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**'Middle East Committee. Report of Mesopotamia Trade Commissioners  
(Messrs. R E Holland and J H Wilson)'**

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**About this record**

This printed note is the summary of recommendations to the *Report of Mesopotamia Trade Commissioners*, Robert Erskine Holland and John Henry Wilson. These recommendations start from the premise that German commercial competition in the Persian Gulf was ultimately aimed at controlling the railway route to the East and exerting pressure on the British Empire. There follows, therefore, recommendations for a number of measures to consolidate British commercial interests in Mesopotamia.

The summary pays special attention to shipping, navigation and transportation, banking and currency, irrigation, communication, education, and the establishment of a Commercial Bureau and Department of Agriculture. Also discussed are the prospects for the development of cotton, oil and silk industries as well as openings for trade and foreign competition.

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MIDDLE EAST COMMITTEE.

Report of Mesopotamia Trade Commissioners  
(Messrs. R. E. Holland and J. H. Wilson).

SUMMARY OF RECOMMENDATIONS.

1. Just before the war the total sea-borne trade of the Gulf, excluding coasting and local trade, was valued at about 12½ millions sterling, of which the British share was 76 per cent. The pecuniary value of the trade was no great matter and its loss would not have seriously affected British commerce. Commercial success in the Gulf has, however, involved the assumption of political responsibilities and these cannot be lightly surrendered. The Germans, realising that British political predominance achieved through commerce was vulnerable through commerce, set themselves to win as large a share of the trade as possible. Their commercial competition was the cutting edge of a vast political intrigue which was organised with the object of obtaining control over the railway route to the East and by this means exerting pressure upon the British Empire at a sensitive point.

2. If the war ends favourably for the Allies, British shipping and commerce will recommence operations in the Gulf under conditions which, politically, could hardly be more advantageous.

Nevertheless, it is too much to hope that the Baghdad Railway question will be eliminated for ever from world politics. No precautions should, therefore, be omitted which might have the effect of discouraging politico-commercial adventures. The obvious and effective means of defence would be the closure of the Persian Gulf for a period of years to all foreign shipping by expansion of the defensive declaration of 1903.

Political considerations will, however, doubtless militate against the adoption of this course and resort must, therefore, be had to alternative methods, in order to secure for British shipping privileges everywhere in the Gulf as compared with the shipping of other nationalities. At Maskat and the Arabian ports in particular, advantage should be taken of the influence wielded by Great Britain to require the Rulers to refuse to foreigners permission to reside or carry on business. Special privileges should be arranged for British shipping at various ports, as circumstances permit.

3. **Shipping.**—Next, with a view to consolidate British commercial interests against attack, the shipping companies concerned should be organised so as to render the most efficient and economical service possible as public carriers. The interests of the British community trading between the United Kingdom and the Persian Gulf would probably best be served by a combination between the main British shipping authorities.

At the outset, a line or a combination of lines affording direct communication between the United Kingdom and the Gulf should provide sailings, on as regular a schedule as possible, at such frequent intervals as the trade may warrant. A direct mail between England and the Gulf, with appropriate subsidy, may conceivably be justified at a later date, and better facilities than in the past for the carriage of passengers will probably be required.

As regards shipping communications with India, so long as foreign competition can be excluded on this route, there would seem to be no ground for favouring a monopoly. It is desirable that competition from India should have free play in order that Indian trade may reap all possible benefit from the competition. Measures have been suggested with a view to meeting complaints from shippers and consignees.



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4. **Subsidiary Measures.**—The subsidiary measures required for developing and safeguarding British commerce in the Gulf are discussed with reference to each of the three spheres into which the trade currents flow, namely :—

- (1) Mesopotamia ;
- (2) Persia ;
- (3) the Ports on the Coast of Arabia.

Mr. Lloyd, in his report of 1908, described the dimensions and conditions of British trade in Mesopotamia and drew attention to the danger to be anticipated from the rapidly growing German trade with the advantage of subsidies and the cleverly devised system of through rates. On the whole, British merchants seem to have retained the great advantage which they derived from their long start. German trade has now dropped to the bottom of the ladder and, if the Resolutions of the Paris Conference are brought into effect, it will be unable to start climbing again for a period of years after the conclusion of peace. When this period comes to an end, however, it must be expected that German competition will re-appear in Mesopotamia as in other places, assuming that the Persian Gulf will remain open to foreign shipping.

5. **Commercial Bureau.**—The contrast between the methods of the British and German merchants must be ascribed very largely to deep-seated causes and was not peculiar to Basrah. The German political organisation and their system of education must be held responsible for the high standard of business efficiency maintained by the merchants. A few suggestions of a general nature are offered for the information of British firms who contemplate opening business in the Gulf. For the proper enlightenment of Chambers of Commerce and individual merchants, it is essential that a *commercial intelligence officer* should be appointed in the occupied territories at the earliest possible date, possibly with an Indian attaché.

