

C.S.

INDUSTRIES
(Wool)

1939.

No. 39/39.

C.S.O.

SUBJECT.

1939.

13th January.

INTERNATIONAL WOOL PUBLICITY AND RESEARCH.

Previous Paper.

MINUTES.

- 1-6. Letter from Mr. F. S. Arthur of 13th January, 1939.
- 7. Minute from H.E. of 10. 3. 39.

J.R. Submitted. To Advic: Adviser
for his observations?
M.H.
et.
11. 5. 39.

~~11/3/39~~ 11/3/39
Advic. Adviser.
Accordingly please,
M.H.
11. 5. 39.

Subsequent Paper.

J.R.
about *J.R.* spoke to me
this file today.

Inquiry was made and it
was found that the file
had not been returned by the
Agric. Dept. It was asked for
and returned this afternoon.

W.H.
C.

21. 4. 29.

This sh. have been returned to
you in A.A.'s absence as he arranged and
as I authorized him to do.

As he is much in favour of a levy it
w. waste time now to send it back.

Will you pl. write to Sheepowners Association

asking whether they will agree to a levy
of say 2^d to 4^d per 100 lbs exported: if
no legislation will be enacted to make the
charge uniform. And also reply to (6)
saying that the importance of the work
of the Wool Secretariat is fully appreciated
by the Govt. and that the Sheepowners have
been asked to consent to a levy.

If the letter is too long to forward
abstracts can be sent as marked

The letter, W. P. by this mail

W.H. 22/4

Letter to George Bonner, Esq., O.B.C. of 22/4/29. (8)

Sec. Int. Wool Secretariat 24/4/29. (9)

P. A.
W.H.

10. letter from International Wool Secretariat 25.5.39.

H. Submitted. No reply has
been received to read 8.
MCH
19.7.39.

Ref. if no reply by next mail pl.

~~tttt~~ 20/7/39

Office, To note
MCH
20.7.39.

ff. 31/7/39
cc. 2/7/39

11-12. letter from George Bonner, Esq., O.B.E. of 29.6.39.

H. Submitted.
MCH
3.8.39.

Ex. Co.

~~tttt~~ 9/8/39

Clerk Exc. Co.

Accordingly please.

MCH

cl.

10. 8. 39

Don. & Sawies. 18/8/39
.. air base. a 18 aug 39

circulated accordingly

C. J. Stewart
14/8/39

Extract from Minutes of Meeting of Executive Council
Held on 23rd August, 1939.

.....
5. The question of making a contribution from Falkland Islands funds to the International Wool Publicity and Research Secretariat, was discussed.

After deliberation it was agreed that the Colony should make a grant of £75 towards the expenses of the Secretariat and that an endeavour should be made to persuade farm-owners to contribute a like amount.

C. J. Stewart

Clerk of the Executive Council.

Yr. Submitted. Does Yr. wish the matter referred to the Sheeponers' Association?

MCH

cl.

2. 9. 39

Yr. please saying that as the farmers stand to benefit directly it is hoped that they will modify their view - by an equal amount was understood that the farmers in other colonies who are subsidised etc etc 2/5

6

THE INTERNATIONAL WOOL PUBLICITY AND RESEARCH SECRETARIAT

MEMBERS OF SECRETARIAT
DR. CLUNIES ROSS (AUSTRALIA)
A. FOSTER DU PLESSIS (SOUTH AFRICA)
F. S. ARTHUR (NEW ZEALAND)

BUSH HOUSE
ALDWYCH
LONDON
W.C.2

TELEPHONE: TEMPLE BAR 2966-7
TELEGRAMS: SANZASEC-BUSH-LONDON
CABLES: SANZASEC-LONDON

FSA/DA.

13th January, 1939.

His Excellency Sir Herbert Henniker-Heaton, K.C.M.G.,
Port Stanley,
Falkland Islands.

Your Excellency,

In view of the vital importance of the wool industry to the Falkland Islands, we think it desirable to inform you regarding the work of our organisation and the influence it hopes to have upon demand for wool.

