

W. Cox's memo useful? Send
copies to the B. d. T., making it
clear that they are sent because of
the information which they contain
as to the E. A. P. trade in cotton
goods.

Hal B

18 1 17

I agree generally. I think it may also be
(unofficially)
worth a try and enlist the help of the Federation
of British Industries, the managing director of which
is Sir Robert Gifford, formerly of the Foreign Office and
Foreign Trade Department. I submit draft to him
accordingly. *

CB 22/1/17.

The report is founded also
on Mr. Adams' report in
5700/16 (London column) + Newstead's
letter 15700/16.

at mtg
K. G. S.
23/1/17

at mtg Body 22/1/17 328

CB
23/1/17

AFRICA PROTECTORATE
No. 173

GOVERNMENT HOUSE,
NAIROBI,
BRITISH EAST AFRICA

CONFIDENTIAL



December 18th, 1916.

Sir,

B
19/10/16
I have the honour to acknowledge the receipt of Mr. Bonar Law's Confidential despatch dated the 10th of May regarding the supply to East Africa of certain cotton goods manufactured by the Haarlemsche Katoennaatschappij, of Haarlem, Holland.

2. I transmit herewith a copy of a memorandum from the Chief of Customs, with enclosure, dealing with the subject, and I have but few remarks to add.

3. It appears from Mr. Bonar Law's subsequent despatches that the designs in question are not the property of Messrs. Hensing and Company. Even if they were, they would be of no material value.

4. Mr. Cox produces little evidence to show that Messrs. Hensing and Company are interested in the Dutch Company, but the Chief of Customs considers that there is every reason to believe that this firm has had a hand in the transaction. If this is so, it would of course be advisable to put a check to similar proceedings in future.

5.

RIGHT HONOURABLE

WALTER LONG, P.O., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON, S.W.

5. Legislation on the lines of the Hongkong Ordinances as suggested in paragraph 5 of the despatch under reply will be enacted here in due course.

6. The Acting Resident, Zanzibar, informs me, with reference to paragraph 6 of the despatch, that Messrs. Smith Mackenzie and Company are no longer dealing in goods bearing the mark of O'Swald and Company, and that the goods which Messrs. Gray, Dawes and Company obtained permission to export arrived in Zanzibar during the latter half of the year 1915 and have been disposed of and delivered. These goods were actually sold before they arrived.

I have the honour to be,

Sir,

Your humble, obedient servant,

J. B. B. B.
GOVERNOR'S Deputy.

B.P.
9.7/186.

INCLOSURE

3276
REC'D
REG. 17 JAN 17

H. M. CUSTOMS, 263
Mombasa,
British East Africa.

CONFIDENTIAL

9th August, 1916

The Hon'ble the Chief Secretary,
Nairobi.

Exportation by Beustead Bros. of Cotton Goods
manufactured by Haarlemsche Mateemaatschappij
of Haarlem and similar to Haneing's Brand.

Your Confidential NO.14499/3a. of the 13th July '16

On the receipt of the papers enclosed with the above mentioned memorandum I deputed my Deputy Mr. Cox to make enquiries in the bazaar and from some of the firms trading in goods, the subject of this correspondence, with a view to arriving at what steps should be taken to ensure if possible the trade remaining in the hands of British firms. Mr. Cox has conducted his enquiries with much ability and tact and has thus been able to put up a very fully memorandum on the subject which I enclose. He has gone so fully into the matter that there is but little for me to add to his memorandum.

2. I have marked with blue pencil certain points which appear to me to be the most important.
3. With regard to paragraph 5 of the memorandum while I am in full accord with the suggestion that searching enquiry should if possible be made in Europe of the relations existing between German Head Offices and their Dutch manufactures, I suggest that if any provision ^{exists} in the Hong Kong ordinances, to which reference is made by the Secretary of State and which you state are in the hands of the Honourable Attorney General whereby the
Government-

INCLOSURE

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3276
REC'D
17 JAN 17

11/6

H. M. CUSTOMS, 263

Mombasa,

British East Africa.

9th August, 1916

The Hon'ble the Chief Secretary,

Nairobi.

Exportation by Beustead Bros. of Cotton Goods manufactured by Haarlemseche Katoemaatschap, 12 of Haarlem and similar to Hansing's Brand.

Your Confidential NO.14499/3a. of the 15th July '16

On the receipt of the papers enclosed with the above mentioned memorandum I deputed my Deputy Mr. Cox to make enquiries in the bazaar and from some of the firms trading in goods, the subject of this correspondence, with a view to arriving at what steps should be taken to ensure if possible the trade remaining in the hands of British firms. Mr. Cox has conducted his enquiries with much ability and tact and has thus been able to put up a very fully memorandum on the subject which I enclose. He had gone so fully into the matter that there is but little for me to add to his memorandum.

