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W. AFRICA

C. O
51498
REC'D
OCT 20 1917

51498

Treasury

1917

19 October

Last previous Paper.

B. of T.

50517

PURCHASE OF COTTON

Trs copy letter to B. of Trade signifying general approval of modified scheme subject to exclusion of Nigerian crop. States alternatives as to provision of funds. Requests opinions of Governors be obtained by telegraph.

Mr. Harding.

As regards Nigeria, the change from what I understood to be the Treasury representative's attitude at the first denunciation surprises me less than the fact that Mr. Fountain (I think) does not think it necessary to press the Treasury to change their minds. His impression is that Mr. Hutton will be glad to keep the Nigeria work to himself and that his bankers will find the money.

I agree to the first, but am by no means certain of the second, and after speaking to you I submit draft to Mr. Hutton to make sure.

To Mr. Anson on 23 Oct
To Mr. B. of T. on 24 Oct
To Mr. B. of T. on 24 Oct
To Mr. B. of T. on 24 Oct
Copy above to Mr. B. of T. on 30 Oct
Copy above to Mr. B. of T. on 30 Oct

Next subsequent Paper.

Yours

53604

1917

Oct. 25 1917
ALL 22/10 07 1917

Mr. Butler.

I annex Mr. Fountain's letter of
yesterday & his revised drafts of ££3 to
Nyasaland & Uganda (Nigeria must
wait till I hear from Mr. Halton).

He has, after telephoning to me, turned
the Nyasaland draft upside down because
we are in the first place concerned with a
crop already marketed. This is I think an
improvement.

As regards the Treasury alternative proposals
for finding the money, we can put them
both to Nyasaland as in my annexure A to
Mr. Fountain's draft. But in Uganda we
can only employ the National Bank of India
and there is nothing to be gained by tendering
asking one Bank to tender. The N. B. of I. will
have to arrange for the work to be available
under alternative (2) - but it has always
done so under ordinary commercial working
of the buying. I have consulted Mr.
Craig of the Treasury who says they will
leave this point to our judgment.

I suggest annexure B for Uganda.

I have not revised the drafts to Treas. &
B & T pending settlement of the telegrams.

WAS
24.10.17

WAS

24.10.17

at all

Mr. A. J. Harding

53

Mr. Butler

Revised drafts to B. of T.

& Treasury now herewith.

As regards Nigeria, I attach
a letter from Mr. Hutton which
shows that if the Association
need help they will ask for it.

The letter is open to criticism,
even ~~for~~ as an unofficial letter;
but allowance must be made for
the fact that the future of the
Assocⁿ depends on their being
able to show that the experience
and business acumen of the
Assocⁿ is necessary for the further
development of the cotton industry
in the Empire, or at least in
tropical Africa.

G.C.S. 27.10.17

A. J. H. 27/10/17

Jab.

27.10.17

at mtg

Any reply to this letter should be addressed to—

THE SECRETARY,
TREASURY,
WHITEHALL, LONDON, S.W., 1,
and the following number quoted.

TREASURY CHAMBERS

October 1917

33912
17



URGENT.

Sir.

Handwritten: b of T / 50514

With reference to the letter from the Board of Trade to this Department dated the 12th instant further on the subject of purchase of cotton in British Africa, copy of which has been sent to the Colonial Office, I am directed by the Lords Commissioners of His Majesty's Treasury to transmit herewith, for the information of the Secretary of State, copy of a letter of even date addressed to the Board signifying Their Lordships' general approval of the modified scheme now submitted, subject to the exclusion of the Nigerian crop, in accordance with the opinion expressed in Mr. Grindle's letter of the 30th August last (42860/1917). ^{Oct. T.}

As regards the provision of funds, there appear to be two alternative methods :-

(1) to obtain forward tenders in this country from the various Banks having branches in Uganda and Nyasaland for the sale of local currency to such amount and at such times as may be required. The arrangements for this purpose would be made by this Department;

(2) to authorise the Governors to obtain the necessary funds locally as and when required by the sale of drafts on the Crown Agents for the Colonies, who would reclaim the amount from this Department.