It was created in January, 1937, as a result of a meeting held in Melbourne of representatives of the wool growers of Australia, New Zealand and South Africa, who as a result of restriction of markets and rapid growth in production of artificial fibres considered it desirable for active and concerted steps to be taken in protection and promotion of their industry. South Africa already had a levy of 1/- per bale on all wool exported and the Governments of Australia, and New Zealand were asked to pass legislation to make statutory a levy of 6d per bale on their production, which had been voluntarily agreed to by the growers. From the sums so collected, £50,000 per annum was allotted to the newly formed Secretariat in London, comprised of one representative of each of the Dominions for expenditure on scientific research, economic research and publicity. The remainder of the funds are devoted to research into biological problems, nutrition, pasture improvement, etc., in the countries of production, whilst South Africa with her comparatively larger resources derived from her levy of 1/- per bale has organised a campaign for local publicity.

As mentioned above one of the factors which led to this organisation of Dominions wool growers was the rapid growth in recent years of production of wool substitutes. Rayon is, of course, nothing new and while to some extent, as in underwear particularly, it has displaced wool as it has cotton and silk, it has, because of its cheapening effect and the additional attractiveness it has given to mixture fabrics, been looked on as a complementary rather than a competitive fibre. With the growth of economic nationalism in

His Excellency Sir Herbert Hemiker-Heaton.

13th January, 1939.

various countries a new artificial fibre, staple fibre, has arisen which has not only displaced wool in the countries which from motives of self-sufficiency have had to develop its production, but also in unrestricted countries such as Great Britain and U.S.A. The continued rapid increase in production of staple fibre provides conclusive evidence that wool will meet with increasing competition from this new development in the textile field. It is threatening wool consumption and prices for wool from an angle totally different from rayon or artificial silk in recent years. To-day it is being used largely in outerwear, which has always been the exclusive domain of wool. The quality of the fibre produced has been greatly improved within recent years and materials made from mixtures of staple fibre and wool in some cases defy detection as admixture, except by scientific means. Samples of some of these materials are being enclosed with this letter and these will demonstrate only too clearly the competition which wool must meet from the new substitutes.

In Germany, Italy and Japan the use of staple fibre in all clothing is enforced in percentages varying from a minimum of 30% upwards and production under this stimulus has increased with startling rapidity. In Great Britain and U.S.A. production of staple fibre is also increasing rapidly and substitution of wool is taking place in materials such as flannels and men's suitings. The reduction in price of cloth obtained by 50% admixture is seldom more than 15% which obviously will not stimulate sales sufficiently to compensate for the substantial displacement of wool in each garment.

The development of the staple fibre industry in Germany, Italy and Japan was responsible for a reduction in consumption of wool by these countries of 700,000 bales in 1937 compared with 1933. Although only a part of the world production of staple fibre is utilised at present for substitution of wool, the phenomenal growth of development and the colossal total already attained cannot be anything but disquieting. From the following figures it will be seen that a steady increase in staple fibre production is taking place even in free wool importing countries:-

(in millions of lbs.)

<u>Year.</u>	<u>Japan</u>	<u>Germany</u>	<u>Italy</u>	<u>U.S.A.</u>	<u>U.K.</u>	<u>France</u>	<u>Total.</u>
1932	1	9	9	1	2	2	20
1934	5	16	22	2	3	4	52
1935	14	38	68	5	10	5	139
1936	46	95	110	12	26	6	297
1937	175	220	156	20	35	11	622
1938	330			45	35		858

Estimate

His Excellency Sir Herbert Henniker-Heaton. 13th January, 1939.

The estimated production for 1938 is equivalent on a clean scoured basis to approximately 5³/₄ million bales or, in other words, to ^{almost} more than the total production of Australia, New Zealand, South Africa and South American countries, and with every indication of an even greater production in future, the influence of staple fibre on wool prices promises to be permanent and serious.

