

1930.

Kenya

No. 16573

SUBJECT

C0533/404

*Preponderance of Foreign goods imported
for sale to natives*

Previous

*15833/29 (Native Affairs)
Sept. 1929 report*

Subsequent

Exhaust Draft Minutes on 15-8-33/24

1. To Gov. Conf. on 15833/29 cons. 11 July 1930
(Copy attached)

2. Gov.'s Dep. Martin 630 25th Sept
States foreign goods purchased by natives in
greater quantities than British goods but proportion
of goods imported from G. Britain maintained at
steady level; comments on purchase of foreign goods
by natives.

10

Yes, clearly there is nothing
to be done. But S.D. may
be interested to see & I
think it would be worth sending

A / 3 copies of the para. of the N.A.D.
Reports & of the 2 & 3 to
the B.P.T. 49 info. - ~~etc~~
& we might ask. I
thank.

The suggestion was
The point was taken
on the suggestion of Dr. S. Wick
who may be interested therefore
to see the outcome. L.D.

not sent on 15-8-33/29 which
is bulley & not really required

J. G. G. G.
4-12-30

? in the first instance and
the papers at the time of the Council 1. the

Trade Dept. Office advised him
in answer to his query that the
banks in the matter not only do
favor Kenya Uganda but also
as regards the other D.A. Deps.

W. Allen

5/12/30

I am not quite sure but there is nothing
to be done & I think that we might
put the matter to the D.O.T. as
well as to the other authorities.

Apart from the possibility (prob-
ably very slight) of an advertising
campaign, there is the fact that
some of the finest wines in Lancas-
hire are beginning to study the
possibilities of the ~~British~~
very cheap markets in Africa.

At the Oct. meeting of the D.O.T.
Advisory Council Sir Kenneth Stewart
told me that some of the cotton
manufacturers were beginning to
make a very cheap cloth from the
cheapest Indian cotton & were hoping
to find a market for it in Africa.
The business is still in the initial
stages, but something like this might
give it the necessary fillip.

G. D. M. Cameron

5/12/30

Col. Franklin is now home
so if we refer to that...

This statement has
appeared in the
press. It was said
that Lancashire is
under a full press.

5/12/30

Copy of 14/5/31
Trade Refs

Details from despatch no 246 from Gov.
Kenya, dated 15 May 1931.

Registered, for action, in accordance
with minute on 14/5/31

Mhoni
17/7/31

It already appears a note
has been made in records of
Mr Allen writing

Gardner
16.7.31
at

No. 4 notes
based on
(29. 11/1/31)

Please see Mr Allen's minute of 26/6/31
nothing further from BOT

Mhoni
17/8/31

Write to BOT inquiring whether any
steps have been taken to bring the position
before the British Manufacturers' Association

Edinburgh 18/8

Edinburgh

Has the D.O. report on British Exports
to Kenya been yet been published? (I + no. 5 on
this file) If so, pl. annex a copy

Edinburgh
18/8

Mr. Allen
? P. 24
26/8

See in view of above that it is not more
to be done at present

Mr Allen
27/8/31 at

18/8

Extract from despatch No. 276 from Gov. Kenya, dated
15th May 1931.

*This is the
same as
No. 11.*

6
114

page 13. Cotton textiles. There is a progressive decline
in the value of cotton textiles imported during the
last three years and Japan has now assumed the
first place as country of origin. I am informed
that at Kisumu the shops display little other than
Japanese cottons, which are generally of inferior
quality, but there is a tendency for the natives
to buy the superior article if the supply exists.
When it is observed that the value of this group,
even in 1930, was £26,484 or 13.58% of all trade
clearances, the importance of stimulating the home
export by all possible means becomes apparent.

X

X

X

11

(no. 276)

Extract from a despatch from the Govern or of Kenya to the Secretary of State for the Colonies, dated 15th May, 1931, covering the Annual Trade Report of Kenya & Uganda for 1930.

x x x x x

Page 13.