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Government-

Government here can interfere by legislation, the trade should be stopped, as everything seems to point to the fact that the trade is being carried on, if not actually for the German firms at the present moment, which is more than likely, then at any rate in anticipation of their getting it back again if they are allowed to return at the end of the War. The information obtained gives in my opinion ample justification for the suspicion that an arrangement exists between the German firms and the Dutch^r manufacture^rs. These remarks apply to Rising Hope Tobacco. I would point out that the Secretary of State suggests that special legislation may be necessary.

4. I have endeavoured to get a guarantee from "Designers" that they will continue to give their orders to British firms but it seems quite certain that they will only place their designs and their orders where they can get the most advantageous terms, and these they undoubtedly will get from enemy firms.

5. It seems a pity that the British manufacturer has not seen the desirability of printing by means of wooden rollers which would enable them to cater successfully for the African markets where there is a large and rapidly increasing trade.

6. Personally I am convinced that the most efficacious means of smothering German and Austrian competition is more initiative and enterprise on the part of British Manufacturers and Suppliers assisted by either exclusion of enemy firms from the empire or such special taxation or restrictions as may be necessary to prevent unfair competition and undesirable trading.

7. I presume that His Excellency the Governor will communicate with the Resident, Zanzibar in accordance with the wishes expressed in the 6th paragraph of the Secretary of State's despatch of the 10th May. The further information now furnished may be of use to the Resident.

SD/- F.W.MAJOR.

Chief of Customs

The Honourable

The Chief of Customs,

Mombasa.

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I have made further enquiries on the question of trade in Dutch Kangas and from information furnished by Messrs Smith Mackenzie & Co., Boustead & Clarke, British East Africa Corporation and various Indian designers the following facts appear to be established:-

- (a). Designs are never registered.
- (b). Designs are not considered to be ^{the} legal property of any particular person or firm.
- (c). That some doubt exists as to whether German Firms have ceased to have an interest in Dutch printing for this market

2. With regard to (a) registration is impracticable owing to standardization and similarity of design, and as designs are of temporary value only, it is considered unnecessary. Sufficient protection is afforded by the recognised business integrity of the firms with whom Indian designers place their orders, and by the fact that that before a competitor could step in the fashion would have changed or the original indenter would have been able to place a repeat order

3. The Mombasa trade in printed goods is conducted as follows:- A Designer, having created a pattern likely to become popular with the native, offers it to one or other of the trading firms and asks for a quotation for certain quantities. If the price is accepted and the terms of settlement agreeable to the Designer the order goes forward to the manufacturer through Head Offices in Europe

German-

German firms used to have the goods consigned to them- 267
selves but British Houses usually arrange for direct con-
signment to the indenter.

4. German Firms in Mombasa invariably transacted all their business through Head Offices in Germany, obtaining quotations by cable and forwarding indents received from Indian traders for execution. They appear to have had very little to do with the financial side of the business and were apparently kept in ignorance of the amount of profit made on each transaction. It is evident therefore that the printing business in Holland was arranged by the Head Offices and seeing that the Dutch printers concerned are in possession of original indent particulars I think it is probable that some form of partnership exists. It has also been suggested that Messrs Hansing & Co. had Agents in Holland to whom indents were entrusted and who carried out negotiations with the printers but I have been unable to obtain confirmation of this arrangement.

5. In view of the fact that it is impossible to establish any form of legal right in particular design^B I am of opinion that unless more exact information can be obtained as to the relations existing between German Head Offices and their Dutch manufacturers nothing further can be done in the matter and until it is proved that they are in fact connected with German firms the trade in these goods by Mombasa merchants must be considered legitimate.

6. I am informed that Dutch manufacturers have forwarded list of Mombasa pre war indents and prices, and that indentors have been asked to re-accept the terms plus 10% and I gather from this fact that there must be a close understanding between Head Offices in Germany and these Dutch manufacturers and I would suggest that these relations

may still be in existence and apply to all orders from East Africa and not only/pre war orders.

7. In this connection it is the class of workmanship rather than the design which is the governing factor. Dutch printing is popular here chiefly owing to the employment of wooden rollers which makes it possible to quote for smaller quantities, and also by the use of attractive colours in fast dyes. In addition to these advantages German firms in Mombasa, quoting through their Head Offices in Germany could, by reason of rebates on freight made possible by Government subsidy, offer very attractive terms and further, their system of business encouraged long credit so that it became the practice for Indians to arrange annual or bi-annual settlements on the basis of partial payment and remission or abatement of interest due, in exchange for additional orders.

8. In the meantime, owing no doubt to the alleged shortage of dyes in Holland, it is expected that the Dutch trade will show a tendency to decrease. The British East Africa Corporation inform me that the greater part of their trade is now with Manchester and is increasing and Messrs Boustead & Clarke also state that they are endeavouring to do more business with Manchester, but it seems fairly clear that if German firms were allowed to return to East Africa and trade as before, Manchester would lose the advantage gained by present conditions.