In Great Britain the largest producers of staple fibre are Courtaulds who have erected a complete mill near Bradford, equipped with modern wool machinery with the sole purpose of demonstrating to the Yorkshire wool trade how staple fibre may be used on standard wool machinery. The selling price of their 'Fibro' staple fibre is 10d per lb. for any quality, which must be compared with 20d to 21d for scoured merino wool on to-day's low prices.

Whilst outside of totalitarian countries, the displacement of wool by staple fibre is at present more potentially serious than actual, other influences have contributed to a weakening demand for wool. The loss of British export markets notably in China and a cessation of U.S.A. buying of greasy wool have resulted in lower prices in all producing countries and it is with a view to stimulating demand for wool textiles and the raw product in order to recover some of the ground steadily being lost now, that the Secretariat is now exerting its efforts and expending its funds.

Approximately £12,000 per annum is being devoted to encouraging scientific research in established institutions, the major portion being expended at the British Wool Industries Research Association laboratories at Torridon, Leeds. Other work is being done at Leeds University, Cambridge University and the London School of Hygiene. Research is being intensively conducted on new and improved methods of manufacture, new uses for wool, removal of inherent disabilities of wool such as shrinkage and skin irritation, investigating differences of fineness, length, crimp and "handle" of raw wool in their relation to manufacturing performance and requirements. Already important results have been achieved in that a new unshrinkable process has reached the stage of application on a commercial scale and a process for rubberising wool yarns has resulted in increased wearing properties of certain fabrics in which they are utilised. Important work is being done on colour printing of wool fabrics and the utilisation of fine yarns in the production of fabrics capable of comparing in texture and attractiveness with artificial silk materials.

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13th January, 1939.

Economic research is an important feature of the work of the Secretariat and a competent economist is employed on the staff to investigate problems of wool consumption and distribution, marketing and such subjects related to the industry as the wool futures market and its influence on raw wool prices. In addition, market research is carried out as a guide to directions in which certain specific publicity should be conducted.

The funds of the Secretariat are inadequate for direct newspaper publicity, especially in view of the almost world wide field to be covered. Various national advertising campaigns now in progress in Great Britain, such as beer, bread, etc., cost from £50,000 to £100,000 per annum, whilst the two largest producers of artificial fibres, Courtaulds and British Celanese, spend approximately £500,000 and £250,000 per annum respectively on publicity and scientific research.

The Secretariat is attacking the problem of publicity in a less direct manner but in one which we consider to be more effective. As a nontrading organisation working not for a proprietary brand but for wool as wool, we are able to get a great deal of free publicity from the press. For women's wear we are concentrating first on the style and fashion angle and endeavouring wherever possible to get wool taken up in the collections of the fashion houses of London and Paris. By means of press shows and the publicity which results from them, regular bulletins to thousands of retailers in Great Britain and personal contact with retailers, every effort is made to accelerate the taking up by wholesale houses and large retailers of materials and garments which the Secretariat has first had acknowledged as fashionable. A considerable measure of success has already been achieved and in certain directions, such as women's lingerie and underwear and evening dresses, the Secretariat expects to regain some of the ground lost to artificial silk in recent years. A comprehensive programme of work on men's wear, railway and motor car upholstery, furnishings, etc., is also in operation.

In addition, regular lectures on the selling attributes of wool are given to the sales staffs of large retail stores and educational work is being carried out on a wide scale with schools, women's institutes, etc. Important publicity work is also being done in the United States, where possibilities of stimulating wool consumption are promising and certain continental countries are not being neglected.

His Excellency Sir Herbert Henniker-Heaton.

13th January, 1939.

Considerably larger funds than the Secretariat has now are necessary if its work is to be made most effective, Considering the importance of the pastoral industry, the sum of £50,000 per annum for its protection and promotion of its further prosperity is quite inadequate and compares unfavourably with the £500,000 per annum which forms the income of the Tea Marketing Expansion Board. The Secretariat hopes before long to receive a measure of financial support from the manufacturing side of the industry in Great Britain and also from other wool producing countries. Approaches have been made to British wool growers and also to the Governments of Argentine, Uruguay and Chile, who, we are recently advised, are giving consideration to our proposals for their financial cooperation in our work.

