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[Home](#) > [Newspaper Catalogue](#) > [The Straits Budget](#) > [1932](#) > [March](#) > [24](#) > [Page 15](#) > [A JOURNAL IN THE FEDERAL CAPITAL.](#)



A JOURNAL IN THE FEDERAL CAPITAL.

The Straits Budget, 24 March 1932, Page 15

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A JOURNAL IN THE FEDERAL CAPITAL.

*Malaya's Largest Rubber Factory—A Sign
Of The Slump—Closing Down A Notable
Plant—The Rubber Engineer's Dream
—Dunlop Company's Big Scheme
—New Soils For Old—Gardens
On Estates.*

(By Our Kuala Lumpur Correspondent.)


Kuala Lumpur, Mar. 18.

THE largest rubber factory in Malaya will close down in June. This unparalleled slump, which has made so many changes in the agricultural and economic aspects of the rubber-growing industry in the last two years, is about to overcome the most ambitious enterprise in factory practice which this country has yet seen.

At the height of the boom some years ago the Central Rubber Factory at Kajang, Selangor, was producing nearly half a million pounds of crepe a month, contributed by twelve estates representing fifteen thousand acres of planted rubber. The factory is equipped with thirty-seven heavy machines arranged in three batteries and driven by a 150 h.p. Diesel engine. When the drying sheds are full there is enough crepe hanging in them to stretch from Kajang to Singapore.


Those are a few vivid facts which show the size of the factory, and anyone who knows the mechanical equipment of an average Malayan estate, consisting main-






ly of a few small mangies driven by a five h.p. engine, will not need to be told how far apart from ordinary practice the Central Rubber Factory stands. There are, of course, a few other large factories in Malaya. The F.M.S. Rubber Company, also in the Kajang district, has a well-known one serving their own estates, and the Dunlop Company is adopting the group principle, but the Central Rubber Factory is by far the largest in the country.

Started Before The War.




Considering how recently it is that planters have taken any great interest in the radical reorganisation of factories, it is surprising to find that the Central Rubber Factory was opened as far back as 1911, thanks in the main to the Kindersley brothers, pioneer planters in the Kajang district.

It was enlarged from time to time and when it was running on full production several years ago it was owned by a




group of six estates and received the output of another six. Two of the partners in the enterprise have closed down as a result of the slump and the other four have decided to make sheet instead of crepe rubber, and to make it on their own estates. Consequently there will soon be no work for the central factory to do.



One does not want to enter into technicalities of the various processes by which the latex of the rubber tree is turned into a substance convenient for shipping and suited to the requirements of the manufacturer. Suffice it to say that Mr. John Hands, manager of the Central Rubber Factory, believes that, allowing for the premium on crepe rubber, its manufacture is still worth while, and that those estates which continue to make crepe will reap their reward later on, when the supply of crepe will have diminished and the market will be even more glutted with sheet-rubber than it is already.

Naturally the companies which have built smoke-houses rather than continue to make crepe in the Central Factory hold the contrary opinion. But it is a matter for experts, and may be left to them.

A Modern Conception.



What makes the Central Rubber Factory worth writing about in an article addressed to the lay public, however, is

not that it makes crepe but that it is a central factory, and is therefore representative of a new and more efficient develop-

...tive of a new and more efficient develop-
ment in the organisation of the rubber in-
dustry in Malaya.

The economic wastefulness of an in-
dustry made up of innumerable small
estates, each organised as independent
units, is being widely recognised, and
while the difficulties in the way of ad-
ministrative reorganisation are great
there seems to be hope that the industry
will be converted to large-scale methods
of factory practice.

The expert opinion in favour of such a
reform is impressive. Only this week
the Rubber Research Institute published
a booklet in which the Director, Colonel
B. J. Eaton, points that quite recently the
output of dry sheet rubber in some estate
factories has been increased from 500
pounds per hour to 1,500 or 2,000 pounds.
One need not be a planter or company
director to see the bearing of those figures
on cost of production. Colonel Eaton
also says: "We are of opinion that central
sheeting factories for areas of 5,000 to
6,000 acres are possible, and indeed such
factories are now being adopted."

Mr. Bishop's Warning.

Mr. R. O. Bishop, the head of the
chemical division of the Institute and the


author of this booklet, says that not only
cost of production but quality of output
is affected by improvement of factory
plant, and he reminds planters of the
ominous fact that already there is practi-
cally no difference between the market
prices for estate rubber and rubber from
the Chinese re-milling factories, so that
only by concentrating on strict uniformity
of quality can the estates maintain an
advantage over the native section of the
industry.

The Malayan rubber industry is fortun-
ate in having at its disposal, at a time
in its history when the omens of drastic
reform are to be seen in the sky, two
research officers so keenly interested in
chemical and factory problems as are
Colonel Eaton and Mr. Bishop.


A Big Dunlop Factory.

