

EAST AFR PROT.

ZANZIBAR

22254

REC'D & FILED 8 JUL 11

22254



Pages
Date
1911
July
Memorandum Paper

lease of fort. Pemba at Zanzibar and Pemba.

Leads to the same corner regarding proposals by two companies - the British Eastern Investment Trust & Col. Gen. Thomas, with report by Mr. McClellan on agriculture at Zanzibar. Supports the latter view at 50.

Mr. Allen

This, 2.11.11, or 21.30, 8.11

was signed the Commission etc on Thursday

sent

1/11

10/11

This matter was discussed at the ... held on Thursday ... 10.11.11. I attach a copy of the ... which has been submitted to & approved by Mr. ...

11/11

Mr. Fisher

Now write to the F.O. in the

some of the Committee's ...
without ...
11/20
19/11

RECEIVED

Memorandum Paper

27

22254

Foreign Office
JUL 11
1911



Sir,

I am directed by Secretary Sir E. Grey to transmit to you herewith for the information of Mr. Secretary Harcourt copy of correspondence, as marked in the margin, respecting the proposals made for the lease of a site of the Government Clove Shambas at

Zanzibar. Copy of a report by Mr. McLellan, the Director of Agriculture at Zanzibar, is also enclosed.

I am to explain that the Clove Shambas are, in the opinion of the Zanzibar Government, capable of very considerable development, but it is not at present possible and will not be so for some time to come, for the Government to supply the necessary capital and to set up the detailed organization which would be required.

It is therefore considered advisable that the Shambas should be leased to some reliable syndicate.

Under Secretary of State,
Colonial Office.

10

In any such transaction the Zanzibar authorities attach great importance to the conditions that a fixed minimum rent should be paid, and that the Government should retain what are known as the "duty clove". By this term is understood a tax of Twenty five per cent on all cloves, the produce of Zanzibar and Pemba, which are exported from the Sultanate. The tax is levied in kind, and by thus retaining in their hands one-fourth of the crop the Zanzibar Government are enabled to prevent the control of the clove market passing into the hands of speculators.

Mr. Secretary Harcourt will observe from the enclosed papers that proposals for leasing the Sultanate have been put forward by the British Eastern Investment Trust and by Colonel Owen Thomas. Copies of correspondence with them are inclosed together with comments on their last proposals by Mr. McClellan, Acting Director of Agriculture in Zanzibar.

Mr. S. G. is inclined to think that the two competitors should be told of the conditions set

forth

(26356/11),
 forth under the heading C. in Mr. McClellan's letter
 and asked what they will spend on development -
 giving them Mr. McClellan's terms as to roads and
 railways.

Sir E. Grey would be glad to receive any obser-
 vations which your Department may have to make on
 these proposals in the light of Mr. McClellan's
 letter and he would add that Mr. McClellan (who has
 already had an interview with Professor Wyndham
 Dunstan) could be asked to call at the Colonial Office
 any day before July 18th when he must return to
 Zanzibar.

I am, Sir,

Sir,

Your most obedient,

humble Servant,

W. Langley

To Pa P
Landing

July 1941
1 Aug

DRAFT

Mr. W. G. S.
88

MINUTE

- Mr. W. G. S. 14
- Mr. ... 28
- Mr. Fisher 50
- Mr. ... 2
- Mr. C. ...

Lord ...
Mr. ...

also ...

I am ...

request of your letter

to ... of ...
to ... of ...

and ... of ...
of ...

... of ...

... of ...

2 ...

... of ...
...
...

and the delay of your debt
the amount will be
that unless should be
partly used for the
purchase in case of
99 years' lease of the
first class property
a reasonable price may
be had for
percentage of 25%
duty levied on land
should be returned
and the condition of
the land should be
the duty levied on

should not be admitted
without the previous
consent of the party to
writing, and that
it should be stipulated
in a ^{particular} deed condition
that the lease should
be transferred without
such consent. It
therefore would also
be necessary that before
the lease is made
the condition of the
land should be ascertained
and the duty levied on

forwarded by post to

Mr. W. H. Waller's care

of the 1st of July, 1854

City of New York

Your letter of the 27th of July 1854

28

1854

CONCESSIONS COMMITTEE.

(Extract)

Minutes of the Ninth (Special) Meeting of
1911 held in the Conference Room on Thursday the 13th
July at 11.30 a.m.

Present.

- Lord Lucas (in the Chair)
- Mr. Read
- Mr. Risley
- Mr. Strachey
- Mr. Ellis
- Mr. Grindle
- Mr. Stubbs
- Mr H.T. Allen (Clerk).

Mr. Tilley of the Foreign Office and Mr. McClellan, the Director of Agriculture at Zanzibar, were present during the discussion of Subject 1.

Preliminary:- The Minutes of the Eighth (Ordinary) Meeting of 1911 were confirmed.

Subject 1. Government Caves Shambas at Zanzibar. Mr. Tilley explained that the Foreign Office desired the advice of the Committee on two points (a) the terms on which a lease of the shambas might

might be granted and (b) which of the two applicants, viz:- Colonel Owen Thomas, and the B.E. Investment Trust, has made the better offer. Up to the present the consideration of the matter by the Foreign Office had chiefly turned on the question whether, if the shambas are disposed of, the Government should or should ^{not} retain the "duty cloves" i.e. the 25% tax imposed in respect of all cloves, the produce of Zanzibar and Pemba, exported from the Sultanate. This tax is levied in kind at the Custom House at the time of exportation. ~~He added that he thought that the~~ object which the applicants had in view in putting forward their proposals ^{might be} was speculation rather than development.

Lord Lucas enquired whether it would be advantageous to throw the lease open to wider competition, but Mr. Tilley said that the Foreign Office would be content to accept one of the two present applicants, and Mr. McClellan expressed the opinion that the Government would not obtain any better terms by widening the field of competition. Lord Lucas then referred to the proposal of the merchants of Zanzibar (enclosure 14 to Mr. Sinclair's despatch No. 128 Confidential of the 28th April) that the plantations should be advertised and disposed of by auction, but Mr. Tilley and Mr. McClellan agreed that in the circumstances it was not practicable to adopt this proposal, especially as the merchants themselves have no desire to become planters.

+Encl. in
2254/10.

In reply to a question by Mr. Read as to the international position, Mr. Tilley said that it was, of course, necessary to avoid any arrangement that might be regarded as the establishment of any monopoly or exclusive privilege in trade, but he did not consider that there was any danger of this in the proposals referred to the Committee for consideration. The position might, of course, be different if the "duty cloves" were not retained by the Government, as that would be going a good deal further in the direction of a monopoly.

As regards the respective merits of the two applicants Mr. Read said that Colonel Owen Thomas had not impressed the Colonial Office very favourably. It had been found that his ^{East African Protectorate} scheme, though originally of an ambitious nature, had assumed much smaller proportions when the details came to be negotiated.

Mr. Tilley said the Foreign Office had experienced the same thing in the case of their negotiations with Colonel Owen Thomas. In the present instance he originally brought forward the name of the Duke of Westminster as among those interested in the scheme; but the position had since changed, and his supporters were now stated to be Mr. Tilden Smith, Sir T. Lipton and Sir T. Dewar: indeed, as a matter of fact, it was the first of these three gentlemen who was now negotiating as representing the other two.

As regards the British Eastern Investment Trust,

Trust. Mr. Tilley stated that the Board of Trade had reported that the firm had a good character and was well-managed. He also pointed out that the Trust did not raise the same objections to the retention of the "duty cloves" by the Government.

The discussion then turned on the terms suggested by Mr. McClellan in his memorandum of the 15th April, 1911 (enclosure 6 in Mr. Sinclair's + despatch No. 128 Confidential of the 28th April). Mr. McClellan considered that the lessees should be required to pay to the Government a proportion of their profits on the extension of their trading operations, as such extension would largely result from the possession of the Government shambas; and, on the question being raised whether the Government could claim any share of profits arising from the plantations purchased from the natives, Mr. McClellan added that he understood the offer of the Trust to mean that the Government should participate in such profits. The Trust already held options over considerable areas; and, although the "duty cloves" formed a safeguard against the establishment of a monopoly, it was objectionable that one owner or corporation should obtain control of too large a proportion of the islands' lands. Therefore, before any lease is granted, steps should be taken to prevent this, as suggested in his letter to Foreign Office of the 2nd July. Mr. McClellan also explained the proposals put forward in his memorandum of the 15th April, 1911; and said that, although

(+ Enclosure to
22254/10).

+ Enclosure in
22254/10)

yield would not be capable of indefinite increase and that there could be no expectation of enormous profits apart from an enhancement of the price of cloves, which the 25% tax was designed to prevent. The clove area should be kept substantially as at present. Coconuts might however be largely exploited and possibly rubber and wattle to some extent. Lord Lucas pointed out that, in that case, it might conceivably become more profitable to exploit the rubber instead of the cloves; and, although it was pointed out that a royalty of 10% or 12% would in that case be obtained from the rubber, it was agreed that, in the case of a long lease, it would be necessary to safeguard against the possibility of a change of crop, especially in view of the desirability of the Government keeping some control of the clove market by means of the "duty cloves".