I am to request that Mr. Long will obtain the

Under Secretary of State,
Colonial Office.

opinion

opinion of the Governors by telegraph on the respective merits of these two alternatives.

There are grounds of convenience and simplicity for preferring the latter course, to which My Lords incline. If the former should be recommended, it will be necessary for Their Lordships to be informed of the names of the Banks who should be asked to tender, and the probable dates and amounts of the advances required.

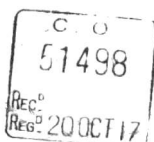
I am,

Sir,

Your obedient Servant.

W. Ramsden

33012 17



October 1917.

SECRET.

Sir,

I have laid before the Lords Commissioners of His Majesty's Treasury your letter of the 12th instant (14110) with enclosure further on the subject of purchase of cotton in British Africa.

In reply I am to request that you inform the Board of Trade that My Lords concur generally in the modified scheme as set out in the memorandum which accompanied your letter, subject to the following observations :-

(1) Following the opinion expressed by the Secretary of State for the Colonies in a letter dated the 30th August last on this subject, My Lords prefer that, for the present at least, Imperial funds should accept no liability for the purchase of the Nigerian crop. If Mr. Secretary Lord desires to extend the scheme to Nigeria, they consider that the purchase should be financed from the funds of that Protectorate.

(2) As regards the method of providing the necessary funds, I am to enclose copy of a letter addressed to the Colonial Office setting out their views.

(3) In all the circumstances My Lords think that it would be better not to insure the crop against fire, but to instruct the Governors as proposed to scatter the stores of cotton in areas widely separated, limiting each store to as

Secretary,
Board of Trade.

Yours faithfully

small a size as may be convenient, in order to minimize the risk, and generally to take all such precautions against fire and other risks as would be required by an Insurance Company.

(4) The Board of Trade will doubtless make every effort to obtain freight at an early date from the Ministry of Shipping for the purpose of marketing the cotton in this country.

I am,

Sir,

Your obedient servant.

G. D.
R. 22 OCT
22

(Was/51498)

EA
WA

[Signature]

13 Oct. 1917

Dear Hutton,

Quarto, for my ref.

We have had a letter

DRAFT.

from the Treasury about

Arthur Hutton Esq
B.C.F.A.
15 Cross St.
Manchester

the cotton crops in which they ^{are} saying that Nigeria should be omitted from the scheme.

MINUTE.

I have consulted Fountain, who thinks that this ~~with~~ can be accepted - i.e. that the Association will be able to obtain the necessary funds & will buy gin, & store, on its own account.

- Mr. Bottomley 22/10/17
- Mr. A. J. Harding 22/10
- Mr. Strachey 22
- Mr. Grindie.
- Mr. Lambert.
- Mr. Bond.
- Sir G. Bladen.
- Mr. Steel-Maitland.
- Mr. Long.

for comment

Will you please let me know whether this is so? My impression

Re-circulate only

that you bankers
have been as obdurate
in the matter of the
Nigeria crop as in
the case of Uganda.

Yours sincerely

WLB

PARAPHRASE TELEGRAM.

The Secretary of State for the Colonies to the Governor of Nyassaland.

(Sent, 7.35 p.m., 24th October, 1917.).

24th October. With reference to your telegram of 18th August on the subject of cotton. In view of extreme improbability that any shipments of cotton will be possible for an indefinite time to come the adoption of a scheme for purchase and storage by the Government on the following lines has been decided upon:

Ans'd 53610

Owners should be offered a reasonable price for cotton already baled not exceeding say 6d. per lb. for best quality including baling and ginning. Telegraph your views as to the price suggested.

Arrangements should be made for cotton in the seed

(1) that crop should be bought from native growers by ginners on commission of say 8d. per hundred lbs.

(2) Fair price to be fixed in consultation with ginners is to be paid for ginning and baling.

(3) Price for seed cotton to be fixed according to quality and remoteness of district.