That central sheeting factories are be-
ing adopted for areas much larger than
6,000 acres—the figure mentioned by
Colonel Eaton—is shown by an article re-
cently written by Mr. F. D. Ascoli,
managing director of Dunlop Rubber
Plantations, a company which has 85,000
acres of planted rubber in this country
and a budgrafting programme covering
30,000 acres.

Mr. Ascoli says that the new Dunlop
factory at Batu Aneq will deal with the




factory at Batu Anam will deal with the crop of 16,000 acres, two-thirds of which are planted with budded stock, and will be equipped with a newly designed battery capable of producing 1,750 pounds of sheet rubber an hour. The factory operations will be organised so as to give the maximum of speed and the minimum of handling. "The plan of this factory," says Mr. Ascoli, "is based on the experiments we have already seen and the conviction that large centralised factories result in lowering costs and raising efficiency."




At last the rubber engineer is coming into his own, and the planter who is not competent to organise a large mechanical plant will go back to his proper work of administration and cultivation. But only big, homogeneous groups of estates can afford to departmentalise their organisa-

tion in that way, and at present one sees no evidence that outside forces are strong enough to drive small, independent estates to amalgamate.


Mr. Hands' Opinions.



Mr. Hands, the manager of the Central Rubber Factory, has had more experience of the large-scale preparation of rubber than any other man in this country and he had been keenly interested in the economics of the industry for some years.



He does not think that the Kajang factory has been operated on the ideal basis for a co-operative factory, in that when production was at its maximum the output from no less than sixty estate divisions was being dealt with separately, both in the factory and in the accounts, so that bulking of the latex was not possible and much office work was done which could be cut out in a central factory run on a different basis. Moreover, the factory was run by a separate limited company, with its own directors, secretaries and auditors.



"Some managers will argue," said Mr. Hands in a recent address, "that six batteries of machines running one hour per day on six estates cost less than one battery in a central factory running six hours, and will prove by means of their accounts that the machining costs nothing, as does the firewood for their smoke-houses, while the central factory has to

pay for these items.

The arguments which Mr. Hands adduced to support his case were perhaps controversial, but the average rubber shareholder will need little persuading that the central factory, in charge of a specialist engineer, is more in accordance with modern industrial principles than the little independent factory in charge of a planter who has half a dozen other jobs to occupy his mind.

Possibilities Of Latex.

There is another point in the case for the central factory which is of interest to the layman. Some day the world is going to use the by-products of the coagulation of latex, and other changes in manufacture are to be expected. We do not know much about the properties of latex yet, but the various research agencies at work may bear surprising fruit at any time.

One thing is certain: the more complex the industrial uses of latex become the more important will be scientific handling of that product in estate factories before it is sent to the manufacturer.

For the benefit of suburban folk who have never been in an estate factory it may be added that the advantages of crepe are that it is colourless, more uniform, and freer from impurities than sheet, but it is also more expensive to make. For the manufacture of tyres sheet rubber is equally good, but for many purposes, notably sponge rubber goods, crepe is desirable.

Planters will be interested to know that the Central Rubber Factory has been charging estates two and a quarter cents a pound, which covers machining, drying, packing, delivery to station, insurance of rubber to station, insurance of buildings and machinery, and depreciation. The latex is brought to the factory in the form of coagulum.

The Modern Hill Cover.

Walking over an exceptionally hilly estate with a planter-friend the other day one was amazed at the results that are being obtained with bracken and stag-moss as covers.

On steep slopes which were being clean-weeded up to a few years ago,

and consequently denuded of their top soil, these two plants have been allowed to establish themselves and have then been slashed down once a year. The

result is that now one's feet step into a thick mulch of decaying vegetation which is effectively preventing soil-wash and at the same time adding humus to the soil.

The time will come when bracken and stag-moss, which only grow in poor soils, will not renew themselves on these enriched slopes, and jungle plants and hevea seedlings will make their appearance. Then will arise the question of how far Mr. Birkemose's methods on Shanghai Pahang Estate are to be followed? Shall the new jungle undergrowth be cut down periodically, or shall it be left untouched?

That is a question for the future, but whatever is decided we may be sure that those slopes will never be clean-weeded again. In the meantime, anyone who sees the wonderful improvement in the soil conditions of those areas brought about by the simple method of growing and then slashing a natural cover must wonder why there are still extensive areas of hilly rubber land in this country which are bare of any sort of undergrowth.

Restriction Reactions.


By the time these lines are published the expected announcement of rubber restriction or the survival of the fittest may have been made in London.

If the latter alternative is announced it will settle the fate of a very large number of estates, for with rubber under threepence a pound, and no prospect of improvement for a year or so, it will be futile to carry on. Consequently we may expect to see the Indian labour depot at Port Swettenham full to overflowing during the next two months if the British and Dutch Governments decide definitely against restriction.


Very many of the labourers will not want to go. The critical spirit with which people imbued with Indian nationalism, or with suspicion of the rubber capitalist, viewed the policy of the planter in relation to the labourer has temporarily but completely disappeared, and it is universally recognised that if the industry can give its employees a bare living it is doing as much as can be expected.