6. **Agriculture.**—Commerce in Mesopotamia before the war was cramped and confined, owing, firstly, to the paucity of exports for which imports could be exchanged and, secondly, to the inadequacy and insecurity of the internal communications. The inefficiency of the Turkish administration was ultimately to blame for the undeveloped state of the country. Scanty exports were due to the backward condition of agriculture, which, in itself, is attributable mainly to the uncontrolled vagaries of the rivers, coupled with scarcity of labour and insecurity of life and property.

The main agricultural products of the Basrah Vilayat before the war were dates, rice, wheat, barley, millet, melons, vegetables, fruit. It is estimated that the total area cultivated was about 350,000 acres, of which 100,000 were under rice, 70,000 under barley, 30,000 under millet, 20,000 under wheat and 20,000 under vegetables. Date groves accounted for about 100,000 acres. These estimates must, however, be accepted with great caution, since the data on which they are based are by no means reliable. The rice crop is of great value and capable of much expansion. The wheat exported came mostly from outside the Vilayat and the trade was subject to remarkable fluctuations, owing to the uncertainty of the water supply and the inadequate transport. Suggestions are offered with a view to improvement of the existing system of cultivation and handling of the crop. In some areas, agriculture has suffered severely from the insecurity of the cultivators' tenure, and the matter needs careful consideration. The institution of an *Agricultural Department* at an early date is recommended.

There is every reason, however, to hope that Mesopotamia has a future not only for wheat but for cotton. The soil and climate appear to be suitable for the cultivation of fine cottons, and it is recommended that tests be made at an early opportunity with a view to ascertaining the suitable varieties for adoption.

7. **Irrigation and River Control.**—Next, with a view to the development of the agricultural possibilities of Mesopotamia, plans must be devised for the scientific control of the rivers, so as to prevent the damage now caused



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by inundation and to provide irrigation for the redemption of the deserts.

The problem involved is three-fold. Firstly, the successful, but economical, application of the water for irrigation purposes; secondly, the preservation of the rivers as long as possible for navigation; and, thirdly, the drainage of the swamps now in existence. It is recommended that no far-reaching measures be decided upon until a body of information has been collected which may enable sound conclusions to be drawn. It would seem advisable that an *Irrigation Board*, comprising at least two highly-qualified irrigation engineers, should now be constituted for the collection of detailed information in regard to the rivers and the existing canal systems with a view to framing recommendations for a restoration of the régime of the rivers. In the meanwhile, there would probably be no objection to proceeding under the Irrigation Board's advice with certain minor irrigation schemes which are not likely to prejudice the solution of the main problem of the two rivers, *e.g.*, the Akhdhar channel and the Mendeli, Duwairij and Tib streams.

8. **Labour.**—All schemes for the agricultural development and commercial exploitation of the country are, however, conditioned and limited by the capacity, temperament and character of the inhabitants. The two Vilayats of Baghdad and Basrah are thinly populated, possessing an average of nine inhabitants per square mile, which is inadequate for agricultural developments. Moreover, the population is of a motley type, including peoples of diverse races and religions. All the cultivable land within the Jezireh must, however, be regarded as in the nominal possession or within the sphere of influence of some Arab tribe or other. For the present, it would seem undesirable, from the local point of view, that Indian settlers should be introduced wholesale, and any attempt to do so might evoke a powerful protest from the Arab world. There does not appear to be, however, any need for haste in adding to the population of Mesopotamia. Large irrigation schemes cannot be commenced for some years to come, and the existing population, supplemented from neighbouring sources, will be sufficient, to begin with, for minor works which it may be decided to undertake. The pastoral population, which is the backbone of the country, must be treated with special consideration, and irrigation schemes must be conceived so as to conserve for afforestation and pasturage large areas in addition to those under cultivation. Finally, the introduction of modern types of earth-working and agricultural machinery, worked under competent supervision by skilled labour, will deprive the labour question of a good deal of its urgency and importance. Canadians and Australians might find in Mesopotamia a field peculiarly suited to their talents and experience.

Stress must be laid upon the organic connection which already exists between Mesopotamia and India. It is recommended that, after the war, *officers of Indian experience* should be appointed in Iraq, to whom Indian and Afghan pilgrims, residents and traders may report, if necessary, for assistance.

9. **Education.**—The employment of Arab labour for military purposes on a large scale and under organised conditions has thrown a good deal of new light on the Arab's character and capacity for work. It seems likely that the indolence which has hitherto been one of his recognised characteristics was largely ascribable to environment.

The development of the Arab will depend largely on the nature of the education provided in the Government schools, of which several have been instituted with the valuable assistance of the American Mission. In the High School, courses of vocational instruction are provided, and in regard to this it is recommended that special efforts should be made to develop the commercial and agricultural classes. At present the control of education is entrusted to a revenue officer, whose other duties necessarily claim the greater part of his attention. It is recommended that, as soon as circumstances permit, education throughout the Basrah Vilayat should be entrusted to a *whole-time educational officer*.