Plantation cotton can be accepted from growers direct.

Government would store and ship when possible (consigned to Board of Trade who should be notified). Money will be provided by one or another of the following methods from Imperial Treasury:

(1) By obtaining forward tenders in this country from banks with local branches for sale of local currency

at

Copy (Treas) to Secy
Copy (Treas) to Secy

at such times and to such amounts as required. Necessary arrangements would be made by Treasury but you would have to ~~be~~ inform them of names of Banks to be invited to tender and probable dates and amounts of advances required.

(2) By authorising Governor to obtain necessary funds locally as and when required by sale of drafts on Crown Agents who would recover amount from Treasury. You should furnish estimate of amount likely to be required.

Latter course preferred by Treasury telegraph your views.

Ginnery and owners of plantations would not be obliged to participate under this scheme but it should be made clear to them that if they do not do so they cannot expect any assistance from Government in obtaining shipping space and that Government would have first claim on any available space.

It is suggested that your Government might utilize the services of local agents of British Cotton Growing Association to assist them in carrying out the scheme.

Cotton purchased should not be insured but should for safety be stored in as small lots as possible, and all reasonable precautions should be taken against fire and other risks. Different qualities should for purpose of identification and ultimate sale be marked A B C etc.

Question of storage has to be considered and you should furnish estimate of expenditure likely to be required on sheds

(1) on the assumption that the scheme must cover two crops and (2) on the assumption that cotton will be shipped

shipped after twelve months.

It is intended that cotton from Northern Rhodesia should be included in this scheme being ginned at Fort Jameson and sent to Port Herald in small bales for rebaling as usual. It is considered undesirable that cotton should be stored at Port Jameson, in small lightly pressed bales

Telegraph as soon as possible your views generally. Matter should continue to be regarded as confidential.

LONG.

PARAPHRASE TELEGRAM:

The Secretary of State for the Colonies to the
Governor of Uganda Protectorate

(Sent 8 p.m., 24th October).

24th October.

With reference to your telegram of 6th
September regarding cotton. The Treasury have ap-
proved purchase of cotton generally on the lines of
your telegram and the prices suggested by you are
approved. You would be authorized to obtain locally
the necessary funds by sale of drafts on Crown Agents
as and when required. They would recover from
Treasury. Presume that no modification of your esti-
mate of amount/^{is}required. I am afraid that it is im-
possible to select a Cotton Controller from here and
I should be glad if you would consider whether local
arrangements for the appointment cannot be made by you.

The Cotton purchased should not be insured
but should for safety be stored in as small lots as
possible and all reasonable precautions should be
taken against fire and other risks. Different quali-
ties should for purposes of identification and ulti-
mate sale be marked ZYX etc. What arrangements are
~~contemplated by you~~ for the provision of storage ac-
commodation do you contemplate and what expenditure
on storage would be required and (1) on the assump-
tion that storage would be required for two crops
and (2) on the assumption that cotton could be
shipped after 12 months.

When

Ans d 53604

Treas 30 Oct 17
6/21/17

When arrangements are settled and ready to be communicated to ginners they should be told that they are not obliged to take advantage of the scheme but that if they do not they cannot expect any assistance from Government in obtaining shipping space and that Government will have first call on any space which may be available.

Cotton when shipped should all be consigned to the Board of Trade and they should be notified.

Telegraph your views generally as soon as possible. Matter should continue to be regarded as confidential.

LONG.



15 CROSS STREET.

MANCHESTER.

October 24th 1917.

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

Dear Bottomley,

What extraordinary people the Treasury are! In the first instance, they wanted us to exclude Nigeria, only I felt it very doubtful whether we should be able to finance it and pressed that it should be included in the whole scheme.

Since then the conditions have changed a little bit and we have got rather easier in our finances, and we came to the conclusion that we would be able to manage Nigeria and so I proposed the matter to Fountain and I gathered from what he told me that the Treasury then wanted Nigeria to be included; now apparently they have turned round the other way again.