Mr. Ellis then suggested that, as the object of the Government was to obtain funds for development, the simplest plan would be to invite tenders for the purchase of a lease of the shambas for a lump sum in cash. If a good offer were made the Government could accept it, and the proceeds of such sale devoted to development in such manner as might be thought fit. Such an arrangement would greatly simplify matters, and would avoid disputes on questions of railway and road development, and on the various matters arising out of the rent proposals, e.g. as to the time when trees come into bearing &c., &c. He admitted

admitted that 15,000 acres was a large area but slaves are not one of the necessities of life, and, in any case, the Government could still keep some control over the market by retaining the "duty slaves". He would offer the lease to public tender, and thus meet the objections raised by the foreign Consuls.

The question whether the freehold or a lease for 99 years should be sold was then discussed. Lord Lucas thought that in such a case the difference would not be of material importance to the purchasers; but Mr. Grimle dissented to this view on the ground that a freehold was a definite asset whereas in the case of a lease provision would have to be made for the amortization of capital. The Committee agreed that it would be preferable to dispose of a lease of the chambers rather than the freehold.

In reply to Mr. Strachey Mr. Tilley said that it might possibly cause difficulty if the lease got into foreign hands, as the question of taxation (i.e. the "duty slaves") might prove embarrassing. Trouble had already been experienced on this account. Under a Treaty with the German Government a charge of 25% was admissible, but no such arrangement had been made with the French. He agreed therefore that it would be desirable to consider the possibility of devising means for retaining the lease in British hands.

The general opinion of the Committee was

that

that Mr. Ellis' proposal was the simplest way of solving the difficulty; but Mr. Risley & Mr. Head ^{don't} know whether it would prove practicable as concessionaires were not, as a rule, in favour of putting down a lump sum. It was pointed out however that Colonel Owen Thomas in his letter of the 2nd June stated that they were still prepared to purchase on cash basis.

It was then Resolved that

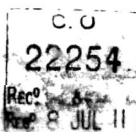
"The Committee recommend that tenders should be publicly invited for the purchase in cash of a 99 years lease of the Government Clove Shambas at Zanzibar - a reserve price being fixed. The principle of a 25% duty leviable in kind on the cloves exported should be retained, and one condition of the sale should be that the existing clove area should not be reduced without the previous consent of the Government in writing. The Committee also agreed that before tenders are invited steps should be taken to provide, in the proposed ^{draft} 'decree', the safeguard suggested in Mr. McCallan's letter of the 2nd July".

(Mr. Head promised that in the event of the recommendations being accepted by the Secretary of State, they should be communicated to the Foreign Office by letter).

(Enclosure in 22254/10)

(Enclosure in 22254/10)

H. H. Head



ZANZIBAR.

Agricultural Department.

REPORT FOR 1910

CHAPTER I.

Section I — Government shambas — History: past records and condition.

The Zanzibar shambas are alone referred to here, because the stocktaking of those in Pemba is not yet carried out and because the extraordinary expenditure of recent years has been confined to the former plantations.

The past history of the shambas has been fully dealt with in former annual reports.

There are 63 shambas in this island—some of which however such as Kidote, which includes one or two small isolated properties and Dunge which includes three, comprise more than one.

Their management was taken over by the Agricultural Department in 1902, at which date they were in a very foul condition.

Many of the plantations still show traces of past neglect.

So far as the present census there were at that time supposed to be 133,000 clove trees and 82,000 copra trees or roughly 3,200 acres under trees.

In 1903 one plantation was leased, in 1906 nine more, and in 1909 a further twenty-one, making a total of 32 leased and 34 in hand.

The first two leases were for 50 years, the remaining leases are—two for 25 years, twelve for 12 years, two for 30 years, one for 8 years, two for 6, and seven for 5 years.

The following table gives the financial history since taking over. (The figures include Pemba.)

Year	Rs.
1902	90,794
1903	51,690
1904	37,412
1905	177,637
1906	128,442
1907	...
1908	146,838

* Loss 53,317 Rs.

The figures for 1910 will not be available until the end of January.

The 1907 and 1909 figures are explained partly by the fact that the greater part of the 1908 clove crop was sold in 1909.

Year	Island	Harvest Expenditure.	Receipts from Sales.
1908	Island	Rs. 25,369	Rs. 808
	Pemba	5,302	14,894
1909	Island	30,671	15,697
	Pemba	5,063	128,823
1910	Island	10,066	39,796
	Pemba	1,170	165,618

*Note.—These figures must not be taken as a basis for purposes of calculation of the sale or rental value, as they represent only the cost of the net results of working the individual shambas including the cost of management, supervision, and do not include disbursements or superintendence or office expenses. The figures given in Section 2 provide a basis for valuation.

Item	Rs.	Remarks
Land	10,700	A large amount of new plots and lots for new plots.
Machinery	1,000	
Materials	1,000	
Construction	1,000	
Contingencies	1,000	

All the figures in connection with the past history of the plantation are given very fully in the report of the Board and other documents, and there is no need to duplicate the statements. I will deal with them further in the supplementary report which it will be necessary to send in when the figures for 1910 are available.

In approaching the question of estimates for the statements in the file and memoranda above referred to are of great importance, namely that in Seyal Island, the estimates were in general low but that from 1905 to 1911 no estimate whatever was made, and they were based on a supply of 100,000 tons. This shows the whole question of management, as well as a full statement is established. It is a work of some years to come to bearing on the subject.

My later remarks will show that the whole statement is based on facts, but the essential principles are as follows:

Table 1a - Approximate areas of Government Plantations

Area No.	Area	Remarks	Area No.	Area
1	100	...	1	100
2	100	...	2	100
3	100	...	3	100
4	100	...	4	100
5	100	...	5	100
6	100	...	6	100
7	100	...	7	100
8	100	...	8	100
9	100	...	9	100
10	100	...	10	100
11	100	...	11	100
12	100	...	12	100
13	100	...	13	100
14	100	...	14	100
15	100	...	15	100
16	100	...	16	100
17	100	...	17	100
18	100	...	18	100
19	100	...	19	100
20	100	...	20	100
21	100	...	21	100
22	100	...	22	100
23	100	...	23	100
24	100	...	24	100
25	100	...	25	100
26	100	...	26	100
27	100	...	27	100
28	100	...	28	100
29	100	...	29	100
30	100	...	30	100
31	100	...	31	100
32	100	...	32	100
33	100	...	33	100
34	100	...	34	100
35	100	...	35	100
36	100	...	36	100
37	100	...	37	100
38	100	...	38	100
39	100	...	39	100
40	100	...	40	100
41	100	...	41	100
42	100	...	42	100
43	100	...	43	100
44	100	...	44	100
45	100	...	45	100
46	100	...	46	100
47	100	...	47	100
48	100	...	48	100
49	100	...	49	100
50	100	...	50	100
51	100	...	51	100
52	100	...	52	100
53	100	...	53	100
54	100	...	54	100
55	100	...	55	100
56	100	...	56	100
57	100	...	57	100
58	100	...	58	100
59	100	...	59	100
60	100	...	60	100
61	100	...	61	100
62	100	...	62	100
63	100	...	63	100
64	100	...	64	100
65	100	...	65	100
66	100	...	66	100
67	100	...	67	100
68	100	...	68	100
69	100	...	69	100
70	100	...	70	100
71	100	...	71	100
72	100	...	72	100
73	100	...	73	100
74	100	...	74	100
75	100	...	75	100
76	100	...	76	100
77	100	...	77	100
78	100	...	78	100
79	100	...	79	100
80	100	...	80	100
81	100	...	81	100
82	100	...	82	100
83	100	...	83	100
84	100	...	84	100
85	100	...	85	100
86	100	...	86	100
87	100	...	87	100
88	100	...	88	100
89	100	...	89	100
90	100	...	90	100
91	100	...	91	100
92	100	...	92	100
93	100	...	93	100
94	100	...	94	100
95	100	...	95	100
96	100	...	96	100
97	100	...	97	100
98	100	...	98	100
99	100	...	99	100
100	100	...	100	100

Statement of Expenditure and Receipts for the year ending 31st March 1910

Approved by the Board giving the expenditure on the plantation from the Government fund thereon in 1910.

