

1937

38159

38159

CO 533/482

KENYA

2

2

SISAL SOFTENING - McCRAE PROCESS

UTILISATION OF SISAL WASTE FOR BEDDING, ETC.

Previous

1936

| | |
|-----------|------|
| R 299 | 20/4 |
| R 297 | 22/7 |
| 309 | 23/7 |
| M. Pashin | 23 |
| M. Claman | 24/7 |

Subsequent

| | |
|-----------|------|
| M. Flood | 26 |
| R 297 | 26/8 |
| 307 | 26/8 |
| M. Pashin | 27/8 |
| M. Claman | 27/8 |
| M. Flood | 27/8 |

R. 297
R. 309

16/4/37
17

S. P. Stouder

M. Flood

R. 80

R. 297

M. Flood

R. 309

R. 299

297

R. 309

M. Pashin

S. P. Stouder

M. Claman

M. Flood

27/4
30/4
30/4
-
7/5
7/7
7/7
9/7
9/7
9

M. Claman
M. Flood
297
M. Claman
297

C. 2
AGRICULTURE.

1. AGRIC. DEV. KENYA. 177. 20.3.37. 2
(3 on 1936 file and.) indicates what is being done
in the matter.

Sir P. Shikela

Mr. Osei has now dropped his original idea and
is now laying down the advances to him (we shall have to tell
Kenya in due course when the C.D.A.C. & Trust agree about the
costs etc.) and he now is evolving a description from which
much is hoped. This description shows that more info is wanted.
Anyhow will cost at £2, a ton it is too dear for bags.

J.E.G. Flood
17.4.

In regard to para 2 of the despatch, the report of the
Trustees visit to Kenya to see the MaO's work
was sent to the Kenya Rural Industry Committee
for confidential information by the Air Mail
of April 8th. With this report was also a copy of
the minutes of the meeting of the Board of Trustees
which considered the report.

The report is
understand as
Kenya file
copy sent by
Kenya to me
but I have

This report was the one I had in mind at
the discussions with the Kenya Rural Industry
Board when I was in Kenya, but if the Govt of Kenya
requires further information we might be told
what to do.

Perhaps Kenya might be told that the report
has been sent to Kenya to the Rural
Industry Committee & that we shall wait a further
despatch.

J. Shikela
23/4

R 80

May I have the file mentioned please?

J.E.G. Flood
24.4.

As at X

J.E.G. Flood
25.4.37

Kenya - 376 - 1937 - 7 MAY 1937

DETERMINED UNDER STATUTE

3. Comments on present position with regard to the Sisal bag industry suggestions made by Mr. McCrae.

Apparently the Kenya Sisal Industry is not particularly interested in the development of sisal waste products, with sisal at its present high price.

Capt. Hearle's visit to Mr. McCrae may have useful results & it is to be hoped that Mr. Bursell will take the opportunity of calling on Sir J. Stockdale and Mr. McCrae.

Perhaps Sir J. Stockdale will advise whether there is anything that can usefully be said to McCrae at this stage.

C. J. G. Smith
7/5/37

I cannot see that there is anything more to be said. In No. 1 - 136 Mr. McCrae explained why he thought that it was inadvisable to proceed with the project of making bags from sisal - Kenya. I draw attention to what he considered to be a very promising market for sisal waste. He was told that a

copy of his letter was being sent to the Gov. The Gov. has brought Mr. McCrae's views to the notice of the interests concerned. But nevertheless Mr. Bursell is proposing to go ahead with his bag making. It has been suggested to Mr. Bursell that he should see Mr. McCrae. It does not seem to be anything more to do on this.

? Pt 9.

J. J. P. Smith
3/7

J. J. P. Smith
7/7

In my view Mr. Bursell will be well advised to confine his marketing activities to one single bag & to place his best bet on it. It seems to me very unwise to think of making sisal into bags at present prices. The old dilemma still remains that sisal at a price suitable for bag making is not worth growing, & sisal at a price worth growing is too expensive for bag making. But we can let things take their course. Mr. Bursell will not waste any Govt money if he proceeds with his scheme though he will no doubt lose his shareholders' money.