9. Attention is invited to Messrs Boustead's letter of 11th May 1915 in which they convey the information that the Haarlem firm have no arrangement at all with Messrs Hansing as to the ownership of designs. This statement does not make it clear that Messrs Hansing are in no way interested in the trade in question

SD/- N.B. COX
Deputy Chief of Customs
8/8/16

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Downing Street,

24 January, 1917.

Ans d 5286
Bund

My dear Nugent,

As I told you on the telephone

(the other)

the day, we are rather disappointed here with

RAFT.

Agent, Esq.

DEPARTMENT OF BRITISH INDUSTRIES, the course of trade in British East Africa
51, LINCOLN'S INN FIELDS.

following on the liquidation of the

enemy firms. We have not exact informa-

tion as to the volume of trade done by the

enemy firms in these Protectorates before

the war, but the enclosed print of a

despatch from the Governor will give you

some idea as to the magnitude of the

businesses in the East Africa Protectorate.

MINUTE.

Mr. Tennyson 22 1/17

Mr. Butler 22

Mr. Grindle.

Mr. Lambert.

Mr. Read.

Mr. G. Fiddes.

Mr. Steel-Maitland.

Mr. Bonar Law.

23

15
4167
Lenny Jones

Copy for [unclear] 15284/17

In Zanzibar Messrs. Hansing and

Company, Oswald and Company, and the

Africana Handels Gesellschaft were also

established, where however they do not

seem to have done such a large volume of

trade. Hansings were also established

in Uganda. In Zanzibar, there was I

believe

believe, only one European British firm of any magnitude viz. Messrs. Smith, Mackenzie, and Company. Of course all these firms were distributing agents only, and the enemy firms sold Manchester and other British goods as well as German ~~and Dutch~~ ^{the foreign} goods.

We now have a report from the liquidator of enemy firms in the East Africa Protectorate which states that no great amount of the trade formerly in the hands of the enemy merchants is yet ~~firmly~~ ^{firmly} held by our own merchants, ~~more has~~ been done by American, Italian, and Dutch firms in this direction than by our own. Of course you will not be interested in the activities of the actual merchants except in so far as these affect the demand for British made goods, but I think it is plain that the introduction of foreign merchants will tend to bring in foreign made goods, whereas the introduction of fresh British ^{firms} goods would give the preference

preference to British made goods.

In this connection, I would like to call your attention to certain facts regarding the piece goods trade in the Protectorate. ^{As we believe an extract from} A report from the Customs authorities at Mombasa, describes the course of business in printed goods as follows:-

"The Mombasa trade in printed goods is conducted as follows:- A Designer, having created a pattern likely to become popular with the native, offers it to one or other of the trading firms and asks for a quotation for certain quantities. If the price is accepted and the terms of settlement agreeable to the Designer the order goes forward to the manufacturer through Head Offices in Europe. German firms used to have the goods consigned to themselves, but British houses usually arrange for direct consignment to the indenter."

designs are of
primary value only
they generally go
further after
first printing &
are not repeated.

It seems ~~likely~~ that
the

the Dutch manufacturers before the
in goods of this class
 war did a considerable trade which

was closed to British manufacturers,
 because the latter did not employ
 certain methods of manufacture
 demanded by native customs. In
 particular the Dutch manufacturers are
 said to have done their printing by
 means of wooden rollers which make
 it possible for them to quote for
 smaller quantities than the British
 merchants. They also supplied
 at fact ve colours in fast dyes,
 which seem to have been better suited
 to the native taste than those
 supplied by British merchants.

I mention the above facts
 regarding the trade in printed goods
 as the example which happens to have
 come to our notice of the way in
 which foreign manufacturers seem to
 have secured advantages over our own.
 No doubt there are other reasons as
 well for the increase of business

which

which those firms are doing at the
 present time. If you thought

it likely to be of any use we would
 gladly obtain any information for you
 which we could. Meanwhile you may
 think it worth while to bring the
 substance of this letter to the notice
 of any manufacturers likely to be
 interested.

I should be very much
 obliged if you would send me any
 prospectus or statement which you have
 detailing the objects of your Federa-
 tion, as it seems likely that we might
 be glad of your assistance in other
 matters.

Yours sincerely
 C.T.

Gov. EMP
3276/16-17

SL

Si

30 Jan 1917

DRAFT.

Asst Secretary,
Commercial Dept,
Board of Trade

I am to transmit to you,
for the information of the B. of T.,

the acc. copies of memoranda by

the Chief of Customs and the

Deputy Chief of Customs, EMP

relative to certain cotton goods

manufactured by the Haarlemsche
Katoenmaatschappij, of Haarlem,

Holland, imported to the Protectorate

by Messrs. Boustead Brothers.

These papers are sent

1881
copy

Mr. Jewell (25/1/17)
Mr. Bottomley 25/1/17

- Mr. Greville.
- Mr. Lambert.
- Mr. Roul.
- Mr. Fiddes.
- Mr. Steel-Maitland.
- Mr. Long.

(encl. in 3276)

FLF