Particulars	1908		1909		1910	
	Estimate	Actual	Estimate	Actual	Estimate	Actual
Director and Office Staff	Rs. 31,426	Rs. 34,181	Rs. 34,914	Rs. 35,189	Rs. 35,189	Rs. 35,189
Superintendent	18,000	105,000	88,667	15,596	15,596	15,596
Cultivators, bearing trees	17,500	20,000	24,000	34,058	34,058	34,058
Cultivators, unbearing trees	19,800	14,800	31,150	6,317	6,317	6,317
Plantations of new plantations	65,000	34,191	34,312	38,719	38,719	38,719
Plantations				6,162	6,162	6,162
Plantations				4,678	4,678	4,678
Plantations				8,912	8,912	8,912
Plantations				1,388	1,388	1,388
Plantations				70,875	70,875	70,875
Total	158,346	1,23,827	192,243	1,09,300	1,27,331	70,875

* Includes drying floors, new houses (motor car in 1910), &c.

Section 3 Fuel Revenue
 Appendix to a table giving the gross revenue from different localities for the past 7 years up to 1910 inclusive

Appendix to Department
 Statement of Revenue from the Government Plantations

Year	1904		1905		1906		1907		1908		1909		1910	
	Rs.	Cs.	Rs.	Cs.	Rs.	Cs.	Rs.	Cs.	Rs.	Cs.	Rs.	Cs.	Rs.	Cs.
Total	58,200	87	61,432	14	59,117	30	61,443	87	60,000	72	58,213	88	60,000	72
Less: Fuel Revenue	60,000	42	61,000	40	60,000	40	61,000	40	60,000	40	61,000	40	60,000	40
Balance	1,200	45	4,432	74	1,117	90	4,443	47	1,000	32	1,213	48	1,000	32
Total	59,400	132	65,864	118	60,234	120	65,487	134	61,000	72	62,213	96	61,000	72

Table No. 10 - Crops from Government Shambas

Year	Crop			Season	Total Crop	Percentage of Government to whole
	Jowar	Peanut	Total			
1909			12,433			
1908			2,672			
1907			2,985			
1906	10,507	2,296	12,703	1905-6	12,942	5.02
1905	154	9,939	10,093	1904-5	1,822	1.41
1904	2,300	4,230	6,530	1903-4	7,986	1.05
1903	42,000	2,970	44,970	1902-3	22,969	4.41
1902	7,000	4,508	11,508	1901-2	4,612	1.77
1901	27	1,501	1,528	1900-1	12,071	1.59
1900	10,223	4,761	14,984	1900-0	18,745	4.61
1909	7,650	1.52	4,607	1909-10	11,673	2.82

Note - The last column gives the percentage that the crop of the Government shambas bears to the crop of all other sources in the two states.

Section 20 - Cereals Picked on Government Shambas

Year	F	Number Picked	Average per Tree	Average Price
1909		325,371		
1908		1,197,216	25.4	21.20
1907		1,001,807	21.4	24.79
1906		1,305,209	20.6	23.90
1905		1,339,307	22.1	26.90
1904		1,224,514	20.1	24.50
1903		1,576,900	24	24.25
1902		1,207,950	22.1	27.50
1901		307,824		35.87

Note - In 1910 most of the available shambas were felled, the crops being then various dates.

Section 4 - Development of Jowar crops

The official investigations show recent years have been marked by large developments.

Year	Jowar	Cereals	Rubber	Nuts	Peanuts
1909		40,000			
1908	1,000	10,000			
1907	10,000	40,000		1,000	
1906	10,000	40,000		200	
1905	10,000	40,000	5,000	2,000	
1904	15,000	50,000	10,000	2,250	10,000
1903	20,000	60,000	15,000	3,000	
1902					

Note - These figures are dealt with later in Section 1.

Section 5 - Statistics of 1910

The stocktaking of the Executive shambas has been completed at a cost of 1,100 rupees, and the attached table gives the result.

Columns are provided so that a comparison may be made between the numbers reported as existing before the stock-taking, and the actual figures, and also for the purpose of showing the number of acres that remained in the office books as being available for planting.

The figures shambas will clearly be taken to show that the Government has 11,000 acres of shambas available for planting, and that the total area of shambas is 1,100 acres.

* The Census Department gives in Appendix 1.

Agricultural Department.

Name of Shamba.	From Office Records.				1910 Stocktaking.				Occasants.				1910 Stocktaking.				Past.		Closes.	
	Planted		Total		Gaps		Total		Planted		Total		Planted		Total		Planted	Alive	Planted	Alive
	Reported Number	Remained 10 Years	Old Trees	1-10 Years Old	Old Trees	1-10 Years Old	Reported Number	Planted in last 10 Years	Old Trees	1-10 Years Old	Reported Number	Planted in last 10 Years	Old Trees	1-10 Years Old	Reported Number	Planted in last 10 Years				
Murumbi Group—																				
1. Murumbi	4,800	5,130	3,146	408	622	3,010	400	2,400	629	699	12,226	699	2,179	2,179	2,179	2,179	2,179	2,179	2,179	2,179
2. M. Ningo	7,000	9,700	5,935	1,770	2,072	7,865	1,300	5,330	3,795	2,685	4,394	3,795	2,685	2,685	2,685	2,685	2,685	2,685	2,685	2,685
3. M. Ningo	1,100	1,100	1,100	62	712	1,172	404	795	3,630	1,009	1,785	3,630	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009
4. M. Ningo	3,600	4,715	3,722	1,531	1,632	5,253	288	2,069	399	1,438	1,887	2,069	399	399	399	399	399	399	399	399
5. M. Ningo	1,561	6,050	1,313	550	262	1,863	80	2,183	272	1,439	3,082	2,183	272	272	272	272	272	272	272	272
6. M. Ningo	9,800	10,550	6,313	1,478	2,832	7,992	600	4,625	1,111	1,032	1,032	4,625	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
7. M. Ningo	3,050	5,235	3,336	1,489	968	4,498	233	1,730	449	1,513	2,990	1,730	449	449	449	449	449	449	449	449
8. M. Ningo	3,560	6,120	2,214	3,919	1,000	3,113	230	3,300	230	3,300	3,300	230	3,300	230	230	230	230	230	230	230
9. M. Ningo	2,075	9,430	2,214	2,176	2,176	3,449	586	3,468	586	3,468	3,468	586	3,468	586	586	586	586	586	586	586
10. M. Ningo	8,000	11,045	5,660	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223	2,223
11. M. Ningo	643	4,706	2,580	1,298	2,301	6,038	260	3,017	838	1,456	5,314	838	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456
12. M. Ningo	3,000	5,200	2,580	250	670	2,830	670	2,830	670	2,830	2,830	670	2,830	670	670	670	670	670	670	670
13. M. Ningo	44,055	75,530	37,327	13,379	11,098	96,996	8,531	65,537	14,258	21,170	25,408	65,537	14,258	21,170	21,170	21,170	21,170	21,170	21,170	21,170
Total																				

Name of Shamba.	From Office Records.				1910 Stocktaking.				Occasants.				1910 Stocktaking.				Past.		Closes.	
	Planted		Total		Gaps		Total		Planted		Total		Planted		Total		Planted	Alive	Planted	Alive
	Reported Number	Remained 10 Years	Old Trees	1-10 Years Old	Old Trees	1-10 Years Old	Reported Number	Planted in last 10 Years	Old Trees	1-10 Years Old	Reported Number	Planted in last 10 Years	Old Trees	1-10 Years Old	Reported Number	Planted in last 10 Years				
Salem Group—																				
1. Salem	12,000	13,700	11,778	1,744	2,168	13,923	2,209	15,869	3,750	2,179	1,844	3,750	2,179	2,179	2,179	2,179	2,179	2,179	2,179	2,179
2. Salem	5,370	26,030	6,699	4,506	1,434	11,105	1,434	22,195	7,079	4,039	3,040	7,079	4,039	4,039	4,039	4,039	4,039	4,039	4,039	4,039
3. Salem	9,500	6,645	6,674	1,656	1,036	6,126	600	7,500	832	1,408	1,408	7,500	832	832	832	832	832	832	832	832
4. Salem	4,500	4,443	1,125	3,618	2,618	6,236	600	4,032	960	500	500	4,032	960	960	960	960	960	960	960	960
5. Salem	6,670	9,000	6,050	703	2,294	6,773	340	4,080	1,325	2,755	2,755	4,080	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Total																				

Agricultural Department—continued.

Name of Station	Cocoa				Rubber			
	From Office Records		1910 Stocktaking		From Office Records		1910 Stocktaking	
	Reported Number	Planted in last 10 Years	Old Trees	1-10 Years Old	Gap	Total	Reported Number	Planted in last 10 Years
56. Malabon	100	1,014	45			45	600	780
61. Boman	660		2,335	54	139	2,579	973	5,930
58. Kibola							511	4,529
70. Dore							300	2,505
Total	860	1,014	2,380	54	139	2,579	21,491	87,571
			9,808	716	1,211	1,023	31,431	87,571
								36,425
								28,511
								54,996
								3,427
								1,499
								600
								1,770

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A comparison between the reported numbers of the bearing trees of the various stations is of no importance, but the discrepancies between the actual number of young trees as compared with those numbers that were reported by the stations as having been planted are so great as to demand a further account.