A. L. M. P. Smith
12/7/37

An act. seems needed.

D. L.

J. G. G. G. G.
15.7.37

To: Kenya 520 (banned) 20 JUL 1937

CEL.SFC.....3 PN.....14.7.37.
Trs. copy of letter addressed to Acting Director of
Agriculture by Mr. A. Bursell.

Mr Bursell has been Mr McCrae's
Does not seem to be very impressed
with his machines. I wonder
if the new Guaranteed machinery
that Mr Bursell has ordered is
a product of Messrs Fairbairn
Lawson & Co.

clearly

? Paddy

C. H. Ross with

23/7/37

Mr. Clayton & Co. Ltd
to see

J. J. Cantin
23/7

J. S. G. Hunt
26

GOV. KENYA.....476.....18.8.37.
Acks. (4) with comments and states that on present
information he is unable to agree with the opinion
expressed therein.

May

Can you produce any statistics
in support of the statement that
during the last two years sisal
prices have remained steady
at the present level?

C. H. Ross with
27/8

Prices for No. 1 Kenya R.T. have remained fairly
steady since Sept 1935.

In August 1935 the price was £18 15 0, it rose to
£25 10 0 and to £28 5 0 in December. During 1936 it
fluctuated between £25 15 0 and £28 15 0, while during
the

first six months of 1937, £30 was reached in January
April while the lowest price was £21 5 0 in February.
Today's price is £26 10 0.

W. H. H. H.

27/8/37

If the former had said that the
Kenya sisal industry as a whole
regarded the bag making ventures
favourably, there would have been
more force in his contention.
It may be that Sisal Products
(East Africa) Ltd. have found a
way of making bags from
sisal waste, but surely such a
bag would not be suitable for
Maize or Coffee

? Rec'd to Mr. Clayton on
his return from home

C. H. Ross with
27/8/37

This is certainly rather odd. It
began with Mr. McCrae, who suggested that, with his
process, waste fibre might become suitable for the
manufacture of bags in Kenya. He was now to find
his process altogether, and the machinery which he
is going after concerning the development of a
decorating machine instead of softening. Anyhow
Mr. McCrae seems to be out of it and Mr. Bursell
appears to think the same, since his opinion is that
it will take a long time for anything to come out of
McCrae's method.

It may be that Mr. Bursell and his friends
are confident that they can produce bags to pay,
but they will need a pretty heavy protective duty
and I expect we shall probably have demands sooner

rather

rather than later for increase of such protection. It may also be, and probably will, that the scheme would not prove successful. I think a draft reply is indicated.

J. S. Flann

31.8.1937

I seem to have "lost" this paper disgracefully. However I hope that no harm is being done.

In view of the lapse of time I think we had better not refer to us. 6.

[The price of sisal has fallen a bit since Mr Flann's draft was prepared.]

See note to Mr Melville etc. The note will be noted on Econ. file but it is perhaps hardly necessary to re-register. ? really

C. S. [unclear] 18.11.37

15
considering what has happened to the price of sisal since Mr Flann's draft was prepared (the price of sisal is still now £19.18.0) it is providential that the draft was not sent.

I am afraid that I remain sceptical of the future of the industry. There have been all sorts of experiments, but generally spinning the bag made from coarse sisal of which is much more expensive than a jute bag, & the fact that it is a better bag & therefore sells better in the 2nd hand market is not sufficient to cover the difference. It is in fact more economic to sell the sisal as sisal & buy jute bags. Of course if there is a large increase in the output of sisal so that the price goes down & stays down while jute is controlled & kept up, the position would be different, but there is no sign of that at present.

It is also possible that flume waste or some other sisal by-product would be as cheap as jute, but so far as I know it has not to be shown that it will make a reliable bag.