Cotton textiles. There is a progressive decline in the value of cotton textiles imported during the last three years and Japan has now assumed the first place as country of origin. I am informed that at Kisumu the shops display little other than Japanese cottons, which are generally of inferior quality, but that there is a tendency for the natives to buy the superior article if the supply exists. When it is observed that the value of this group, even in 1930, was £926,484, or 13.68% of all trade clearances, the importance of stimulating the home export by all possible means becomes apparent.

Copy D.O.T. 23

Extract from a despatch to the Secretary of State
for the Colonies, from the Acting Governor of
Kenya. No. Confidential 12A. Dated 11th February 31.

It is unfortunately the fact that the bulk
of the native trade in blankets, shirts, vests, hats,
etc. is in the hands of Japanese, Dutch, German and
American firms; British manufacturers appear to take no
steps whatever to advertise their goods. Your Lordship
may care to bring the lack of enterprise to the notice of
industrial organisations in England.

~~Extract from Kenya Colony and Protectorate Annual
Report, 1929.~~

Interesting figures have been obtained by the
District Commissioner Kisumu-Londiani in regard to the
trade in Kisumu itself. The most depressing aspect of
this trade is that the bulk of the goods sold to natives
has a foreign origin, especially blankets, shirts, vests,
handkerchiefs and hats. Japan is the keenest competitor
while Holland, Germany and the United States of America
figure largely. So far as can be seen English manufacturers
take no steps whatever to advertise their goods. It is
felt that were more touring done by suitable English
Commercial travellers throughout the Districts it would
be of great help in encouraging English trade.

(57 Eastern 21)

9

Communications on this subject
 should be addressed to—
 THE UNDER SECRETARY OF STATE
 COLONIAL OFFICE,
 LONDON, S.W.1.
 and the following
 Number quoted: 16373/30.



Downing Street,

26 January, 1931

2 Drafts

C. D.
 N. 23 JAN
 1931

Reclaim 22
W. H. H. 22/1

2 C as in minutes

Sir,

I am directed by Lord Passfield to acknowledge with
 thanks the receipt of your letter 14676/1930 of the 23rd
 December, 1930, on the subject of the preponderance of
 foreign goods imported into Kenya for sale to natives.

A copy of the correspondence is being forwarded to
 the Officer Administering the Government of the Colony for
 his information, and also to the Board of Trade.

I am, to enclose for ^{your} ~~the~~ further
 info. a copy of an ~~Sec~~ extract from the Annual
 Report of the ~~Your~~ most obedient servant, Native Affairs
 Dept. for 1930 on the same subject.

~~A copy of this certificate~~

THE COMPTROLLER GENERAL,
 DEPARTMENT OF OVERSEAS TRADE.

Signature: G. C. JOHNSON

COPY - NOV 15 2 18 PM 1931
 COPY - 15th of Jan 1931
 1931

(5)

6¹⁰

Extract from Annual Report for 1929 of Native Affairs Department, Kenya.

X I X I X I

Interesting figures have been obtained by the District Commissioner Kisumu-Londiani in regard to the trade in Kisumu itself. The most depressing aspect of this trade is that the bulk of the goods sold to natives has a foreign origin, especially blankets, shirts, vests, handkerchiefs and hats. Japan is the keenest competitor while Holland, Germany and the United States of America figure largely. So far as can be seen English manufacturers take no steps whatever to advertise their goods. It is felt that were more touring done by suitable English commercial travellers throughout the Districts it would be of great help in encouraging English trade.

Copy to D.O.T.
 Copy to Chief Trade Officer 11 FEB 1931

City Office
73, Basinghall St., E.C.2
Telephone: Metropolitan
4713.



Head Office
Telephone: Victoria 8040
Telegrams: Advantage, Part, London
Cables: Liebert, A.B.C. God, &c.

DEPARTMENT OF OVERSEAS TRADE

Replies to this communication
should be addressed to
the Comptroller-General
quoting

1467B/1930.