Food Production On Estates.

One benefit which has come out of the hard times on estates is increased cultivation of foodstuffs by the labourers themselves. The law has always required that an estate should allow each labourer




with dependents one sixteenth of an acre for cultivation or grazing, but this regulation never seems to have been enforced strictly. Today both managers and labourers are now making a serious effort to put it into practice. Many estates have funds enough to carry on a certain amount of work even if they stop tapping, and the labourers that will be retained will be those who are able to eke out a small cash allowance with the produce of their own gardens.




The Dunlop Estates have recently taken up this matter in earnest and there is one estate in Selangor, Sungei Ramal, which has no less than twenty acres of market gardens cultivated by Chinese who work on the estate when required. Undoubtedly there is a lot of valley land on estates which could be used for gardens or rice fields, and the advantages of encouraging land settlement on and around estates were never more compelling than they are today.


Departmental Views.



The opinions of the Labour Department on this matter were expressed in a circular issued last year, in which it was remarked that "if such allotments over the country had been bigger in area and larger in number the heavy expense incurred in repatriation in 1930 and 1931 would have been considerably reduced."



The point of view of the labourer is worth noting. In his own country he is a peasant living on what he produces himself. He comes to Malaya, he is expected to live in "lines," and he works for wages on a rubber estate. He suffers physically and morally from the change, and whatever the estates can do to create an Indian peasant class in this country, living on their own holdings but available to do a certain amount of estate work, will go towards remedying an artificial and unhealthy situation.

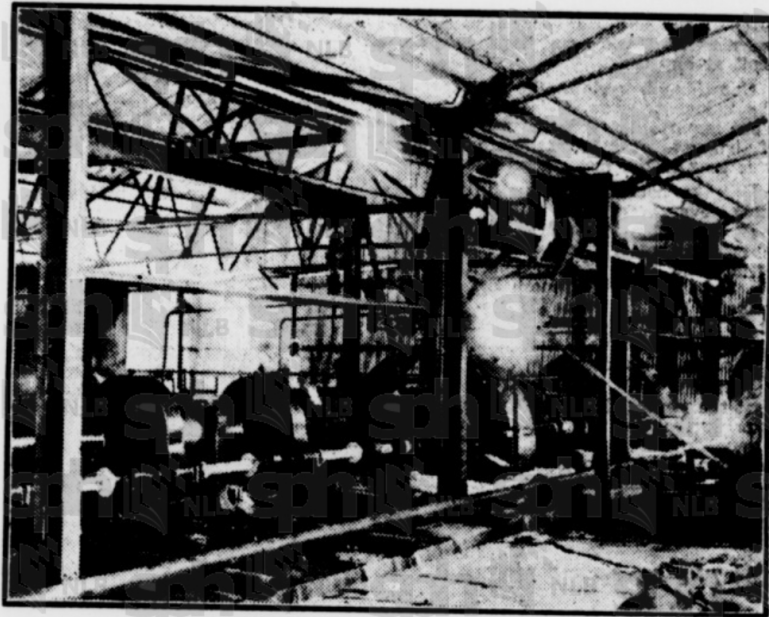


The Labour Department put this argument before the planters in its recent circular. "Immigrant agricultural labourers," said the Department, "who have passed their youth in their own countries come to Malaya with a general knowledge and a practical experience of agriculture. In Malaya all this may be forgotten and there is a danger that their children may grow up with no knowledge save that of the cultivation of rubber or coconuts, for which they may in time acquire a profound dislike."

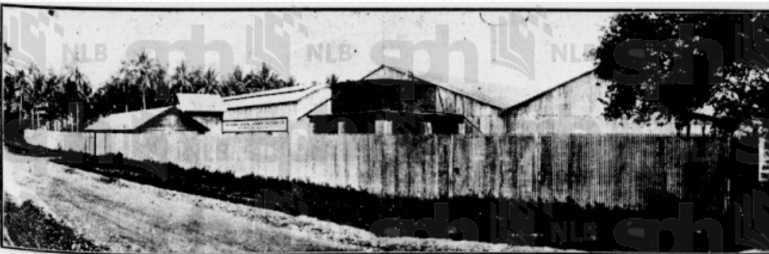




The power plant of the factory is a 150 h.p. Diesel engine. If there were more central factories in the rubber areas of Malaya the cost of preparing Malayan rubber for the manufacturer might be reduced.



These are some of the thirty-seven creping machines with which the factory is equipped. The output during the hectic years of 1926 and 1927 was enormous.



This is a somewhat unsatisfactory picture of the largest rubber factory in Malaya, the Kajang Central Rubber Factory. The premises and plant have been enlarged since this photograph was taken, but it does give some indication of the extensive area covered by the factory. It produces only crepe, and the members of the group of estates which owns the factory have decided that it will pay them to produce sheet rubber on their own estates. Consequently the factory will stop making crepe next month and will close down altogether in June.