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10. **Communications.**—The disadvantages under which trade laboured before the war in the matter of communications are well known. It is recommended that attention be concentrated, in the first place, on the institution of a regular and frequent steamer service between Basrah and Baghdad, affording reasonable freights and entirely in British hands. For this purpose a *Navigation Company* might well be constituted on the lines proposed in 1913 in regard to the Anglo-Ottoman Company, omitting the Turkish and German elements. In order to guard against the dangers inherent in a monopoly it would seem desirable that Government should either be represented on the Board of the Company or by some other means should exercise control over the maximum freights and passenger rates to be charged by the Company. Secondly, in view of the paramount importance of the Baghdad-Kermanshah trade a railway should be constructed between Baghdad and Khaniqin at the earliest possible moment. Railway construction as a whole in Mesopotamia must be conditioned by the question whether connection is to be made with the Mediterranean either between Baghdad and Aleppo *via* Mosul or by the more direct southern route through Hit to a port in Palestine. Such railway construction as has taken place in the occupied territories has been governed purely by military considerations, but post-war developments will require cautious consideration. It is therefore recommended, in the third place, that a *Communications Board* be constituted to work out schemes for the country as a corporate whole with a view to the co-ordination of traffic by river, canal, rail and road. No time should be lost in conducting a railway survey from Nasiriyah *via* Nejef to Kerbela and Baghdad, and also along the Hai river, with a view to estimate which route would be the more advantageous for the continuation of the existing line. Fourthly, special attention should be paid to the possibility of canalising the River Tigris for navigation as far as possible along the stretches which are at present difficult to negotiate (*e.g.*, the Narrows) and which may be expected to deteriorate further, as irrigation develops.

11. **Economic Products: Silk, Oil, &c.**—There were no industries of importance in Mesopotamia before the war, but the cultivation of the silkworm, formerly very successful near Baghdad, is capable of revival. The deputation of a *qualified silk expert* is recommended. The preparation of hides and skins for export with the aid of tanning products from India should be profitable. There appears to be good promise of a dried fruit industry, and the oranges grown in Upper Mesopotamia should be welcome in India. Expert investigation is recommended in regard to the possibility of producing a wine grape and of cultivating beetroot on a large scale for the manufacture of sugar. The possibilities of sheep farming in Mesopotamia are prodigious, since not only the wool but the skins are known and approved in European markets. There should be a large export of hides and skins.

The oil "shows" in Northern Mesopotamia are very promising. It is recommended that the fields should be developed primarily for providing oil for consumption in the country at a reasonable price, since otherwise the wells may be exploited for the benefit of existing oil companies. Tree-planting on the banks of rivers and canals should be taken in hand at once, and an *experienced officer* should be deputed to report on the question of *afforestation*.

12. **Openings for Trade.**—Having regard to the anticipated opening for oil fuel, Mesopotamia should offer a wonderful field for engineering enterprise, and especially for the sale of modern ploughs and other agricultural machinery, for the use of which the country is ideally suited. The Arab's standard of living is already rising, and after the war there will be a large demand for domestic furniture and articles of personal apparel both for men and women. Cheap goods will no doubt hold the field for some time to come, especially as regards china, glassware, ironware, enamelware, paper and matches. Spades of the native pattern are in great demand, and also cheap lanterns and lamps. As the purchasing power of the people increases, a demand for better quality articles will develop. The sugar trade needs careful watching in view of the uses to which it was put by the Germans. The Mesopotamian demand for timber, not only for date boxes but for oil



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cases and for building, should be supplied from India. Important openings for trade may be expected in connection with town development—building materials, plant for sanitation, water-supply, electric lighting, &c.

13. **Foreign Competition.**—The Mesopotamian markets are already flooded with cheap Japanese goods and severe competition may be expected after the war. It is recommended that, if possible, foreigners, other than Persians, should not be permitted to reside in Mesopotamia for a considerable time to come. In addition, special facilities might be arranged for British shipping and merchants in connection with the management of the port administration, the customs warehouses and inland transport. British shipowners and merchants will doubtless be given facilities for securing the most favourable sites available for mercantile purposes and British steamers might have preference over foreign steamers in the matter of berths or loading facilities.

14. **Banking.**—At present three banks are represented in Basrah and another Indian Bank proposes to enter the field. It was alleged in the past that English banks had failed to finance the exporter in the same way that German banks did, and it is understood that a British Trade Corporation is to be established with the object of developing British trade abroad. Agriculture in Mesopotamia will require careful financial nursing, but, before any system of agricultural credit is created, it would seem desirable that the features both of the social structure and of the administration in Mesopotamia should be carefully compared with those obtaining in India and Egypt.

15. **Currency.**—Indian coin and notes now circulate on the same footing as in India. Great quantities of Indian notes have been absorbed. Inconvenience has been caused owing to the temporary appreciation in the value of the Persian kran. Owing to Mesopotamia's proximity to India and the intimate business connections between the two countries, the Indian rupee should continue to be current with a gold standard, as in India, in the occupied territories, if not permanently, at all events for a long time to come. It is advised that, as in Ceylon and British East Africa, Mesopotamia should have her own subsidiary coinage in the form of cents, and her own note issue.

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