

1925

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E AFRICA

57861

CO
57861
DEC 25

Date

11 December 1925.

Mr. Stanley

PRODUCTION OF POW. R. ALCOHOL.

738

Mr. Stanley

Committee on suggestion of alcohol fuel production at M.A. Govt. should support same for installation of factories for production of "methalite" alcohol fuel.

MINUTES

(Taken over 19/11)

Minutes within.

Mr. Miller

~~Minutes within.~~

27/1/26

My minutes also within

Mr. Stanley

27/1/26

27/1/26

Mr. Wilson

a very useful letter. There seems to be a need to anticipate a collapse of the world's supply of petrol, & I think our action should be confined to making the enquiry suggested by Mr. B. Stanley.

28.1.26

Sec of State

You will recall that I remember that you gave

P.T.C

Hand-print Paper

11/12/25

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Please see Mr. Gent's

note in green slip below. Mr. ... was tried on 4/7/12/25 that the ... matter had been referred to C.A., & ... it is clear that we are in a letter

... it is ... (unless it is ... iniquit preferable that P. ... ref Mrs. Ormsby ... letter of ... 4/11/12/25, saying that the ... has not received C.A.'s report ... assistance to ... in favour of ...

for this question

... to the Crown, see ... Agents ... in view of what the Crown Agents ... of any ... then looking to find out ...

While the Crown Agents agree that "Katalite" is all the Corporation claim for it, and are of opinion that, if there is any permanent shortage of petrol, the production of alcohol fuel will have to be undertaken on a large scale, they consider that at present prices, no immediate action would be prudent as regards Government assistance for the establishment of factories. Mr. Morgan's proposal for assistance from the Uganda Government does not appear reasonable, and the Crown Agents ^{also} express the opinion that the question of the adoption of the "Katalite" formula by producers in Uganda, is a matter for settlement between the producers and the Corporation. The Crown Agents also express the opinion that the suggestion for the establishment of alcohol factories in Tanganyika and Nyasaland is premature, and as regards Kenya, they agree with the views of the local Government that the project of establishing a Government factory is not worth further investigation in present circumstances. The Crown Agents do not consider that they can be held

It is recorded in Mr. Mansfield-Lore's minute of the 20th of November 1945 (L/47612/25) that the Secretary of State "thinks that we should do all we can to pursue this project further, and to have the question further considered by the East African Governments, and more particularly to get the Directors of Agriculture interested in the matter

741

He desires the Crown Agents brought into this and as soon as we have their assistance and advice he thinks we should communicate ^{again} with the East African Governments." In his ^{Earlier} minute of the 18th November (in the same paper), the Secretary of State said "I rather like Mr. Morgan's idea that the Crown Agents should look into the scheme and if they think well of it commend it."

The views expressed by the Crown Agents scarcely suggest that Government action is desirable at the present time. It is therefore a question whether in view of these opinions, the Secretary of State still wishes the matter pursued with the East African Governments. Mr. Morgan has already been informed in the letter on 47612/25 that he is more likely to succeed in getting his scheme advanced if he takes steps to approach people locally in the ^edependencies.

J.M.A.

20/1/26

see report sheet

6. ed. summary

2/1/26

We cannot safely let this rest until the cost of petrol becomes prohibitive. A Power Alcohol supply could not be improvised and we should be driven to make what terms we could with anyone who would come to our rescue.

On the other hand I should deprecate our going to the other extreme and committing ourselves from the start to a trade product while Power Alcohol is presumably still in its infancy.

The Committee of the Empire Cotton Growing Corporation is going into power alcohol and also producer gas; the latter is being tried in Nyasaland; and a scheme for carbonising vegetable matter for fuel purposes is also in the air. In addition we are not in despair as to the ^{winning} working of petroleum in Uganda and coal may be found there or in Kenya. A moderate hesitation in the matter is reasonable and I think that the first step is to find out what is happening about Mr. Nanji Kiladi's ^{Kaladi's} sugar waste in Uganda. According to 41791/25 he has plant for making alcohol; according to 47808/25 he has 230,000 gallons of molasses running to waste every year. If he is not using his plant he should be encouraged to do so.

W.S. 2000-67 27/1/16

I agree that action on the part of Mysore
 & Tanjore would be premature.
 There are good prospects of coal in both

Thos. W. G. ...



CO 743
57861

ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
CROWN AGENTS FOR THE COLONIES.
THE DATE OF THIS LETTER BEING QUOTED
FOLLOWING REFERENCE X/7a/C.O.
GRAMS CROWN LONDON
TELEPHONE 30 VICTORIA

REF
4. MILLBANK, 24 DEC 25
WESTMINSTER.
LONDON. S.W. 1.

23rd December, 1925.

Sir,

2235 Kenya.
1221 Uganda.

I have the honour to acknowledge receipt of your letter No. 47612/1925 dated the 8th December enclosing a copy of a letter dated the 20th April, 1925 from the Chairman of the Alcohol Fuel Corporation Limited on the subject of the local production of power alcohol in East Africa, together with copy of correspondence with the Governments of the East African dependencies concerned, and a copy of further correspondence on the subject with Mr. Morgan.