But for all this is the fact that jute is becoming more and more expensive and more difficult to get. They have a great advantage lately.

I think that the best thing to do with the paper is to submit it.

G. L. S. Flann

18/11/37

(1) three

A. M. Dawe 19.1

Econ for action that X

15212/12/35 Econ

Mr. Eastwood.

Your Clip attached to 38159/2/37 Kenya
below.

I have read the correspondence about the local manufacture in Kenya of sisal bags with interest. It occurs to me that the later papers could with advantage be registered in the Economic (Industrial Development) series. What do you think?

I don't know that there is anything to add to the minutes on the Kenya paper, except to draw your attention to the attached memorandum which I have prepared for the Interdepartmental Committee on the Industrial Development of the Colonial Empire, on the subject of hard fibre factories in the Colonies. The various East African sisal bag schemes are dealt with on pages 2 to 5. The memorandum was not meant of course to be any more than a resumé of the various schemes such as have been put forward, but it refers to the manufacture of sisal bags in Kenya and particularly to the 1932 legislation for supplementing in paragraph 4 of the despatch registered 1 on 38159/2/37. I also attach a copy of the Sisal Bag Industry Ordinance for reference.

I had always understood that the position was as expressed in our despatch registered 4 on the file below, but the one company which is at present operating under a licence issued under Section 4 of the Ordinance is apparently still thriving, and it would be hazardous to say that the manufacture of bags from sisal waste to compete on an equal footing with imported jute bags is uneconomic without seeing the company's balance sheet. No protection is given to the industry by Section 3 of the Ordinance which merely provides against "dumping" by Indian
jute

jute exporters, and there is no import duty on bags in East Africa. If, therefore, Sisal Products (East Africa) Limited have been able to show a profit during the past year when sisal prices were at their highest, we may have to revise our opinion about the economics of a local bag industry.

The only constructive suggestion I have to make is that we should try to find out more about the operations of Sisal Products and if possible get hold of their recent balance sheets.

(You will see from 15212/16/37 below about Mauritius hemp that it is anticipated that if the recommendations of Mr. Alves's report to re-establish a local bag factory are accepted, some protection by way of an import duty on jute bags may be necessary, at any rate at first. It is emphasised however that Government would only be justified in doing this if the price of hempoen bags is ^{eventually} ~~approximately~~ to be in the neighbourhood of that of jute bags. This, however, depends on a number of incalculable factors, one of which is the movements in the price of jute).

E. H. Williams

8. 9. 37.

AIR MAIL

KENYA

No. 476



6
GOVERNMENT HOUSE

NAIROBI

KENYA

18 August 1937.

Sir,

4
I have the honour to acknowledge the receipt of your despatch No.560 of the 20th July, in which you express the opinion that the manufacture of sisal bags even from waste is not likely to be practicable or profitable, in view of the increase in the price of sisal.

2. During approximately the last two years sisal prices have remained steady at the present level, which shows a reasonable profit to the grower. Early this year, in the light of these prices, and the intention of Sisal Products (East Africa) Limited, with whom Mr. Bursell is connected, to erect a factory at Ruish for the production not only of bags for maize, cotton, coffee, etc., but also fabrics such as "Morrango" for use in reinforcement of concrete, at an initial cost of £80,000. This scheme was closely connected with proposals for financing the purchase of estate reclamation machinery at cost price and for erecting two central carding and grading stations for sisal. The authorized capital of the Company is £250,000.

3. It is difficult to believe that the promoters either left out of account the cost of raw materials or ignored the probability of the continuance of the prices then already prevailing. The manufactured products

are

THE RIGHT HONOURABLE

W. CRIMSEY GORE, F.C., M.P.,

SECRETARY OF STATE FOR THE COLONIES,

DOWNING STREET,

LONDON, S.W. 1.

are intended for the local market, and not, at least at
the present stage, for export. Details of the
Company's estimate of packing costs are not available,
but on present information I am unable to agree with
the opinion expressed in your despatch.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

R. B. Woke-Popham

AIR CHIEF MAGAZINE

GOVERNOR.

