

E. AFRICA  
34893

C O  
34893  
UNION

theory  
(Capital Issues)  
1919  
11 June  
previous Paper.  
1934

E. African Trading Syndicate

Encl apply from — to increase capital  
Considers capital suggested totally inadequate.  
Requests observations.

Mr. Grindle

There is nothing but the name to  
connect this with 19348 - the firms  
concerns are clearly different.

I do not know of any E. A. T. S.  
now engaged in cotton growing - or  
cotton dealing - in E.A.P. or Uganda;  
nor do I know the name of Capt.  
Carters.

In view of the reference to  
wild silk I perhaps I might  
refer to the cotton industry in  
Uganda, and  
under German auspices which  
never did much. There is probably  
little money in it.

As to cotton manufacture

subsequent Paper

regions - the one really important  
point - there was an idea, then  
the shipping business was all  
lost, of starting a factory in Uganda.  
I mentioned the matter to the meeting  
of the Cotton Growing Co., & he  
advocated the idea of allowing  
African labor to work really  
high grade cotton. He compared  
with white labor & said  
nothing because he was not  
aware that it was not satisfactory  
with high grade cotton.

Also, of the value of  
supply the demand, the demand  
for many low wearing goods  
and not for the fine fabrics for  
which the country is not suitable.

I was advised simply to  
leave it to the committee, but  
if I think it desirable I can  
get the matter considered at a  
Sub-Committee meeting of the  
Cotton Co. on the 18th.

W. S. 12/18/14

This concern if started, would in  
all probability only give the business  
a bad name. If we wanted cotton  
manufacturing started in Uga. it would  
not be under such auspices.

Concern in D.O.T. remarks SS  
12.18.14

FROM:- CAPITAL ISSUES COMMITTEE.

TO:- *The Secretary* *Sec Office*

For observations, please.  
~~1 am also consulting Mr. [unclear]~~  
*Pro alt.*



*11/6/19*

DEPARTMENT OF OVERSEAS TRADE.  
(Development and Intelligence).

EAST AFRICAN TRADING SYNDICATE, LIMITED.

The above private Company carries on the business of cotton growers in British East Africa and is desirous of manufacturing cotton piece goods on the spot, more particularly in Uganda for South Africa, Aden, Mesopotamia, and other markets.

The proposed Directors are:-

Lieut. Phillip Calverley Curteis of 274, Company M.T., R.A.S.C., L.G.O.C., Garage, Plumstead, S.E.,

\* Ernest Arthur Ram of 222, Strand, W.C., a Solicitor.

It asks permission to issue at par to the Directors and their friends:-

£10,000 in Shares which, according to the printed private particulars will be divided into:-

9,000. 7% Preferred Ordinary Shares of £1. each, and

2,000. Ordinary Shares of 1/- each.

Of the proceeds one-half will be expended in this country and one-half abroad.

Raywood & Ram are believed to be quite a respectable firm of Solicitors. The Department of Overseas Trade has no information with regard to Mr. Curteis.

As pioneers, the Company proposes to initiate the scheme by securing the necessary land near Victoria Nyanza Lake, for the erection of cotton mills and obtaining the

/services

services of a cotton spinner and engineer to proceed to East Africa and of a native staff. It will place orders for the building of Machinery etc., and will subsequently apply for monopolies and privileges such as are usually granted to pioneers, and then proceed with the further development of the scheme.

The capital suggested is considered to be totally inadequate, even for a commencement, and, as production will be on a small scale, it is doubtful if the industry could successfully compete, even for the local market, with the already established Manchester trade in East African special prints.

In the process of manufactured cotton cloth, finished separate plant is required for each process:- namely weaving, bleaching or printing and finishing. Each process, even on a small scale, would absorb the whole of the proposed capital.

The proposition is one of interest to the Colonial Office.

(Sd.) C.W.H.

4/6/19.

# East African Industrial Development and Trading Syndicate, Ltd.

THIS Syndicate has been formed with the objects specified in its Memorandum of Association, and particularly with a view to introducing into East Africa certain new industries—the first and perhaps the most important of which will be the manufacture of cotton piece goods in UGANDA, practically upon the spot where the cotton is grown, so obviating wasteful freight charges on raw material and ensuring large profits owing to cheapness of production.

UGANDA is a prolific cotton growing country, but the export has of necessity been restricted owing to the War. For six consecutive years the number of bales of cotton grown in British East Africa (each bale represents 400 lbs.) was:—

1912	1913	1914	1915	1916	1917
29,000	26,000	42,000	25,000	25,100	24,000

The total grown in the new fields of the British Empire was:—

1912	1913	1914	1915	1916	1917
71,940	72,800	82,350	75,200	78,800	72,600

The manufacture of cotton piece goods by machinery has hitherto never been attempted in East Africa. Cotton in small quantities has, however, been woven by hand by the natives in certain small districts of West Africa and Nigeria, but that is a slow and inadequate process and the supply does not approach the demand even locally. The value of the imports of cotton piece goods into East Africa were:—

1913	1914	1915	1916	1917
£522,000	£576,000	£269,000	£45,000	£1,060,000

The geographical position of East Africa will confer a monopoly of the entire African market on East African grown and made cotton piece goods, and enable the goods also to enter other markets via Aden, Mesopotamia and South Africa, at remunerative prices. There is no doubt of ready markets in plenty and the only question seems to be whether the output can be made to meet the certain demand. The importation-return for 1917 of £1,060,000 gives some idea of local consumption.