Out of 248,061 young olive trees said to have been shipped 24,367 remain—equivalent to about 8 1/2 per cent of death.

Out of 212,336 olive saplings received in Luzon 12,786 remain—equivalent to about 6 per cent of death.

Out of 14,777 rubber plants planted in Luzon 1,200 remain—equivalent to about 8 per cent of death.

It is chiefly failure by death which account for many of the without wanting suggest the statement it cannot possibly account for the total losses and the only other explanation is that they were never planted.

Whether this was the result of failure on the part of the growers or of the plantation companies is a question which is not adopted to be made, assuming as it did the planting of these olive plants a large number of stations the responsibility of removal and supervision in all these respects the more of the cost having to be carried out with the station of a loss under the fact that many of the bearing saplings were killed after the long and long days of the plantation with the planting of the saplings and the marked and the growth of the trees in the various stations and in some cases the loss of ground under the plantation of the olive plants as the site of the olive plantings.

However it is difficult to get accurate figures as to the number of trees which have been planted and the number of plants which have been reported as having been planted.

Undoubtedly the bearing trees which were reported to have been planted, the actual ones in the case of bearing trees have been light.

The olive trees of 1910 the station which is reported as having put under crops 117 acres of olive of 200 acres of mangroves and 120 acres of rubber (including olive trees to the area of 200 acres of trees and 202 rubber trees).

The actual planting operations in Luzon for that period 21,367 figures equivalent to 20 per cent of the reported number.

These figures which are reported as planting the trees that are reported to have been planted.

These figures which are reported as planting the trees that are reported to have been planted.

It is both more a reasonable estimate of the number of trees which have been planted and the number of trees which have been reported as having been planted.

Per Tree		Per Acre	
No.	Ch.	No.	Ch.
4	10	250	10
4	10	250	10

Per Tree		Per Acre	
No.	Ch.	No.	Ch.
4	10	250	10
4	10	250	10

That is, when deciding on development operations on uncleared ground, the Government must prepare themselves for a capital expenditure of 273 rupees per acre on cloves, and 152 rupees per acre on coconuts before returns begin to come in, or if planted on ground previously cleared by natives for their cassava, then a capital expenditure of 231 rupees and 241 rupees respectively.*

But as already shown, as a set-off against the supposed pecuniary benefit derived from a choice of the latter class of ground, is the great and to my mind the decisive disadvantage of the fact that it is in scattered and isolated patches, so that no lining out, uniformity of planting, or symmetry is possible.

This matter is very closely connected with the discrepancies disclosed by the stock-taking.

From motives of economy, this class of ground was selected for the coconuts, the natives presumably undertaking to clear them. But the native practice of cassava cultivation is such as to entirely militate against the success of the plan, for not only does he not clear his crop in its later stages, which becomes then a tangled mass of underwoods but he moves on to another piece of ground, if it is available, for his next year's crop, leaving the Government coconuts to get on as they can, with the result that the whole plot is lost, or its existence forgotten.

It is difficult to explain the very heavy loss of the young clove trees except partly by the extreme negligence of the overseers, and owing to the large scale of the plantings by their inability to properly tend them during the first few years.

The clove tree, more than most other trees, needs constant attention in its early years in order to get it established.

Section 7.—Revenue for year 1910.

As the accounts for the last two months are not yet available, a supplementary report will be made during January.

A table of past revenues is given in section 3.

That 3000 coconuts will be found to have increased, owing to the system of licensing annually.

The total revenue will be affected by the size of the clove harvest which is estimated at less than half that of last year.

A small fresh source has been obtained from the licensing of sundry fruit trees, such as mangoes, durian, jack-fruit, etc.

A future source, small, but indirectly very important, will be the income from ground-rents.

The conclusions I have come to regarding the all important question "Can the revenue be largely increased," are—

No large increase is possible without a large increase in expenditure.

I do not advocate any extensive schemes of development with the existing type of overseer in charge of them. The past schemes have generally been far from successful, and I attribute this principally to the quality of supervision.

In other sections I have indicated the extent of development to which I consider that the Government is justified in going.

A Capitalist Association, if it took over the shambas, would undoubtedly combine with their management a trading business in cloves, copra, etc., and would find it advantageous to do so.

It would probably also loan money out, and so obtain a hold on other properties and their crops. It would set about reducing the cost of portage by forming good roads through its properties in connection with the main roads of Government. It might itself start factories.

Such activities as some of the above, though sound enough methods of increasing the revenue of the shambas are somewhat outside the province of a Government.

The revenue will automatically (apart from the ups and downs of the clove-harvest) increase from those developments of recent years, and from those on a smaller scale proposed by me for the future.

I also look forward to increases by decreasing expenditure per unit under a more systematic scheme of weeding payments, measuring, etc., and by endeavouring to introduce a better class of overseer, for while some that we have are intelligent, and possibly honest, others lack intelligence, and I doubt their honesty.

Like all other shambala owners we suffer great losses from prodal larceny.

* These figures tend to rise considerably, owing to the increase in cost of labour.

Section 8.—Policy of Leasing

The attached table gives particulars of the shambas leased.

According to our stock-taking figures, the rents are in some cases low.

With the present type of lease the system has great disadvantages, for to ensure development of the shambas a long lease is necessary, but these people do not wish for a long term with a view to development and of the 20 plantations let, most are for short terms of from 5 to 12 years.

Under such a term the tenant looks only to getting as much out of it as he can in that period, and putting as little money into it as possible.

The system of supervising is not always successful, the reports of the supervisors are not trustworthy, and frequent visits of the D. of A. and the Superintendent are necessary.

Three forfeiture proceedings have been commenced during the first half of the year and since then two more have been commenced.

A large number of notices have also been served that proceedings will follow if the Government requirements are not carried out.

There is a general opinion on the necessity of the condition of planting a certain number of trees each year, and the cultivation conditions are never carried out except under compulsion.

I have made recommendations with regard to a more liberal definition of the lease of what constitutes husbandlike treatment and cultivation of a shambala.

I do not recommend further changes for short periods but see no reason why selling shambas should not be set on long terms to suitable people under a form of lease as above, and that the unimproved land belonging to the holding should be let at a nominal rent in the first few years, and a process of reversion if not developed within a certain period and at a certain rate.

Yield of Rubber Plantings

Region	Number	Total	Yield	Year of Planting	Number Acreage
China	8,000	8,000	Good	1900	1,000
Malaya	4,000	4,000	"	1900	2,000
Sumatra	2,000	2,000	"	1900	Abandoned
Chukchi	2,000	2,000	"	1900	Abandoned
Other	1,000	1,000	"	1900	4,000
	1,000	1,000	Bad	1900	
	1,000	1,000	"	1910	1,000

Section 17 Development with rubber crops

As already stated I consider that the energies of the Government must be first devoted to the continuation of the development of their commerce and the planting of their clove.

Trial plantings on a small scale have been for years in existence at Danga and Mpage, and full records of these exist.

As regards crops planted under cultivation.

(a) Nutmegs - There has been a large planting of these at Danga which covers 2000 acres, but only 5000 and 5000 have been planted on the area of 2000 acres.

There is nothing in the ordinary trade in nutmegs and cloves, I propose to plant 1000 at 20 feet apart under the rubber trees, first making a trench 18 inches of the latter and I consider that 20 acres of nutmegs are enough. The space must be determined until the growth of rubber trees is in the open air to show how many female plants will be present at the time of planting.

The small patches of nutmegs which have been planted in the open air, will be distributed.

In each ground, nutmegs will be planted and the nutmegs allowed to take their chance as a secondary crop in the main.

The price of nutmegs is very low and for the next 10 years and there is no chance of any increase in the future as the market is saturated and the price will be low.

By Danga and Mpage have been planted at Danga covering an area of 1000 acres.

24. There is an experimental station was planted at Danga which have been very rich and the yield is the best.

The trees are healthy but the yield is very low and the price is very low. I am planting many of the latter and the planting of a new one will be very high up in the future.

A trial sowing of clove has been made under a young enough plantation for purposes referred to in my memorandum on Clove Management.

All the nutmegs in a new plantation should be planted in the open air without shade after the early stages are past.

Most of the seed from the nutmegs has been used in the plantation on the island.

I propose to plant a report on the quality of the nutmegs grown. These will be sent here for this purpose.

(b) Clove - I have been given the same yield at Danga and Mpage of the clove and have reported on it, and as the clove is a profitable one and the yield is the best.

It is a crop that requires a large capital and the yield is very low and the price is very low.

It is extremely a very profitable one and the yield is very low and the price is very low.

I am planting many of the latter and the planting of a new one will be very high up in the future.

A trial sowing of clove has been made under a young enough plantation for purposes referred to in my memorandum on Clove Management.

All the nutmegs in a new plantation should be planted in the open air without shade after the early stages are past.

Most of the seed from the nutmegs has been used in the plantation on the island.

of 10,000 trees planted in 1900, 100 of these will be left for seed which is frequently asked for by Arabs and Indians for sentimental reasons.

