



Home Office,
Whitehall,
S.W.1.

17th May, 1934.

Dear Mr. Sellers,

I have to thank you for your letter of yesterday's date and for the enclosed leaf from one of your Costing Books.

In your letter you describe the whole deal as being immoral and you desire that action should be taken to stop such a deal taking place.

Although I am inclined to go so far as to say that the whole of this business has been very unfortunate I cannot see that it would be right definitely to make illegal any such transaction as took place in your case, for transactions of a somewhat similar nature have in other cases been quite satisfactory.

The sale of your Mill to the African and Eastern Trade Corporation seemed to be quite in order and there can be no doubt that the price paid included all the assets - including of course the reserves of your Company. I do think however that it is a pity this particular transaction ever took place for African and Eastern were almost entirely a trading concern and knew little about

manufacturing. The Company ought, I think, to have been content with purchasing their British cloth in the best market and obtaining the usual commission on the sale of the cloth in the West African market. When trading companies and manufacturers become amalgamated, as in this particular instance, difficulty is frequently met with: but on the other hand, as I say, there are occasional successes and I fear that legislative action, which would prevent these successes taking place, would be wrong.

When things were going well soon after the original transfer of your Mill to African and Eastern I am sure Parliamentary action would not have been suggested by anyone.

The main cause of your troubles is bad trade in the West African market, and the primary reason why that market is in a bad state - so far as our exports are concerned - is the lack of purchasing power on the part of the natives. They are getting so little for their produce that they cannot afford to purchase the goods you make in such large quantities as was previously the case.

Although I entirely share your views in connection with Colonel Beddington I do not think that he personally can be held entirely responsible for the existing position. It is certainly not his fault that there is this grave lack of

purchasing power amongst the native population of West Africa.

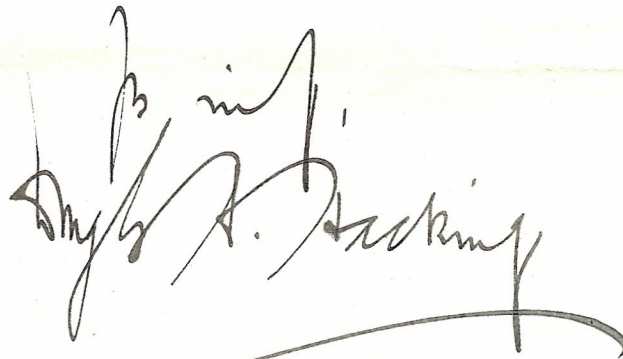
There is one matter which I am not quite clear about. In your letter you say that "during the period when Rice & Company could not get orders from their buyers at two weavings I can vouch that a private firm was booking orders from them that enabled them to carry on and make a good profit, getting about $2\frac{3}{4}$ weavings".

Does this mean that United Africa Company were actually buying from another Mill at $2\frac{5}{4}$ weavings goods similar to those which you manufacture, when you at Rice's Mill could have sold these goods at two weavings? If this is the accurate interpretation of this part of your letter I should very much like to have fuller particulars, for this is a very serious statement and ought not to pass without greater notice, and possibly publicity, being given to it.

I suppose that United Africa Company did not in fact buy Japanese cloth for the West African market until this market became really depressed. Here again, if you could give me some approximate date when the West African Company ceased to buy goods from you, or at any rate when the purchases became seriously diminished,

it would be very helpful. At the moment you only say that scarcely any of your cloth has been bought by them during the past twelve months. If you could give me definite figures for the past few years it might be of assistance to me.

In my letter of yesterday I said it was quite hopeless for me to take any further action or to continue to use my influence, but if you or your friends believe that I can be of any further assistance to you I want to assure you that I am entirely at your command. I feel the whole position very keenly and am terribly distressed at the prospect that so many of my constituents are to lose their chances of employment, certainly through no fault of their own, and if I can help in any way I shall be only too ready to place my services at your disposal.

A handwritten signature in dark ink, appearing to read 'Frank Sellers'. The signature is written in a cursive style with a long, sweeping underline that extends across the width of the signature.

Frank Sellers, Esq.