LIEUT. CURTEIS, the Managing Director of this Syndicate, has spent many years in Africa and has lived in UGANDA (the centre of the cotton growing industry), has had considerable experience abroad as a Practical Engineer, Trader and Planter for many years, and for three years prior to the War held the important post of Chief Engineer to the Uganda Company, Limited, which has operated in cotton spinning ever since its inception, and is in possession of the highest testimonials from the Directors of that Company. It may be mentioned that LIEUT. CURTEIS is on terms of friendship with the Native Chiefs of UGANDA, and will thus be in a favourable position for the purpose of entering into negotiations for the procuring of land and concessions generally.

CURTEIS vouches for following facts :-

1. From personal observations in the district, ample labour is obtainable of a quality quite equal in intelligence to the Indian labour so successfully for many years past employed in the manufacture of cotton goods by machinery in India.
2. The humidity of the atmosphere (essential for cotton weaving) in the vicinity of Victoria Lake Nyanza, where it is proposed to operate, approximates to and is equally suitable as that of Manchester.
3. The Railway that carries most of the raw cotton from Nyanza en route to Manchester and elsewhere is in the vicinity of and taps this district, and land can be obtained in this locality in any quantity and to any extent at about 25 per acre, freehold. The rain fall is sufficient, with the erection of storage tanks, to supply all soft water necessary for printing and dyeing cotton goods.
4. The engines running the machinery will be suction gas engines, and cotton seed (which has been used for some years and proved to be entirely satisfactory and economical) will supply the fuel.

The following letter indicates the kind of engines and fuel which it is proposed to

75a, Queen Victoria Street, E.C. 4.  
14th March, 1919.

Dear Sirs

In reply to your letter received this morning, we make gas plants for burning cotton seed oil as fuel, and we have already sent some of these with our gas engines out to Uganda, and they are perfectly satisfactory.

We shall be glad to quote your clients for a suitable set of engine and gas plant if they would allow us to do so.

Yours faithfully,

Messrs. Heywood & Ram,  
Solicitors.

The Outer Temple, 222, Strand, W.C. 2.

NATIONAL GAS ENGINE CO., Ltd.  
(C. King.)

The Syndicate will, as aforesaid, secure the necessary land near Victoria Nyanza for the erection of cotton mills, and obtain the services of an experienced Cotton Spinner and Engineer, who will proceed when required to East Africa from England, under the direction of LIEUT. CURTEIS. A staff of natives will be engaged and taught in spinning, etc., and all local pioneer work and organization will be executed. In the meantime the syndicate possessed of all necessary information will place orders for the building of machinery for the manufacture of cotton piece goods on a large scale. It will also at the appropriate moment approach the Government with a view to obtaining monopolies and other privileges such as are usually granted to pioneers.

It will appear obvious that the capital of this Syndicate will be inadequate to carry on business as Cotton Manufacturers on a commercial scale, but will be sufficient to initiate the scheme on the lines above indicated.

The pioneer work completed the Syndicate will obtain the necessary working capital for the manufacture of cotton piece goods on a large scale by the formation of one or more Public Companies in which the interests of the Syndicate shareholders will be safeguarded.

There are many other branches of industry in which the Syndicate will engage, all practically new to East Africa. One of these is the production of silk from silk worms fed on a scrub indigenous to East Africa. This native food is in every way superior to mulberry bushes, and the native silk worms produce silk superior both in quality and quantity to that obtained at Lyons and at a fraction of the cost. It may be of interest to state that the partiality of silk worms for the scrub in question has been demonstrated to the complete satisfaction of LIEUT. CURTEIS, who is in possession of data showing from practical experience the initial expense of planting and labour, and the profits derivable over a period of three years from planting the scrub on a small scale.

The War is the cause why LIEUT. CURTEIS' intention to establish an extremely profitable silk business in East Africa has not been fulfilled before now.

His valuable information based on experience as to the scrub and silkworm, LIEUT. CURTEIS is prepared to place at the disposal of this Syndicate, and whilst organising the Cotton Mills in East Africa he will consider the preparation of the necessary plantation and nursery for the silk production, which will form a further source of revenue. The estimated cost of this branch of the business is £1,800 on 100 acres.

Further details of the silk project must be withheld for the moment, owing to their confidential nature and value, but shareholders will be supplied with particulars on application.

In addition to founding industries in East Africa, it is proposed to create trading posts and stations which will result in the formation of a trading Company with unlimited scope of development.