Area - Of 500 acres, 422 remain. The area will be planted by its normality and a comparison is this year being used for report.

Observation - Of those planted all remain. There is no reason why the area should be increased, but for the same reason as mentioned in the report of 1900, I intend to make a sowing under a young plantation in the open air, using the same variety.

Cloves - Of 2,000 L-shaped trees, some remain and of the 7,000 Arabian clove have good ones. Nothing further will be done in the district.

Plantings - Of the "Red" variety 100 are at Danga and 1,000 at Mpage, and 1,000 at Danga and 1,000 at Mpage.

The main have been so far.

Year	Area	Yield
1900	1,000	1,000
1901	1,000	1,000
1902	1,000	1,000
1903	1,000	1,000
1904	1,000	1,000
1905	1,000	1,000
1906	1,000	1,000
1907	1,000	1,000
1908	1,000	1,000
1909	1,000	1,000
1910	1,000	1,000

the results have been

Year	Area	Yield
1900	1,000	1,000
1901	1,000	1,000
1902	1,000	1,000
1903	1,000	1,000
1904	1,000	1,000
1905	1,000	1,000
1906	1,000	1,000
1907	1,000	1,000
1908	1,000	1,000
1909	1,000	1,000
1910	1,000	1,000

The variety was originally selected and named as a small one with a view to making a cutting factory as soon as possible that was afterwards abandoned. It stands in a long way from town and is on a high road and the cost of the crop is considerable.

There has been some difficulty in disposing of the large quantity coming at once to a market being made at a price low.

I suggest that the production of this variety should be discontinued and that we keep a few trees to supply the demand for local European demand and where there is a market for it.

The fruit of this variety is very suitable for making a probably valuable for export to Europe, as it is large, heavy and ripens quick.

It is a very profitable one and the yield is very low and the price is very low.

It is extremely a very profitable one and the yield is very low and the price is very low.

I am planting many of the latter and the planting of a new one will be very high up in the future.

A trial sowing of clove has been made under a young enough plantation for purposes referred to in my memorandum on Clove Management.

All the nutmegs in a new plantation should be planted in the open air without shade after the early stages are past.

Most of the seed from the nutmegs has been used in the plantation on the island.

I propose to plant a report on the quality of the nutmegs grown. These will be sent here for this purpose.

It is now common as a boundary tree and is suitable for growing in small plots. Small plantings will be made for purposes of the research.

Soy-beans—In 1909 Messrs. Smith Mackenzie gave the Government some seeds for distribution of this plant (Glycine hispida). As, however, no instructions were sent out with the seed, the suitable owners failed to make any trials, nor did the Government make any on its own plantations.

The plant which is leguminous yields a seed for which a large demand has arisen in Europe as a source of oil. It may prove of value to us in other ways. Being leguminous, it is valuable as a rotation plant and as green manure, and it also provides a fodder of fair quality. It may prove useful to us in our search for some crop with which to -near cultivate our coconut plantations, a subject referred to under "General Shamba Management".

Messrs. Smith Mackenzie have so far been able to supply us with one variety of the name of which is unknown. Some of the best varieties require quite different conditions of soil and climate, and it will therefore be premature to come to a conclusion from the one variety that we have before us.

I am obtaining small quantities of the chief varieties and will have them tried in the next sowing season. Meanwhile some trial sowing has been made with the present seed during the day light rains.

Sum-sim—The cultivation of this plant (Sesoum Indicum) is almost well known to the native, which is of great advantage in their present state of ignorance and their reluctance to try anything new. I propose to have a small area under cultivation in one of our plantations and grow it in rotation with a leguminous crop, the ground nut—*Arachis Hypogaea*—also known to the native cultivator, and the crops of both of which have a decided value and produce both crops occupying a position of importance in tropical agriculture. They are grown also under a young coconut plantation.

They are suitable crops for the small holders who should be encouraged to go a more for their cultivat. **Oil Palm**—Known only as *Mitaka* to the Thama (Government) of Tonkin. It is indigenous to the two islands and therefore of supposed origin, but its distribution is not general. I think with this as well as some other crops for the same use of the native circulars might be distributed to the Thama through the Indian Commission giving some information about their uses and value to the Thama people for the purpose of inducing them to rely on the local shopkeepers for their needs and to trade themselves about Tonkin.

On one of our stations, I propose to make a small planting of this palm. There is one other crop which will be cultivated of which the D. of A. has not made a large number of experiments, and he reported that the Government should try it further with its cultivation.

There is no more way the matter should be referred to from experiments started. It has previously been tried at Tondouk phase 17.

(3) **Pea**—*Cicer arietinum*—The soil state of the island is not suitable for this crop in tropical countries, both for planting and for the purpose of trying up such localities and for the ground.

The quality of its timber is good and it is a good structural material, but it possesses an essential property in its growing, one of its uses as fuel, and it is rapid growing. It will be planted on an area of 100 acres, and also on the other side of the town.

If it is introduced while cultivated and a tree will be made—of should prove useful for native houses.

The Silver Oak—*Quercus Robinsonii* grows quickly at Danga, and a planting will be made on Danga waste.

Musa—An indigenous Heliconiaceae of which many the specimens are in Ngam, and the timber of which is sought after by the native population. Specimens will be made of this to test its value for wood.

Teak—*Tectona*—This will be on the hillside and trial plantings will be made here.

Almond—*Prunus*—This will be on the hillside and trial plantings will be made here. A trial planting will be made on the hillside, and also on the other side of the town.

Section 14.—Experiments

All that now remains of the 188 experimental station at Danga are the records, which consist of a large number of diaries, letters and books from which in their present state it is impossible to derive any information.

The value of an experimental station depends very largely on its age and its location, on the system and thoroughness of the work done.

While there is, as I have said, no means at present of judging of the latter, yet there is the oldest station in this part of the world and I am experiments carried on during past years must from that fact alone possess much interest.

What an opportunity offers, I suggest that some report be prepared for the available material of what has been done there. I am sure that I have mentioned various crops which will be planted in a trial, some of different seasons, and that I think is as much as the Government with its present means is justified in undertaking.

We certainly could establish a fully equipped station like that at Amoy, with its various instruments, etc. for which we are sometimes reproached, but we can do more than that and save ourselves money by carefully watching the course of the trials and other experiments to which the D. of A. should pay an official visit every year.

The local authorities at Hong and the Imperial Institute will give us what help is required in obtaining seeds and plants for trial sowings and plantings and of giving what advice is necessary in point of direction.

In all experimental and practical work, the most important thing is to have a record of what is done, and to have it carefully watched. In the D. of A. we have a very good system of record-keeping, but I consider that a central record, in the D. of A. should be kept, and that it should be made available to all those who are engaged in the work. I have already mentioned a trial sowing of the rice, and I have already mentioned a trial sowing of the rice, and I have already mentioned a trial sowing of the rice.

I am in communication with the local authorities at Hong and the Imperial Institute, and I am in communication with the local authorities at Hong and the Imperial Institute, and I am in communication with the local authorities at Hong and the Imperial Institute.

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Section 15.—General Principles of Shamba Management

The general principle of agriculture on the Thama is to have a good system of record-keeping, and to have it carefully watched. In the D. of A. we have a very good system of record-keeping, but I consider that a central record, in the D. of A. should be kept, and that it should be made available to all those who are engaged in the work. I have already mentioned a trial sowing of the rice, and I have already mentioned a trial sowing of the rice, and I have already mentioned a trial sowing of the rice.

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12 rupees per acre for bearing trees and 18 rupees per acre for young trees per annum, and reckoning the gaps as young trees, we should spend a minimum of—

	Ra.
Bearing trees	13,660
Young trees	11,340
Total	24,900

We have spent in the last few years:—

	Ra.
1908	42,024
1909	30,579
1910	29,726

Under the existing system it is impossible to say how many weedings the trees have in the year, but now that the stock-taking is finished and we know what we have, it will be easy to introduce a new method, and this will be done next year.

I think it quite possible from the appearance of the clove trees that they have all had three weedings a year since 1908.

With regard to the method of weeding, considering the present price of manual labour, it is doubtful whether ox-ploughing would cost less; it would probably cost more, taking into account capital expenditure, the increased cost of the wages of the stockmen—Swahilis being useless in the care of animals—and the fact that hand-hoeing would still have to be done round the tree itself.

As regards root-exposure, our Wanyamwezi weeding equals in quality the ploughing that I have seen.

I am making enquiries as to what sort of plough is used in the other countries where this look grass-weed also abounds, and when at home I suggest sanction for the purchase of two different pattern ploughs for further trial.

Taking next our coconut plantations, 2,620 acres of old trees and 3,675 acres of young trees.