I am approaching ^{our} my bankers about the matter and I do not think myself there will be any difficulty in our looking after the Nigerian crop. I don't want to "rub it in" but this is a very good example of the way in which business matters are frequently handled by the Government and why so many of us feel a great reluctance at allowing the Government to undertake any more business matters than are absolutely necessary.

Yours sincerely,

Arthur Bottomley

*not the
and content
and many
to leave the rest
to business men. As a
matter of fact the Assocn
are sound and business
includes a few letters
eg. gas plant
A.I.H*

Trans EA
52498/7 WA

24
19

[Handwritten signature]

30 October 1917

Sir,

I am re. back the
recd. of your letter no.
53912 of Oct. 19th, and
to transmit to you, to be
laid before the L.C. of
the Treasury, the
accompanying copies
of telegrams, which have
been sent to the Gov. of
Ireland and the
O.A.G. of Uganda on the
subject of the arrange-
ment proposed for dealing
with the cotton crops
in those Protectorates.
Copies of the replies to
these telegrams will
be sent to you in due

DRAFT.

The Secretary
Treasury

MINUTE.

- Mr. Bottomley 27 10.17
- Mr. A. Harding 27/10
- Mr. Sirachy 27/10
- Mr. Butler 27/10
- Mr. Grindle.
- Mr. Lambert.
- Mr. Read.
- Sir G. Fiddes.
- Ms. Steel & Hutchings
- Mr. Long.

For answer

To Gov. Uganda tel: 24 Oct
To O.A.G. Uganda 24 Oct

Copy to 30 Oct 17

B of T/50517/East Africa

West Africa,
Northern Rhodesia,
Downing Street,

October, 1917.

*20 to 25
See news off*

Sir,

I am directed by Mr. Secretary
~~request~~ ^{to inform you that} he has received a
~~copy of the letter to you from the Board~~
~~of Trade of the 12th of October on the~~
~~subject of the arrangements proposed~~
~~for dealing with the cotton crops in~~
~~Tropical Africa.~~

DRAFT.

ASSISTANT
THE SECRETARY,
COMMERCIAL DEPARTMENT,
BOARD OF TRADE.

Treasury

MINUTE.

645 18/10/17
Mr. A. G. Harding 19/10
Mr. P. Strachey 19/10
Mr. Butler 19
Mr. Arnold
Mr. Lambert
Mr. Road 19/15
Sir G. Fildes
Mr. H. ...
Mr. Long

subject of the arrangements proposed
for dealing with the cotton crops in
Tropical Africa.

2. I am to enclose copies of
telegrams which have been sent to the
Officers Administering the Governments of
Uganda, ^{and} Nyasaland, and Nigeria on this
subject. Copies of the replies will
be communicated to you when received.

3. It is understood that Their
Lordships contemplate that the funds
necessary to carry out the scheme for
Government purchase and storage of cotton
should be found in the first instance by

Tel. to Uganda.
(draft herewith)
Tel. to Nyasaland
(draft herewith)
Tel. to Nigeria
(draft herewith)

Colonial
the local Governments, *for amounts required*
the necessary

*So far as local balances for the
time being are inadequate for the purpose,*

funds being advanced without interest by the Treasury to the Crown Agents for the Colonies in this country. It will be observed however, that in Nyasaland probably, and in Nigeria certainly, the arrangements for conducting the operation may be made by the British Cotton Growing Association on behalf of the Government. It would, therefore, seem possible if Their Lordships see no objection, for the necessary advances to be made direct to the Association's bankers, instead of through the funds of the Governments concerned. In the case of Uganda it is out of the question, for local reasons, to employ the British Cotton Growing Association as agents of the Government, and in this case the funds will have to be supplied through the Protectorate Government.

4. Their Lordships will observe from the telegrams which have been sent that the question of storage accommodation requires

requires consideration and that some expenditure may be necessary to provide sheds for storage. It will be understood that the cost of any works of this kind which may be necessary would ^{have to} be borne by the Imperial Government.

I am, etc.,

(SD)

Signed R. F. SEED