AIR MAIL

WHEN REPLYING
PLEASE QUOTE
NO. &
AND DATE

APR. 24/11/11



9
5
**THE SECRETARIAT
NAIROBI
KENYA**

RECEIVED
21 JUL 1937
G. O. REGY

14 JULY, 1937.

3.
The Colonial Secretary of the Colony and Protectorate of Kenya presents his compliments to the under Secretary of State for the Colonies and with reference to Kenya despatch No. 341 of the 26th June, on the subject of suggestions made by Mr. James McCras in regard to the sisal bag industry, has the honour to transmit, for information, a copy of a letter addressed to the Acting Director of Agriculture by Mr. A. Bursell.

COPY.

/HMM

A. BURRELL.

Strandagervej 27.
Hellerup, Denmark.

29th June, 1937.

To the Hon. the Acting Director of Agriculture,
P.O. BOX 338,
NAIROBI.

Dear Wolfe,

Re: Sisal Bag Industry.
your Ref. SISA/6/132.

I thank you very much for your letter of the 7th of June which reached me during my stay in London. When in England I took the opportunity of seeing Major Newcombe and I also went to Lambeg, where I was impressed by the work Dr. Gibson is doing. They have really come down to practical experiments by now and I am certain that the industry will benefit by them.

I also went to Leeds, where our Bag machinery is manufactured by Fairbairn Lawson Combe Barbour. I saw McGrae and was invited to see his machines. He is now building a set of machines to test out at Naivasha and we have agreed to co-operate in case his experiments turn out right in practical working should his methods be of use to us for obtaining raw material for bag-making. Should there come anything out of McGrae's methods at all, I am certain it will take a very long time, but in the meantime we have ordered machinery which are guaranteed to be able to prepare all kind of sisal flume tow material whether raw or softened, into bags of specified construction.

Yours sincerely,

(sgd) A. BURRELL.

C. O.

Mr. Flood.

13/17/37

Mr.

Mr.

Sir C. Parkinson

Sir G. Tomlinson

Sir C. Bottomley

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Downing Street,

20 July, 1937.

Sir,

I have etc. to acknowledge

the receipt of your despatch No. 341 of the 26th of June from which I note that

Mr. Bursell proposes to visit this country

in connection with his scheme for the

manufacture of sisal bags. As you

suggest, Sir Frank Stockdale will be

ready to advise Mr. Bursell if he calls.

2. With present prices of sisal

it appears clear that the manufacture of

bags even from waste sisal is not likely

to be practicable or profitable. The

increase in the price of sisal has already led

Mr. McCrae to the conclusion that there is

no useful purpose in pursuing his process

for the softening of the fibre and the

general position appears to be that if

sisal is at a sufficiently low price to

DRAFT.

KENYA.

No. 200

GOVERNMENT.

FURTHER ACTION.

make it suitable for the manufacture of bags
it is not possible to grow it at a profit, since
if the price rises sufficiently to show a
reasonable profit to the grower then the material
becomes too expensive for bag making. It may be
that I am wrong in this opinion, but that is my
present view of the matter upon the information
available to me, *W. H. Goff*

I have, etc.

(Signed) W. H. GOFF

KENYIA

No. 3147



12
3
GOVERNMENT HOUSE,
NAIROBI,
KENYA.

REC
8-JUL-1937
SIR, C. O. FEECY

26 JUNE 1937.

2
With reference to your despatch No. 376 of the 7th May, on the subject of suggestions made by Mr. James Mcgrae in regard to the sisal bag industry, I have the honour to inform you that the Sisal Industry Committee has been invited to express its views on Mr. Mcgrae's proposals in the light of the report of the Board of Trustees for Sisal Research referred to in your despatch.