2. In compliance with the request of the Secretary of State we have examined these papers and submit the following observations on the suggestions put forward by the Alcohol Fuel Corporation that the Governments of Uganda, Kenya, Tanganyika and Nyasaland should not only encourage, but give immediate and substantial support to schemes for the installation of factories for the production of "Natalite" alcohol fuel.

3. So far as the suitability of "Natalite" as a motor fuel is concerned, we agree with all which the Alcohol Fuel Corporation claim for it, since numerous trials have shewn that this fuel is as good, if not better, than petrol. We are also of the opinion that in the event of a permanent shortage occurring in the

Secretary of State,
COLONIAL OFFICE, S.W.1.

world's/

744
 world's supply of petrol, the production of alcohol fuel will be undertaken upon a large scale in all suitable tropical regions. We therefore think that the question of government assistance being given to the establishment of alcohol factories in favourable situations must always remain open for future consideration but we do not consider that at the present time in view of the low price of petrol any immediate action would be prudent.

4. When Mr. Morgan put forward his claim on behalf of the Alcohol Fuel Corporation, he was evidently under the impression that petrol in Uganda cost approximately 5/6d per gallon whereas the reply from the Uganda Government shows that it was only 3/10d per gallon and as alcohol fuel is already being manufactured in the Protectorate, his proposal that the Government should assist in establishing a further factory for the production of alcohol does not seem reasonable, apart from any objections which there may be to the methods by which he suggests that government assistance should be forthcoming. We presume that the Alcohol Fuel Corporation are more interested in developing the use of their own particular brand of alcohol fuel known as "Natalite" than in the production of alcohol fuels in general, and that their demands would be satisfied if the present producers in Uganda could be induced to adopt the "Natalite" formula, so that they could draw their royalty on the output. But this is obviously a matter to be settled direct

between/

between the Alcohol Fuel Corporation and the producers in Uganda.

5. With regard to Tanganyika and Nyasaland, we observe that the Alcohol Fuel Corporation recommend the immediate installation of plants in each of these territories for the production of a minimum quantity of 250,000 galls. of "Natalite" per annum. But from the figures which they have given it would appear that the present consumption of motor fuel in neither of these territories approaches the proposed output, and the suggestion that alcohol fuel factories should be established in these territories appears therefore to be premature. Even when the consumption of fuel reaches the minimum output of an alcohol fuel factory, (250,000 gallons) it would seem risky to attempt to supply the whole of the demand, unless the prices of imported motor fuels are very high.

6. With regard to Kenya, we agree with the Acting Governor's remarks that the project of establishing a government assisted alcohol factory is not worth further investigation until either the costs of petrol, paraffin and crude oil rise steadily or until the costs of production of cross and fuel are materially reduced; or additionally until the production of molasses is very much greater than it is at present. We observe that one of the objections advanced by the Kenya Government against the Company's proposals is that the value of the fuel used in making alcohol is almost as great as that of the alcohol producer. While we should have supposed that this is rather an over statement, it is nevertheless

certain that the supply of fuel needed for the alcohol manufacturing process is one of the most serious problems to be faced in considering the installation of an alcohol factory. When alcohol is produced in a sugar factory from molasses, which are more or less a waste bye-product, the fuel question is not so serious, as a considerable amount of waste heat is available from the steam plant used in connection with the extraction of sugar, and in addition, there is a considerable amount of waste from the sugar cane which is combustible as fuel. But in the case of factories which are set for the production of alcohol alone, the whole of the fuel bill will have to be met by the cost of production, and we are inclined to think that in the Alcohol Fuel Company's estimate for the cost of production of alcohol from molasses the proportions of fuel and other expenses are too low. From the figures stated it is evident that a plant producing 1000 tons per annum would require 10,000 tons of fuel per annum, which is a very heavy load for a small plant. The estimate for fuel is also very low, at 10/- per ton, which is a very low price for wood fuel. We are inclined to think that even if the fuel could be obtained at a price of 10/- per ton, it would be difficult to deal with such a large demand.

Further, the cost of wood fuel is estimated at 12/- per ton. We do not know whether this figure has been based upon actual prices ruling in East Africa, (in 1922, the cost of wood fuel in Nairobi was 10/1 per ton, but it may have fallen somewhat since). In any case such an enormous demand for

wood fuel in any district, other than in the neighbourhood of some very extensive sawmills, would quickly create a shortage and probably run up the cost to a prohibitive figure. It seems very unlikely that the best situation for the installation of an alcohol factory will be in a district where a plentiful supply of cheap wood is available, and we are inclined to think on the contrary that such factories would be built as a rule in close proximity to a railway to enable them to use coal as fuel. In 1922 the cost of coal in Nairobi was 77/- per ton and as 1 ton of coal has roughly the same heating capacity as 4 tons of wood, the cost of fuel given in the firm's estimates if coal were used, would have to be increased in the ratio of 77 : 48 . We think that it is in any case unsafe to base fuel costs upon wood, since the supply of wood and its cost are liable to fluctuate so much. In view of the foregoing considerations, we do not consider that the estimates furnished by the Alcohol Fuel Corporation can be accepted.