FF 1821



35, OLD QUEEN STREET,
LONDON, S.W.1

23rd December, 1930.

Sir,

With reference to your letter (Ref. 16378/30) of the 13th December transmitting a copy of an extract from the Report of the Native Affairs Department of Kenya for 1928 regarding the preponderance of foreign goods imported for sale to natives, I am directed by Mr. Gillett to state that the encroachment of foreign competitors in this market has been the subject of frequent investigation by His Majesty's Trade Commissioner in British East Africa, and the trading interests in the United Kingdom principally affected have been kept informed of the position with a view to steps being taken to increase the share of British trade in the above territory. United Kingdom manufacturers are well represented in Kenya and are believed to be making every effort to meet foreign competition. It is, however, unfortunately a fact that, as indicated in the above-mentioned report, in lines specially suitable for the native trade price is usually the main consideration, regardless of quality, and it is in these that foreign competition is most severe.

The report on the economic position in British East Africa for 1930 is in course of preparation and again draws attention, in some detail, to the competitive position.

Furthermore...

The Under Secretary of State,
Colonial Office.

Answered
26 JAN 1931
copy to Sec of Trade 1/13/1 (16378/30)

2.

Furthermore, the Trade Commissioner is at present in the United Kingdom for the purpose of giving the benefit of his advice and assistance to British firms interested in the East African market, after having just made a complete tour of this territory.

I am,
Sir,
Your obedient Servant,

H. T. Bradd

for the Comptroller-General.

X 66278/30 4 13

O. O.

Mr. E. M. ... 10-12

Mr. ...

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Sir G. Grindla.

Permd. U.S. of S.

Parly. U.S. of S.

Secretary of State.

and to S

C. D.
R
D

Jan 25 30

DRAFT.

The Comptroller-General
Dept. of Commerce

copy also - Gov 63 - 26 (4) 1931
copy to Dept of Trade - Mrs IT FEB 1931

to you for your ...
a copy of ...
the Report ...
Affair Dept of ...
for 1928 ...
the ... of foreign goods
imported ...
to ...
shipment ...
to Gov. of ...
are also ...

The ...

Ext. ...
... ..

Q. ... Sept 4 - 1931

Form ... 620 ...
... ..
Dupl. ...

to be to receive your
views on this matter

his

(Signed) A. C. D. PARKINSON.

23
14

Extract from the Kenya Native Affairs Department Annual Report, 1928.

The District Commissioner, Muru, reports on the preponderance of foreign goods imported for sale to natives as under:-

"A disturbing factor with regard to trade exists which should be brought to the notice of Government. The bulk of the goods bought by natives are made outside the British Empire and are brought to Kenia in American lorries and often to Mombasa by foreign ships. The only goods sold which come from England are khaki cloth (also from India), tea, cigarettes, towels, soap and waist cloths. It follows, therefore, that the profits made in this country are utilized largely toward the development and expansion of foreign manufactures. Practically all the articles most commonly used by natives are made in foreign countries."

Copy D.O.T. 13/1/30.

2

Extract from the Summary of the Affairs Department Annual
Report, 1920.

The District Commissioner, Papua, reports on the preponderance of foreign goods imported for sale to natives, as under:-

"A disturbing factor with regard to trade exists which should be brought to the notice of Government. The bulk of the goods bought by natives are made outside the British Empire and are brought to New Guinea in American lorries and often to Rabaul by foreign ships. The only goods sold which come from England are khaki cloth (also from India), tea, cigarettes, towels, soap and waist cloths. It follows, therefore, that the profits made in this country are utilized largely toward the development and expansion of foreign manufactures. Practically all the articles most commonly used by natives are made in foreign countries."

Copy D. J. T. 2/12/30



DUPLICATE.

KENYA

GOVERNMENT HOUSE

No. 680

NAIROBI

KENYA

RECEIVED
1 DEC 1930
GOV. OFFICE

25th September, 1930

My Lord,

I have the honour to acknowledge the receipt of Your Lordship's despatch of the 11th. July last on the subject of the preponderance of foreign goods imported for sale to natives, which was the subject of comment in the Report for 1928 of the Native Affairs Department.