3. Mr. Bursell, the principal promoter of Sisal Products (East Africa) Limited, the holders of this licence, left the colony for Denmark last month, and it is understood that he intends to visit the United Kingdom with a view to ordering machinery for the manufacture of sisal bags. The Acting Director of Agriculture advised Mr. Bursell of the position at the same time as he communicated with the Sisal Industry Committee, and suggested that he should endeavour to see Mr. Mcgrae during his visit. He also suggested to Mr. Bursell that in the first instance it might be advisable for him to approach your Agriculture adviser, Sir Frank Stockdale, with a view to obtaining any advice he may be in a position to give. A copy of the Acting Director of Agriculture's letter to Mr.

Bursell/

THE RIGHT HONOURABLE

W. ORMSBY GORE, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWLING STREET,
LONDON. S.W. 1.

Bursell was sent direct to Sir Frank Stockdale for his information.

3. It appears that the sisal industry in Kenya as a whole is not inclined to interest itself at this stage in Mr. McGrae's proposals, which, however, will no doubt receive the full consideration of the firm directly concerned with the manufacture of sisal bags.

4. It is possible that the Sisal Industry Committee may be prepared to consider the matter further in the light of any information which may be furnished by Captain J.P. Hearle of Kakuzi Fibrelands Limited, to whom reference was made in paragraph 2 of Kenya despatch No. 127 of the 20th March.

I have the honour to be,
Sir,
your most obedient,
humble servant,

W Brooke-Johnson

AIR CHIEF MARSHAL

G O V E R N M E N T.

KENYA.

NO. 177



GOVERNMENT HOUSE
NAIROBI.
KENYA.

20 MARCH 1937.

Sir,

(3) on 38159/2/36
I have the honour to refer to your despatch No. 891 of the 4th November, 1936, enclosing a copy of a letter from Mr. James McCrae regarding his suggestions for the improvement of the sisal bag industry and the creation of a new export trade in sisal waste.

2. In accordance with your instructions to ascertain the views of the sisal industry on Mr. McCrae's suggestions, the matter was submitted to the Committee of the Kenya Sisal Growers Association, who expressed the opinion that they had not sufficient information on which to base any useful observations, and have consequently arranged that an investigation into Mr. McCrae's work at Leeds should be undertaken by Captain J.P. Pearce, of Kakuzi Fibrelands Limited, who is proceeding shortly to the United Kingdom.

3. The matter was also discussed at a special meeting of sisal growers at which all the members of the Sisal Industry Committee and Sir Frank Stockdale were present. In consequence of the feeling of the meeting that the sisal growers of Kenya, not being in full possession of the facts, were not in a position to assess the merits of Mr. McCrae's suggestions, Sir Frank Stockdale explained that the Sisal Board of Trustees in London was fully informed regarding Mr. McCrae's activities in this respect

Ans (2)

THE RIGHT HONOURABLE,
W. CRASBY GORE, P.O., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET,
LONDON, S.W. 1.

respect and intimated that on his return to England he would consult the Board of Trustees with a view to supplying the Sisal Industry Committee with more information.

In the circumstances I propose to address you further on this matter when the more precise information indicated has been made available to the sisal industry in Kenya.

4. The position regarding the issue of licences to manufacture sisal bags (under section 4 of the Sisal Bag Industry Ordinance, 1934) is that a licence for one year was issued on the 7th December, 1933 to Messrs. British East Africa Planting Company Limited of Muiro to manufacture sisal bags at Kalimoni Estate, Muiro. With the agreement of this Company a licence was granted on the 1st January, 1935 to the Kenya Sisal Manufacturing Company Limited. This licence expired at the end of 1935, but in November, 1935 application was made for renewal of the licence in the name of Sisal Products (East Africa) Limited, to whom a licence to manufacture sisal bags at Kalimoni Estate, Muiro has been granted for a period of ten years from the 23rd December, 1935.

I have the honour to be,

Sir,

Your most obedient,

Humble servant,

A. A. A. A.

ACTING GOVERNOR.