On the basis of average exports, the three Dominions contribute to our present funds as follows:-

Australia	62.09%	£31,045
New Zealand	10.09%	9,545
South Africa	18.82%	9,410

On a similar basis of average exports for the years 1934-35 to 1936-37, contributions by Argentine would be £10,202, by Uruguay £3,725, and by Chile £801 per annum. In the event of the Dominions' contributions being increased, these amounts would also be increased proportionately, and it is hoped that the contribution from Chile would be on a higher basis and more in relation to the importance of the wool industry to their country.

On the Dominions basis, contribution by the Falkland Islands would, of course, be a very small sum, in fact little more than £150 and we imagine the wool growers will assess the importance of our work and its relation to the prosperity of their own industry at a considerably higher sum. On the basis of the funds raised in South Africa, i.e., at the rate of 1/- per bale, on an estimated production of 15,000 bales (300 lbs. each) per annum, the Falkland Islands contribution could be assessed at £750 and it is our respectful suggestion that the Government of the Falkland Islands should contribute this sum per annum to our funds. Although this would be a small amount compared with the contributions of the Dominions, we consider it of the greatest importance that we should have the cooperation of the Falkland Islands and that of all wool producing countries. Apart from the useful financial assistance of such support, the political importance of being able to present a common front in defence of the wool producers of the Empire and of other major wool growing countries will be obvious.

His Excellency Sir Herbert Henniker-Heaton.

13th January, 1939.

We might mention we have had various conversations with officials of various Departments of His Majesty's Government, notably Mr. Malcolm Macdonald, Dominions and Colonial Minister, of whose sympathetic agreement we are assured in our efforts to promote the interests of the wool industry as a whole and in particular the interests of wool growers whose prosperity is threatened by new influences which have arisen ^{and} which appear likely to have a permanent effect upon wool prices unless actively withstood.

In the event of contribution being made to our funds by the Falkland Islands, we would be glad to give representation to your nominee on our London Advisory Committee, which is at present comprised of two resident representatives in England, nominated by each of the Dominions' Wool Boards and with whom we have regular meetings.

We trust our proposal will receive your favourable consideration and shall be glad to supply any further information which may be required.

I have the honour to be, Sir,

Your obedient Servant,

H. Arthur

INTERNATIONAL WOOL SECRETARIAT.

From H. E.

(7)

Attached rec'd during
I know work was read
at the Farmers Conference
Pean Law it is finished
It ~~with~~ 18/3/29

39/39.

22nd April,

39.

Sir,

I am directed by the Governor to transmit for the information of your Association the accompanying copy of a letter from the International Wool Publicity and Research Secretariat, London, and to ask whether your Association will agree to a levy of say 2d to 4d per 100 lbs of wool exported; if so legislation will be enacted to make the charge uniform.

I am,

Sir,

Your obedient servant,

WCH

Colonial Secretary.

George Bonner, Esq., O.B.E.,
Chairman,

Falkland Islands Sheepowners' Association,
C/o. Packe Bros: & Company, Limited,
3 Laurence Pountney Lane,
LONDON, E.C. 4.

39/39.

24th April, 39.

Sir,

Reeds 1-6

I am directed by the Governor to acknowledge the receipt of your letter PBA/DA of the 13th of January, 1939, and to say that the importance of the work of the Wool Secretariat is fully appreciated by the Government and that the Sheepowners in this Colony have been asked to consent to a levy.

I am,

Sir,

Your obedient servant,

W. H.

Colonial Secretary.

The Secretary,
International Wool Publicity
and Research Secretariat,
Bush House,
Aldwych,
LONDON, W.C. 2.

THE INTERNATIONAL WOOL PUBLICITY AND RESEARCH SECRETARIAT

MEMBERS OF SECRETARIAT
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TELEPHONE: TEMPLE BAR 2966-7
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CABLES: SANZASEC-LONDON

FSA/DA.