Were clean-weeding done throughout as in the case of the cloves, the Government would have to incur the expense of—

	Ra.
Mature woods	31,440
Young woods	66,150
Total	99,590

Equivalent to—

	Per acre per annum.
Mature woods	Ra. 12
Young woods	18

Owing to the great expense of this, the department has had in the past to content itself with cleaning rings round the trees twice a year. These rings cost one pice each when six feet in diameter, and 80 for 1 rupee when 12 feet, the custom being to have the small rings round the old trees and the large rings round the young trees.

This system would, if universally followed, cost—

	Cost	Remarks
Mature woods	Ra. 2,702	Two weedings
Young woods	12,000	Three weedings
Total	14,702	

Equivalent to—

	Per acre per annum.
Mature woods	Ra. 1.03
Young woods	3.29

Our actual expenditure for the past three years has been—

Year.		Expenditure	
		Ra.	Total
1908	Old woods	1,204	1,901
	Young woods	796	
1909	Old woods	2,669	3,773
	Young woods	1,003	
1910	Old woods	1,573	4,224
	Young woods	2,651	

But as these figures represent expenditure only on trees in hand the first figures covering all the Government trees), to them must be added the cost that would have been incurred on those shambas leased since 1908.

These are—

Year		Expenditure	
		Ra.	Total
1908	Young trees	90	902
	Old trees	812	
1909	Young trees	900	902
	Old trees	002	
1910	Young trees	4,304	5,638
	Old trees	1,334	

Comparing the cost of ring weeding all the trees with what has actually been spent allowing for leased shambas

	Ra.
Normal cost	14,800
Actual cost—	
1908	3,504
1909	3,773
1910	4,224

The result has not been favourable to the position of the plantations, notably Mtoni, Barea, Dunga and Marcellis, in all of which bush-growth is getting strongly established.

This unfortunate state of affairs is being dealt with by setting out shambas to contract to natives; the contract consisting of entire uprooting of the bush growth followed by a hoeing.

So far the work has been done at a very cheap rate and since June I have spent about 1,000 rupees on it.

I have gone thus fully into this matter, because it is one that affects very closely the capital value of our shambas and also the net revenue of the present and especially the future.

To allow bush-growth to gain a footing means the encouragement of pigs with resulting injury to young plants, and the loss of many of the nuts in the harvest.

Moreover more than any other tree, the coconut requires a free circulation of air all round it. Dense undergrowth encourages a vegetation of dampness favourable to fungi, and provides breeding-places for insect pests against which plantation workers have to be on the alert, especially against the fungus.

Bush-growth affects therefore the community, and a bush-affected shamba is a source of danger to its neighbours for the above reasons, and because of the risk of fire, and special legislation is necessary for dealing with it.

In its own interests then, the Government should keep it under on its own plantations, and also as an example to others, which may have to be entered by a Decree.

The Agricultural Department is faced with the choice of either reducing its existing expenditures and presenting more immediately favourable accounts, or of allowing the properties to deteriorate in capital value, a condition which in later years will be more appreciable than it is now.

The Department has then by trials itself, and by watching what other countries are doing, to find out some method of keeping these shambas clean without the great expense incurred by class weeding, which has also its disadvantages in a tropical climate like this, where on slopes in the heavy rains, erosion is likely to result.

While according to recent well-known experiments at home, the presence of grass is deleterious to trees, especially to their fruit-bearing capacity, yet our condition would not be so bad if the grass were a fodder and not the look that ordinarily prevails, for Mr. Irvine stated that in Masera, Levers' plantations, cattle-grazing is all that is done to keep *Vitex* green.

In section 1) I have referred to various crops with which I am underplanting coconuts at Danga, for even if the immediate returns are small, there must be taken into account the fact that the cultivation of the under-crop includes that of the over-crop.

These trials will be increased.

Another method with which experiments are in constant progress elsewhere, is to grow some crop that will smother the bush-growth, that will be easily removable and provide a mulching for the trees, such as some of the *Passifloras* and certain leguminous plants.

Trial will be made with these at Danga.

Considering the cost of cultivation and the large proportion of our annual grant that is absorbed, this question is one of great importance to shamba owners as well as to ourselves.

(c) *Harvesting*—The experiments tried with the clove-stalking and screening machines were far from successful.

I propose to see the makers when at home and see if it is possible to do anything further.

A improvement might be made in measuring the cloves and paying the pickers. The present method of measuring in the pan is lengthy and lends itself to cheating. On those plantations where we shall have accountants, I should like to institute self-measuring platform scales with a large white dial face, the figures on which the natives would soon get to understand.

The former would prevent the overseers cheating us, and the latter would help the natives to see that we were not going to cheat them.

Equipment has already been addressed to the Imperial Institute relating to the cutting up of the clove trees at an early age—25 or 30 years.

Such a system would, of course result in a saving in the cost of picking, but considering the cost of establishing a clove plantation, it is a question which in practice is more one for a Capitalist Association than for the Government.

(d) *Supervision*—Mention has been made in correspondence of the necessity of determining the position by decreasing the cost of supervision.

I attach a table giving the numbers of the different classes of overseers etc., since 1901.

In 1901 a very elaborate programme of development was initiated, which accounted for the expense in the first year, and though this was continued right up to 1910, without a drop of 2,000 rupees—50 per cent on the total cost of supervision.

(The figures are not taken from the estimates, but from actual expenditure.)

In 1910 the cost was 1,046 rupees per acre under cultivation, or about 25 rupees per acre of the total area.

I do not think this is excessive, and I would urge the Government not to insist on a further reduction in the system of supervision as it is.

The shamba owners are not accounted for wholly by the leasing of the shambas, but the cost of the Government and shamba owners' 7 per cent of the whole. The shamba owners are not accounted for wholly by the leasing of the shambas, but the cost of the Government and shamba owners' 7 per cent of the whole. The shamba owners are not accounted for wholly by the leasing of the shambas, but the cost of the Government and shamba owners' 7 per cent of the whole.

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its native accountant, who can write in English and each will have a right overseer for the labour.

The five groups will be—

Marselles.
Salem.
Kizimbani kubwa.
TOWN.
Detached.

The last two will have overseers alone, the accounts being brought into town as before by the native or arab overseer.

The three accountants will present a monthly statement for all the shambas in his group, and they will also keep labour-cards on those shambas on which they reside, which will be used in the cases of tenant applicants for rent-remission.

These alterations will cost about 500 rupees a year more, though the actual estimated expenditure of 1911 will be less than that of 1910.

I have elsewhere mentioned that I consider another white Superintendent is required if the work in all the shambas is to be thoroughly overlooked.

Undue economy in supervision can never result in a permanent increase in revenue, and the Agricultural Department seems to have reduced considerably its supervision expenses at the same time as it undertakes new responsibilities of an extensive nature.

TABLE OF COST OF SUPERVISION.

Year	White Assistants	Indian Overseers	Zanzibar Overseers	Nakosk	Accountants	Cost.	Average under lease in hand.
						Rs.	
1903	2		29	20		9,360	4,285
1904	2		25	6		7,704	4,222
1905	3		26	10		9,888	5,962
1906	3		21	15		9,792	7,600
1907	3	1	31	29		12,648	9,757
1908	3	3	21	40		15,417	11,103
1909	2	4	21	42		15,321	12,508
1910	1	4	12	34	1	9,456	13,214
1911	1	4	11	36	3	10,224	...

(e) *Small-holders*.—A large number of these reside on our shambas, paying no rent, but under an indefinite understanding that they will pick cloves if called upon to do so, as little disturbance should be caused as possible to the old freed slave, who, as a rule, are regular workers.

But to meet the case of the large number of able-bodied and well-dressed vagrants who daily may be seen streaming into town along the shamba pathways—generally youths of from 16 to 25 years of age—I am beginning, with our shambas near the town, by inflicting a ground rent of 4 rupees to 6 rupees a year with a remission to those who can produce proof of a certain amount of work done.

My proposals have been submitted with a view to similar treatment being given to people who live on those of our shambas that are within the town limits and that are managed by the Collectorate.

Former attempts in this direction of a rent charge have come to nothing owing to a want of uniformity in the systems of the two departments.

(f) *Shops on Government Shambas*.—These now have all been put under an agreement as rents for the ground varying from 12 rupees to 24 rupees a year.

4. The European settler, who need not be discussed further, as except on the coast, I do not consider it a white man's country.
 5. The Indian small agriculturists whom the Government are now taking steps to introduce.
 6. The native small-holder or proprietor.
- The encouragement of these must be regarded in the nature of an experiment, though one from which good results may be hoped for.

We do not want a class of small-holder who will regard their holdings merely as their sole means of support for the family, or merely as the garden in which they can grow their family food supply (and that is the chief difficulty which we have to contend with in dealing with natives). We want him to become a plantation-owner on a small scale, to rise by his industry to larger ownership, and in addition, of equal importance, to provide a source of labour to neighbouring plantations.

