the Colonies.  
(Received Colonial Office, 8.3 p.m., 22nd June, 1917)

*L.O. 161.  
30120 u-48A*

No. 343 your telegram 18th June cotton  
crop year 1915-16 unshipped nil. Estimated crop  
from Uganda year 1916-17 31,000 bales ginned.  
Crop from British East Africa practically nil.  
Of above quantity 5000 bales already shipped  
10,000 bales at Kilindini awaiting shipment.  
Balance approximately 15,000 bales part en route  
and part being ginned.

B W R I N G .

the  
x y d  
5540

done so Stanley's Private Secretary  
that we shall be old Ireland of an  
order which the B of T in the Ministry  
of Shipping propose to take the way  
can make some action we shall have  
to go into the problem ourselves  
approaching it in the sense to want  
a staple industry in Ireland  
republic, & 1917

X

the

x y d

3/12/17

(x James not to take any commencing  
except to me)

Ed 47

As. M. 47

now  
ms  
m. d. b.  
1917

The Reed

Please see memo to on slips  
attached. I think draft  
Official letter to the B. C. A.

6.10.07

above  
6.10.07

The letter of 28/9  
attached. 28/9/07

The South

We have now received the attached  
Southland wool's report of Thursday's  
deputation. It shows that (as I  
have mentioned to you) Sir P. Bates  
has had at all times concern about  
slips & Sir H. Stanley concentrated  
on the question of finance.

I think there is no doubt that the  
B. C. A. will convene next week  
and before taking any action. In  
any system of financing we should  
have taken care that all our  
industries & all cotton buyers  
who so desired, secure contracts.

See also 800/33087<sup>2</sup> letter for letter

Geo. G. Fielder

6.10.07 2/7/07