25th May, 1939.



The Colonial Secretary,
Colonial Secretary's Office,
Stanley,
FALKLAND ISLANDS.

Dear Sir,

Red 9.

We acknowledge with thanks receipt of your letter of the 24th April, reference 39/39, in which I am pleased to have the recognition of your Government of the importance of the work of our Secretariat in the interests of wool growers in the Colony, as well as those of the Dominions, who at the present time are providing our funds.

I am interested to learn that the sheep owners in the Colony have been asked to consent to a levy, and in this connection, from conversations I have had from time to time with leading Falkland Islands wool growers resident in London, I am satisfied that they are thoroughly appreciative of the value of the Secretariat's work. You will be interested to know also that in recent approaches we have made to the Ministry of Agriculture in this country, and to the National Farmers' Union, similar expressions of appreciation have been made and we are hopeful of obtaining financial support from the wool growers of Great Britain either by means of a levy on production or as part of the Government's policy of assistance to the sheep and wool industry.

I am, Sir,

Your obedient Servant,

INTERNATIONAL WOOL SECRETARIAT.

Falkland Islands Sheepowners' Association,
c/o Packe Bros & Co.Limited,
3 Lawrence Pountney Hill, London EC 4
29th June, 1939.



Sir,

Reds.

I am desired by the Committee of the above Association to acknowledge the receipt of your letter No. 39/39 of April 22nd last on the subject of the Industrial Wool Publicity and Research Secretariat, London.

2. In reply the Committee desires me to say that this Association has no power or authority to pledge its Members to any levy towards the funds of the Wool Secretariat. Such a levy would in reality be another tax, which would undoubtedly be opposed by all sheepfarmers in the Colony, more especially at a time when the value of wool is at such a very low figure.

3. It is pertinent to point out that contributions are made by the Colonial Government to various bodies as detailed on Page 29 of the Estimates for 1939, and that the sheepfarming industry does not derive any direct benefit from the operations of any of these bodies. The Committee does not criticise these grants-in-aid, but it does feel that a contribution from public funds should be made to a body whose work is devoted solely to the development and use of wool. Wool production is practically the sole industry of the Falkland Islands, and the Committee is of opinion that any body whose aim it is to promote

The Honourable
The Colonial Secretary
Port Stanley,
FALKLAND ISLANDS.

(11)

that industry should be supported.

4. The Governments of Australia, New Zealand, and South Africa support the wool Secretariat, and we consider that some contribution should be made from the public funds of the Falkland Islands. The quality and value of Falkland Islands wool approximates very closely to that of New Zealand, and an equitable contribution would be one calculated pro rata on that of New Zealand. The total annual clip from that country is, we believe, some 140,000 tons and that from the Falkland Islands about 2,000 tons. On that basis the Falkland Islands contribution would be one-seventieth that of New Zealand, say a round figure of £150, and we appeal to His Excellency the Governor to recommend to the Secretary of State for the Colonies an annual contribution of that sum from the Falkland Islands.

I am,

Sir,

Your obedient servant,

Geo. Bonner

Chairman.

39/39.

6th September, 39.

Sir,

Red 12

With reference to your letter of the 29th of June, 1939, on the subject of the Industry Wool Publicity and Research Secretariat, London, I am directed to inform you that this Government has agreed to make a grant of £75 towards the expenses of the Secretariat.

2. I am to say that as the farmers stand to benefit directly it is proper that they will modify their views and pay an equal amount. It is understood that the farms in other Empire Countries are subscribing.

I am,

Sir,

Your obedient servant,

W.H.

Colonial Secretary.

The Chairman,
Falkland Islands Sheepowners' Association,
c/o Packe Bros & Co., Limited,
3, Lawrence Bountney Hill,
LONDON, E.C. 4.

13. Letter to Chairman, F.I.S. Assoc. London 6.9.39

Agric. Adviser.

To note.

met
CJ

5.9.39.

Hon. Col. See

noted

C.H.

5200
A.A. 7/9/39