I have the honour to be,

Sir,

Your obedient Servant,

Henry Lambert

C. D.
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Cliff. 2.ii.26.
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 Bottomley 2/6
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Recd
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 JS

5 February 1926

DRAFT.

65.

Governor Goveas

CA 47808

Sir:

I have to refer to para: 3 (ii) of your Despatch No: 400 of the 25th of September in which it was stated that molasses, to the amount of 230,000 gallons annually, were at present moving to waste in Mr Nanji Kalidas' Sugar factory at Lugazi.

I should be glad to
learn whether any
steps have been taken,
since the date of your
Despatch under reference,
for the utilisation of this
waste matter in the
production of pure alcohol.

By means

~~I had suggested that~~

~~Mr. King should be named~~

~~as manager to make~~

use of the plant

agreed to in your

reply of 24th of the

14th of May

2. It would be unfortunate
if the plant were not

utilised in this way, with

4791/15

Harburg

Leipzig

St. Gallen

Basel

Geneva

London

Paris

Brussels

DRAFT.

in order that the available material
may be turned to practical account
and in order to demonstrate the

possibility of providing in this way
a valuable addition to the fuel

supply of the Protectorate, and if

no progress has yet been made

you may find an opportunity of

recommending it to

Mr. King to take up the

matter.

(Signed) L. S. AMERY

all 11.2.26
11

[Handwritten signature]

[Handwritten signature]

57861/25

12 FEB
D 12

[Handwritten signature]

15 Feb 1926

no / 1296/26

Sir

With ref to Mr. Oswald Gore's

(^{no} 4761/25) Letter of the 7th of Dec, in re to
report from the C.A. for the Colonies
with regard to the purposes of the Alcohol
Fuel Corporation Limited as the subject
of the local production of ~~pure~~ alcohol
in East Africa

2. While Mr. Murray is inquiring

AFT.

Morgan Ey

Kya 294
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19.1.26
Kyn 290

copy to Gov

that the question of Government assistance towards the establishment of power alcohol factories in favourable situations must remain open for consideration in the light of circumstances existing from time to time, he has come to the conclusion that he cannot, in present circumstances, press the East African Government to accept the proposal of the Alcohol Fuel Corporation. At the same time he would not in any way discourage the Corporation from approaching the local Government or other interested parties direct, as was suggested in the Ormsby-Gore's letter.

(Signed) W. G. BOTTOMLEY.

57861/1925.

Downing Street.

751.

15 February, 1926.

Sir,

With reference to Mr. Ormsby Gore's letter of the 7th of December, I am directed by Mr. Secretary Amery to inform you that he has now received a report from the Crown Agents for the Colonies with regard to the proposals of the Alcohol Fuel Corporation Limited on the subject of the local production of power alcohol in East Africa.

2. While Mr. Amery recognises that the question of Government assistance towards the establishment of power alcohol factories in favourable situations must remain open for consideration in the light of circumstances existing from time to time, he has come to the conclusion that he cannot, in present circumstances, press the East African Governments to accept

MORGAN, ESQ.

at the proposals of the Alcohol Fuel Corporation.
at the same time he would not in any way discourage
the Corporation from approaching the local Govern-
ment or other interested parties direct, as was
requested in Mr. Ormsby-Gore's letter.

I am,

Sir,

Your obedient Servant,

(Signed) W. C. BOTTOMLEY.

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1925

VOL. 11

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FROM	DATE	SUBJECT
Colonial Office.	5th Jan	Visit of Duke of York.
	- -	Teachers Superannuation.
	20th	Calculation of Leave.
	22nd	E. A. Committee.
	-	Advisory Committee on Native Education.
	27th	East African Surveys.
	10th Feb	Female Postal Clerks.
		Passage & Return Leave Agreements.
	13th	Advisory Committee on Native Education.
		Payment of Specialist's Fees.
	19th	E. A. Commission. Report.
	25th	Advisory Committee on Native Education.
	9th Mar	Vacancy for Senior Medical Officer, Kenya.
	17th	Chief Veterinary Officer, Kenya.
		Kenya Pencil & Soda Industry.
		Phipps-Stokes Education Commission.
	18th	Advisory Committee on Native Education.
	29th	do.
		- Apr. Widows' & Orphans' Pension Scheme.
	28th	Advisory Committee on Native Education.
	6th May	Kagadi Soda Co.
	11th	Advisory Committee on Native Education.
	14th	Submission of officers Personal Files.
		- May Advisory Committee on Native Education.
	15th	East African Medical Service.
	20th	Extract from Conclusion of Cabinet Meeting.
	21st	Claims for Expenses in connection with repatriation of German prisoners.
	23rd	House of Lords Debate on Kenya Problems.
	27th	Committee on Industry and Trade.