But to encourage any great extension of small-holdings before a clearly defined system of land-tenure is established, is to put the cart before the horse, and I would urge the necessity of getting the proposed land-decrees issued as soon as possible. The land-laws of the Federated Malay States, an account of which I attach, provide us with an excellent basis for legislation here, and I should like to see all land nationalised—though perhaps under Mohammedan law it is so now—titles given to existing owners of all cultivated ground, with a deferred title to such adjoining uncultivated ground as he could provide guarantees for future cultivation within a specified time, and failing this, then such lands and all other unclaimed ground to be offered to applicants under such conditions as may be decided on later.

In any such grant of lands, especially in view of recent claims, a reservation should be made that no compensation will be paid for land taken in the future for roads beyond that for trees or houses standing on the line of route.

The way would then be open to establish the small-holder.

Concurrent with the land-decrees should be compulsory registration of titles and compulsory delimitation of boundaries.

As a Collectorate official with Magistrate's powers I have for the past two years urged the necessity of this, and I could never see the force of the objections raised against it.

The small-holder being established, the next duty of the Government must be to prevent him getting into the hands of the money-lender, and to provide him with means of developing and extending his holding on more modern principles than he has been accustomed to.

For only when free from the shackles of the Usurer can he be of value to us.

In other words the institution of a Land-bank is desirable.

The native is not yet advanced enough for co-operated credit Societies such as those of Rafflesia, and while the means by which the small-holder or peasant-proprietor obtains their advances, whether in the form of such Government guarantees as would encourage some capitalist to undertake the enterprise, or actual provision by the Government itself of the necessary funds, does not directly concern this department, yet the result would be the same, namely that the loan-seeker could obtain the wherewithal to develop his property at a reasonable rate of interest, without risking the loss of his property, and the establishment of a class that would be a factor in helping to solve our labour difficulties.

But there are other ways in which the Government can assist small-holders, especially when it has managed to break down the suspicion of the native of the motives of attempts to help, engendered in them by long residence in an atmosphere of chinty. Amongst these I would mention:—

1. Distribution of good seed of economic plants in cultivation, and the establishment in our Government shambles (as I have mentioned in Chapter I) of small stocks of new and good varieties from whence the seed supply for distribution can be drawn.
2. The encouragement of the idea of co-operation, both in buying and marketing.
3. Considering their ignorance, it is yet too early to put it into practice. The establishment of cocoon nurseries from which seed plants can be supplied at cost price, or below it, to those who have cleared and fenced out their land ready.
4. The provision of markets by which he can readily sell his produce at a price fair to himself and to the buyer.

In market-buildings should be posted up the latest prices of the various products.

I have already started this with cloves, and each week send a circular to Penang giving the local equivalent of the latest European prices of cloves, together with the prices of the last European sale by Messrs.

In this respect the provision of means amounts to giving the grower a larger and more extended market, and a market when the large market is the only one available.

I therefore look forward to the speedy provision of such a market.

Points.

5. The establishment of school gardens where there are schools, and I think we should visit. These have proved very successful elsewhere, and in the establishment of good economic plants or improved varieties of them that are suitable for the tropics.

The Education and Agricultural Departments should work together in this matter, the latter supplying the seeds and plants, and the former, in the case of school gardens, the means of growing them.

It is also necessary to have a central place where a collection of new varieties and special varieties of economic plants are grown, and where the seed of such plants is stored, and where the seed is distributed to the growers. The seed of such plants should be stored in a central place, and the seed should be distributed to the growers. The seed should be stored in a central place, and the seed should be distributed to the growers.

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Section 2.—*Fresh Larceny*

This subject has been before the Government for some time in connection with a proposed amendment of the Agricultural Produce Decree.

This Decree has in the country districts helped to stop thieving, but something is still wanted that will enable us to get at the true origin of the mischief—the receiver—generally a small Indian or Manga dealer who sets up his shop in a place convenient for thieves to call at.

I will not add anything further to what I have already written concerning the proposed Decree, except to say that I consider essentials of it should be—

1. Licensing of dealers in agricultural produce.
2. The term "Agricultural Produce" to be defined, as occasion may arise by special Order in the Gazette.
3. Where hard roads exist, licensed premises to be on these roads, and if no roads exist, then on main pathways only.
4. Prohibition of any dealings in green cloves.

The subject is closely connected with that of the Copra industry. I consider that this particular class of shamba crime that so disastrously affects our only industry merits the earnest attention of the police authorities, more than it has received in the past.

Section 3.—*Vagrancy and Tembo*

These, though the subject of distinct Decrees, are closely connected with each other. The present Vagrancy Decree cannot be said to have effected its object, which was primarily to get people to work.

While shamba owners might help the Government by rack-renting all occupiers on their properties, yet we know that they will not do this, and that we in our own interests must use other means to get work out of the native and to get the clove crop picked.

The matter is one for immediate serious consideration, because a year like 1907 of a large clove crop may soon again be on us when we shall require every native in the field.

No shamba owner will again burn his fingers with the expenses of such mainland lay-up as we called in 1907, nor is it likely that we can again adopt such strenuous methods of persuasion as in that year.

I have as an A.C. called attention to the evils of the system of lodgers in country districts when young men lodgers either in their parents' or unmarried women's houses—prey on neighbouring plantations, do no work, and live by thieving or on the industry of their parents.

No honest native would consider it a hardship were youths, on attaining maturity, made to build themselves their own huts, or in default be declared vagrants.

Tembo is one of the curses of our native shamba life, and I entirely disagree with any statement that the Tembo Decree has resulted in a decrease of drunkenness.

I urge that the collection of tembo may be prohibited altogether. The fruitfulness of the coconut tree will not be interfered with and a cause of crime will be removed.

Those with a knowledge of native life know that Tembo juice is not a drink of the people, and if a native requires an exhilarating drink, he has his Pombe beer, a more wholesome drink than Tembo.

I urge strongly—

1. The prohibition of any Tembo collection.
2. The infliction of heavy punishment on the owner of any trees being tapped.
3. The prohibition of any step-cutting in coconut trees, and a Government charge of 1 rupee a year after a stated period on all trees having steps, the object being to make owners remove trees that are a source of temptation to the natives that provide breeding places for insect pests, and a likely source of infection from Fungus.

4. The licensing of Pombe beer shops.

Section 3a.—*Pigs*

In certain districts the presence of these considerably increases the cost of establishing coconuts, varying from 15 rupees to 20 rupees per 1,000, thus increasing the cost of the investment up to production stage by 1 rupee 6 cents per acre.

The Government has offered rewards for carcasses brought in or proof of death, but this arrangement has not been provided with the returns, so I am unable to judge the effect.

I have made a suggestion as to the inoculation with hog cholera, and the safety of doing this is being enquired into.

Unclean and filthy shambas are the resort of pigs, and this is an additional reason to those given above for the adoption of some legislative measures for dealing with the owners of these, as a protection to other shamba owners who are developing their properties with coconuts.

Section 4.—*Roads*

The transit of agricultural produce and the opening up of markets for the produce is of immense importance to these purely agricultural islands, and this department has then a direct interest in the question of roads.

In the other branch of agriculture it is always found that expenditure on roads yields a most satisfactory return on the capital spent, owing to the increased price per unit obtainable for the timber, and where our produce is of the heavy nature of cloves and copra, similar results should follow.

In suggesting that the north and south roads should be connected by a link road from Koani to Bububu, I was considering chiefly the better working of our shambas, though, apart from that, I consider that it would pass through a better agricultural country than that between the older proposed route from Dunga to Makakoo. Moreover the former route would land the produce at the railway terminus.

After the Weti-Mtangitwani road is finished, I wish to see Kiswani connected with Nyale (opposite Weti). Such a road would open up a large clove district and would enable the Government to prohibit shipping of cloves from several small places on the coast between Nyale and Kiswani.

Section 5.—*Shipment of Cloves from Pemba*

Pemba cloves as often do not reach Zanzibar as a bad if not a better condition. The difficulties of drying the large quantities in that more rainy island partly account for this and also the time occupied in the transit along the coast, especially in rainy weather.

But the main cause is the want of oversight at the places of shipment, the large number of small places of shipment, where shedding and supercargo is appointed, and the fact that the porters on arrival, away from the eye of the clove owner, recognise no responsibility, and dump the sacks down, as often as get to the shore with small and generally in the open, even if shedding is provided.

The cloves also suffer while in the dhow between Pemba and Anzibar. When at Weti, I obtained sanction for a suitable clove shed on the shore, and for proper supervision I also got sanction for a Goa clerk to have his office on the shore and with his other shipping work to be made responsible for the charge of the shipping.

I urge the Government to see that my ideas are carried out immediately, and I suggest a similar arrangement at Chaki-Chaki, where probably the existing staff is sufficient.

The responsible clerks want to be on the spot where the work is proceeding and not to have their offices where they can see nothing. Specially apt to pass for this purpose.

A good metalled road from Weti to Mtangitwani would enable the Government to close Kipangani as a clove-shipping place. At present most of the Mtangitwani and Msuka district cloves are shipped from there.

