

1911

EAST INDIA

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35538

Foreign
Date.
No.
previous Paper.
3044

Magaki Soda Co.
Operations in Japan.

Sends letter from B of Trade - in view of concerns herein set forth, cannot do otherwise than approve action reports by Hon Amb. at Tokio.

W. F. Fiddes.

The parts of the Board of Trade's letter which I have marked A are rather overwhelming, & my own (reluctant) feeling is that we can't press the matter. Messrs M. Samuel & Co (the Magaki Soda Co) have not appealed to us, & we do not know how far the proposed operations in Japan are important in their scheme. We do not know, therefore, whether there is much or little at stake for the E.A.P. For this uncertain benefit we should, it now appears,

1413, W. & G. S. - 50
10,000, 11/10, & 4.2. W.
at subsequent Paper
the 20/17

be running counter to an established
principle of the B. of T. in dealing with
the commerce of the U.K.

Concur in the course which the F.O.
propose to take.

Harb

Mar 6.

We can only hope that the Ambassador
has not limited to the Japanese goods but
we do not support the latter course

207
65.

Better put by?

at all

U.S.P. 11

Harb

In any further communication
on this subject, please quote

No.

and address

The Under-Secretary of State,
Foreign Office,
London.

C O
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REC'D
OFFICE
4 NOV 11

FOREIGN

November 3rd 1911.

Sir:-

202

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30135
14th Nov 2011

With reference to your letter 30135/1911, of the 20th
September last, I am directed by Secretary Sir E. Grey to
transmit to you, herewith, copy of a letter from the Board
of Trade on the subject of the establishment of a factory
for soda products in Japan by the Magadi Soda Company.

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30135

In view of the considerations set forth by the Board
of Trade, Sir E. Grey thinks that he cannot do otherwise
than approve the action of His Majesty's Ambassador at
Tokyo as reported in His Excellency's Despatch No. 244 copy
of which was forwarded to you in my letter of the 14th
September last.

I am,

Sir,

Your most obedient,

humble Servant,

F. A. Lambton

The Under Secretary of State,
Colonial Office.

copy.

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Recd
Rof 4 NOV 11

BOARD OF TRADE,
(COMMERCIAL DEPARTMENT),
GWYDYR HOUSE,
WHITEHALL,
LONDON, S.W.

253

30th October, 1911.

Sir:-

With reference to your letter of the 26th September (No. 37006), and to previous correspondence, on the subject of the application by the Magadi Soda Company for support by His Majesty's Embassy at Tokyo, I am directed by the Board of Trade to offer the following observations for the consideration of Sir E. Grey.

The practice hitherto pursued by the Board has been to advise against assistance being given by His Majesty's Embassies and Legations to British subjects proposing to set up in foreign countries manufacturing works whose products would compete with the products of British home labour. It is true that the present proposal relates to the establishment in Japan of works to deal with a raw material, which is of British Colonial origin, and that (as pointed out in the Colonial Office letter of the 20th

September,

Under Secretary of State,

Foreign Office.

20th September, copy of which is enclosed in your letter under reply) the establishment of the proposed works would assist the development of British territory. But on the other hand it is to be observed that there is a large export of Soda products from the United Kingdom to Japan, which might be adversely affected by the operations of the said Company there, and further, that the aim of the Company (as stated in Sir C. MacDonald's despatch) is to utilise cheap labor in that country, and to obtain Customs drawbacks, in order to develop an export trade thence which would compete with British trade in other important markets also.

I am further to observe that the Board have grave doubt as to whether the interests of the Company can be regarded as "British" in the same sense as those of firms which, like those mentioned in Sir C. MacDonald's despatch, employ British labour for manufacturing purposes; but I am to point out that in the present instance there is no question of any differentiation against a colonial company, since the Board would have given the same advice had the application emanated from a Company in the United Kingdom.

The

The Board consequently feel unable to modify the recommendation, contained in their previous letter, that the action taken by Sir C. MacDonald should be approved; but, should Sir E. Grey for any reason not see fit to concur in this course, and should authorise a formal introduction to the Japanese authorities, they trust that no active support will be given by His Majesty's Embassy, to the Company's proposed application for a drawback on export.

I have, &c.,

(Signed) Geo. J. Stanley.