2. It is, of course, a regrettable fact that foreign goods are purchased by the natives in much greater quantities than British goods. On closer examination of the facts, however, it will be realised that there is nothing to cause disquiet or anxiety in the circumstances.

3. The natives of Kenya, in spite of the advance already made on the path of development, are still, in the majority of cases, in a primitive condition; their wants are simple and their purchasing power, though immensely increased, still comparatively small. It follows, therefore, that considerations of price appeal to them far more than those of quality or durability, and in consequence purchases are made in the cheapest market. Goods produced cheaply by foreign countries, whose wage levels are far lower than those in England, are thus afforded an opportunity of which their salesmen are not slow to take advantage.

4. This tendency is further strengthened by the custom of the Asiatic trader, in whose hands lies the

/vast

THE RIGHT HONOURABLE LORD PASSFIELD, P.C.,
SECRETARY OF STATE FOR THE COLONIES,
DOWNING STREET
LONDON, S.W.1.

copy to ... 1931
copy to ... 1931
copy to ... 1931

vast bulk of petty trade with natives, to purchase when possible in the cheapest market.

5. Customs statistics, however, over a period of six years indicate the maintenance at a steady level of the proportion of goods imported into Kenya from Great Britain, and there are signs of an increasing appreciation on the part of natives, particularly those resident in settled areas and other centres of European influence, of the value of quality and durability as compared with cheapness and gaudiness.

6. The analogy of Uganda provides a further basis for optimism; to quote an instance, in the earlier portion of this century, the natives of that country purchased cheap grey sheetings as do many of the Kenya natives today. At the present time they are buying high-class prints, velveteens and brocades, the bulk of which are of British origin; and there is considerable ground for thinking that with the progress of education the demand for articles of good quality in Kenya to the exclusion of those of inferior quality, will show a similar development to that in Uganda.

7. If the British manufacturer desires to capture immediately a greater share of the trade in goods of cheap as against superior quality, it will be necessary for him to study the factors that have been mentioned in paragraphs 5 and 4 above, but it is doubtful whether he could ever successfully compete in the marketing of certain types of cheap goods produced in countries where the wages levels are lower and the working hours longer than in Great Britain.

I have the honour to be,
My Lord,

Your Lordship's most obedient, humble
servant,

(SGD) - H. T. MARTIN;

GOVERNOR'S DEPUTY.

Copy

17/

ADP

on:

158-33/29

Kanya

Downing Street,

11 July, 1930.

Sir,

I have the honour to refer to your despatch No. 217 of the 12th April, in which you forwarded your comments on the Annual Report of the Native Affairs Department for the year 1929, and to invite your attention to the remarks in paragraph 12 on page 47 of the Report regarding the preponderance of foreign goods imported for sale to natives. I should be glad to be informed what consideration has been given to this matter which, I fear, involves a loss of practice as well as of trade.

I have the honour to be,

Sir,

Your most obedient

servant,

Copy D.O.T. 13/12/30.
 copy to Ad of Trade 14/12/30

H. M. S. O. ...
 ...
 ...

Extract from minutes on 18
15833/29 (Native Affairs) END
Dep't Report

I wonder if anything is or can be proposed by the Government re paragraph 12 in Chapter V.p.47. I think some attempt should be made to combat American and other trade permeation which means a loss of prestige as well as trade.

T.D.S.
30.12.29

On the top of page 47, a paragraph appears as to the use of non-Empire goods by natives. Dr. Shiels in his minute of 30.12. enquired whether anything could be done to combat American and other trade permeation which means a loss of prestige as well as of trade. The Governor could be asked to consider this

? in separate
Conf. despatch
ask what con-
sideration has
been given to
the matters and
for the Governor point
observations
generally.

H.T.A.

J.G. Eastwood.
15.5.30.