It must be remembered that East Africa is practically undeveloped and that only the fringe of its natural wealth and resources has been tapped. Gold is being worked in late German East Africa, and coffee, cocoa, rubber, sisal, ground nuts, hides and Ostrich farms are amongst the potential sources of revenue. In British East Africa, maize and other cereal English crops are grown. The country offers unlimited possibilities for a concern such as this Syndicate which, being a pioneer, will be enabled to obtain concessions and other valuable rights and be accorded special privileges.

The Capital of the Syndicate is £10,000, divided into 9,900 7% Preferred Ordinary Shares of £1 each and 2,000 Ordinary Shares of one shilling each. The profits available for dividend are to be applied firstly in the payment of a dividend of 7% on the Preferred Ordinary Shares and thereafter the profits are to be equally divided, one half to the 7% Preferred Ordinary and the other half to the Ordinary Shares.

Capital Issues Department,  
Treasury, London, S.W.1.

Reference No. C. 27688.

**EAST AFRICAN TRADING SYNDICATE, LIMITED,**

**NEW COMPANY.**

(To start a fresh business.)

NOTE.—(a) Please head your reply clearly "Form No. 1," and quote the above reference number, if any.

(b) Please number each of your answers with the corresponding number of the question.

1. The proposed name of the Company.

2.—(a) Has any application (previous to that now under consideration) in connection with this proposal been made to the Treasury by or on behalf of the same parties since January 19th, 1915?

(b) If such application has been made, state—

(1) The date.

(2) Name of applicant.

(3) This Department's reference number.

(If several such applications have been made, give the above particulars in respect of the latest in date only.)

3.—(a) The proposed business of the Company.

(b) The place where it is to be carried on.

4. Will the Company be public or private?

5.—(a) The exact amount (in figures) of—

(1) Shares.

(2) Debentures.

(3) Any other security.

which it is desired to issue at the present time for cash.

(b) The price at which the above issues will be made.

(c) The exact manner in which the proceeds of the above issues will be expended, showing, where possible, the amounts to be allocated to the various items.

(d) Of the proceeds of the above issues what amount (approximately) will be expended—

(1) In this country.

(2) Abroad.

6.—(a) Will the above cash issues be public or private?

(b) If they (or any of them) are to be public, state full particulars of the proposed terms of the issue, e.g., names of proposed underwriters, amount of commission and how payable, will circulars be issued, &c., &c.

(c) If they (or any of them) are to be private, state to whom the issues are to be made.



7. (a) The exact amount (in figures) of -

(1) Shares,

(2) Debentures,

(3) Any other security,

which it is desired to issue at the present time for a consideration other than cash.

(b) Full and precise particulars of the consideration for which the issues in 7 (a) are to be made.

(c) To whom are the issues in 7 (a) to be made?

8. Who are (a) the promoters, (b) the proposed directors, of the Company; what are their business addresses, and what is their experience in a business of this kind? (If possible, furnish names of firms with which they have been connected)?

9. If it is anticipated that the Company will obtain any contracts or sub-contracts for Government departments, a statement should be furnished giving full particulars (e.g. name of Government department, reasons for expecting such contracts or sub-contracts, &c.)

10. Please furnish in support of your application any additional facts which you think ought to be brought to this Department's notice.

11. As it may be necessary to refer this application to other Government departments, for certain information, delay will be avoided if you will kindly furnish three copies (in all) of your answers to the above questions. Carbon copies will, of course, serve the purpose.

East African Industrial Development Trading

Syndicate Limited

Reference No. C. 27688

Form No. 1.

1. East African Industrial Development Trading Syndicate Ltd.,
2. No.
3. (a) Cotton Growers  
(b) East Africa.
4. Private
5. (a) £10,000 in shares  
No. Debentures  
No other security  
(b) Par  
(c) 1 - £5000  
2 - £5000
6. (a) Private  
(b) The Directors and their friends
7. None
8. (a) The proposed Directors  
(b) Lieutenant Philip Calverley Curteis of 274 Company W.T.,  
R.A.S.C., L.G.O.C.; Garage, Plumstead.

Ernest Arthur Ram of 222 Strand, W.C. Solicitor.

Dated the 6 May 1949.

*W. E. Wood & Ram*

Solicitors,  
The Outer Temple,  
222 Strand, W.C.



Nov 34 193 CAP

to

20th June 1932

DRAFT.

Mr Lee.  
Capital Issues Ctu  
The Treasury

MINUTE.

to

With ref to your memorandum  
No C. 2768 of the 21st of June  
regarding the E. African  
Trading Syndicate Ltd,  
I am etc to request you to  
ref. the Capital Issues Ctu  
that he concurs in the  
comments of the d -  
of Commerce Trade on the  
proposition made by  
the Syndicate

- Mr. [unclear]
- Mr. [unclear] Oct 19th.
- Mr. [unclear]
- Mr. Grindle.
- Mr. Lambert.
- Mr. Read.
- Sir G. Fiddes.
- Mr. Steel-Maitland.
- Mr. Long.

Wm G GRINDLE