

COY OF SUGGESTED AGREEMENT APL 25th/34.
with Lt-Col E.L.Beddington Esq.

That U.A.C. be paid their own price £32,000. for the Mills, in consideration for their placing orders with the mill a weekly yardage of 100,000 to 150,000 weekly for 5 years, the price to be paid for the Cloth to be based as follows.

Cost of Yarns.
Dyeing & Sizing & Preparation costs
Cost of Finishing etc.
2 weavings flat rate for all
descriptions of cloth

Profits divided equally in consideration for you finding the cloth orders, viz between the mill and U.A.C.

The benefits of such a Trading Agreement would be,

- 1st We could offer Dyer, Spinner, & Finisher a continuous supply of work in consideration for which they have intimated their willingness to give a favourable price basis & discounts which could not be obtained under a spreading out of orders & free competition at the present critical period.
- 2nd Seeing that U.A.C were supplying the cloth orders direct to the mill there would be a considerable saving in selling costs by cutting out the Manchester Office expenses.
- 3rd That the mill would be working on mass production lines and would consequently be able to cheapen production costs by seeking outside lines to completely fill the looms. I estimate that the average cloth for Africa in the past works out at about 170 yards per loom per week or about 600 Looms for 100,000 yds, and as there are 740 Looms at Croft Mill, and the loom average for the past few weeks is $8/6$, so that taking One weaving as the earning power of the plant we should have £ 255 weekly with which to meet Staff Wages, Rent, Rates, Taxes, Interest, Tacklers Wages & Coal, Carriage, Stores etc.

The minimum earning capacity of 600 Looms @ $8/6$ = £255.
Estimated total weekly expenses of every description 193

Balance. £ 62 Profit

This being divisible would bring down the cost of cloth to you to about $\frac{3}{4}$ weaving, and along with the saving in dyeing, spinning, & finishing would bring down the costs of Cloth to you below what you could buy elsewhere in Lancashire, and seeing that a bill is now in Parliament to enforce Trade Union wages & agreements there will soon be an end to the cut throat undercutting of weak sellers, and bad employers.