In a year of a heavy clove crop, some further consideration should be given to the proposal to have a twice a week mail service as the cloves would benefit much from being carried in a decent boat, rather than in the dhow.

Section 6.—*Copra*

This subject is closely identified with that of rural larceny. By licensing the copra dealer and concentrating their places of business in centres it will be easier to check thieving, and also the quality of copra produced.

While the remedy is in the hands of the buyer who by the price that he offers can make it unremunerative to produce bad quality stuff, yet in other countries we find that

Governments take it on themselves to see that an article of good quality only is exported.

As matters are at present makers of rotten copra have no difficulty in disposing of it to European and other dealers, and from the quantity that comes in the market apparently there is not worth his while to produce a better quality.

While also on the one hand we find the Indians petitioning that the Government may take steps to stop the manufacture of bad copra, yet we find that Indians are as great offenders as anyone else in the matter. They readily buy immature nuts, they hurry through the drying, and they have so far displayed no great interest in practical proposals for meeting their petition.

When we have ascertained the steps taken by other countries for dealing with the subject, I hope that some Decree may be passed here, but we export our copra to Marselles and our regulations need not be of so stringent a nature as where it is desired to control an article used in human food manufacture.

Section 10. Coconut Development

With reference to the enquiry as to what acreage is available for coconut development in the various islands, it is impossible to give the acreage of any survey to give figures that would be of any value. There is room for extensive planting.

I have elsewhere suggested that the Government should put down annually nuts sufficient to raise 25,000 plants (for each island), for its distribution at or under cost price.

The nuts would be put down in centres where supervision would be possible and development desirable, and the plants would be distributed except to those who have previously received and found them to be ready for receiving them.

The Collectorate would receive applications for these plants and report to the Agricultural Department for issue of those qualified to receive them.

There is no reason why these should prove to be successful, the numbers should not be largely increased, but as a beginning I do not suggest more than the 20,000, which would be sufficient to put up 200 acres in each island.

Section 11. Copra Crop Forecasts

There has been some over-optimism about copra especially that of 1910, which exceeded in definite comparison, as was the case in previous years, of the size of the forthcoming crop with those of previous years.

While it is not necessary to point the reasons under which this comparison was distorted by the Government, I think some means should be adopted whereby a more fair statement might be offered to the public than has hitherto been possible.

For the Agricultural Department to gauge the crop of each shamba, as has been customarily suggested, is quite impossible, but the department with the assistance of the Collectorate and Customs Departments might certainly do more to gauge the probable size of the coming crop.

As a preliminary step, the introduction of the system of Agricultural returns. Thus I suggest the appointment of official local correspondents to the U. of A., who should send or monthly reports on all agricultural crops in their districts; such reports passing through the hands of the local officer in charge.

The carrying of Public charges with their shipping-place name is very desirable, and the keeping of records accordingly by the Customs, with monthly returns to this office.

I therefore urge that each district station be supplied with an automatic registering scale, and monthly records be sent to the department. Owing to the rapid expansion, the ordinary group is useless here, unless attended to by a crew of slaves.

Section 12. Land

This subject does not appear to have received the attention of the department that it impudently merits.

It is not that clearly concerns the agricultural department as representing the agriculture of the country, and it should be the moving spirit in all undertakings concerning the revival of the industry, the health, feeding and housing of stock, and the improvement of the soil.

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As regards the importation of live stock for food, the department has assumed responsibilities to devolve on other shoulders; and though the work that is carried out in connection therewith is beyond criticism, yet I think this department should be more in touch with it.

Once that imported cattle have passed through the hands of the veterinary officer who I consider should be an official of the Department of Agriculture, the control of their housing and feeding until killed or sold should be in the hands of the D. of A. and the Principal Officer of Public Health jointly, each of whom would I imagine derive benefit from such joint authority.

The question of feeding these imported beasts affects us as shamba owners, owing to the custom of the stock owners farming out the cattle on arrival to Washihiri who agree to feed them and tend them until sold.

These Washihiri turn the animals out daily on the shambas surrounding the town, with great resulting damage to the young coconuts. I have counted 600 head on Mtoni shamba alone.

I should like to see some scheme inaugurated under which cattle when out of quarantine should be drafted off to some shamba outside the town where they can do no harm; and that there be a weekly auction sale of live stock on the same lines as our auction sales at home.

The provision of fodder for the beasts during their stay in town pending slaughter is also a matter of importance, and I have referred to it in Chapter 1, where I have stated that this department will look into the subject of indigenous fodder plants, and make trial sowings of the better classes of well known fodder plants.

As regards the improvements of cattle both as milk and beef producers, we should on a small scale follow the example of all other countries by importing stock of suitable breeds and strains for crossing with our native animals, and as regards milk, it would be advisable, if permission can be obtained, to commence the keeping of morning and evening milk-records of the cow and buffaloes in H.H.'s farm-yard in the shambas.

The establishment of a small Government farmstead is desirable as a beginning. If as I understand, the Government are contemplating erecting public dairy cow-houses, then there should be in connection with these a milk factory in which the milk would be treated, and the seller's utensils scalded, &c.

In such a case there would be no necessity for a Government dairy, as the milk would, like that of others, go direct to the factory.

I would suggest that no cow house—public or private—be erected until the plans have been submitted to this Department for its opinion.

Section 9. Victoria Gardens

These are becoming more and more the play-ground alone of the smaller Swahili and Indian children, and the general public in consequence rarely enter them.

While the gardens are not large enough to be in the nature of a town botanical garden, yet in their present form they might with care be both a place of interest as well as a flower garden pure and simple, and I consider the town should possess a place of this nature.

I would suggest that the children be encouraged to use the large open play-ground afforded by Mnazi Mwa and Cooper's Institute and that the Victoria Gardens be reserved for adults only.

Appendix 1

Stock-keeping on the Pemba Shambas.

Owing to the want of system in the keeping of the account of the Pemba shambas the department has been unable to exercise any control over them, and was never in a position to know what was being spent on individual works.

I hope that the agricultural clerk whose appointment has been recently sanctioned, will soon take up his duties, when this anomalous state of affairs will be ended, and my department be able to exercise some supervision over the expenditure and be supplied with regular returns.

The only developments of importance were those at Chuaka in 1908 with coconuts and rubber.

The stock-taking returns reveal a mortality of 43 per cent in the rubber, and 54 per cent in the sugarcane. It cannot therefore be argued that the large mortality of the rubber proves its unsuitability to these islands any more than that of the sugarcane prove that they also are unsuitable.

I have discussed the question of the rubber fella in some correspondence with the Imperial Institute, and I will only add here that in both the rubber and the sugarcane developments at Chuank certain diseases have contributed to the poor results—

1. Want of previous preparation of the ground
(There was no preliminary clearing of the vast area planted up, nor could there have been without imported labour as all the planting was completed within the space of a few weeks.)
2. Want of skilled supervision
(It is useless to attempt work of this nature unless the Government are prepared to pay for proper and skilled supervision.)
3. Want of model work which would have been done after planting
4. Unsuitability of climate
(The conditions were to a large extent planted on "wedges" and on ground that is in wet weather marshy. The after-ripening of the rubber and sugarcane had two distinct qualities of soil a good soil and a bad soil in the latter the rubber have died.)

The choice of the rubber and sugarcane as Government crops is not one of which anyone can be proud. It is the misfortune of a country which has to be so quick as possibly to open the door to the foreigner.

It is at present somewhat difficult to see how the Government can carry out a better or four times a year and it is not clear how the sugarcane area is to be cleared.

It might also be suggested that the Government should have planted the rubber and sugarcane in the hands of private enterprise, but the Government are not in a position to do this.

The rubber and sugarcane are not the only crops which have been growing in the islands in past years. The Government are now considering the system of the Head of the District.

The system has now been taken up by the Government and by defining the requirements of the Government and the nature of the work to be done in connection with these requirements.

An agricultural officer has been appointed to the position of Chief Agricultural Officer and his duties have been defined. The Government are now considering the system of the Head of the District.

Should the Government be able to carry out the system of the Head of the District, it would be a great step towards the improvement of the agricultural system in the islands.

The Government are now considering the system of the Head of the District, and it is hoped that they will be able to carry it out in the near future.

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Famula Agricultural Department

District	Rubber		Sugarcane		Cocoa		Other		Total	
	Planted	Harvested	Planted	Harvested	Planted	Harvested	Planted	Harvested	Planted	Harvested
Chuank	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
...
Total	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

[1924]

French Agricultural Department—continued.

Crops	Commodity										Rubber	
	Other Receipts					1910 Receipts						Total
	Received from 10 Years	Old from 10 Years	Official from 10 Years	Other from 10 Years	Total	Received from 10 Years	Old from 10 Years	Official from 10 Years	Other from 10 Years	Total		
Wheat	111	136	11	34	282	14,510	480	4,780	1,224	16,000	11,020	
Barley	115	11,598	67	478	12,258	14,510	2,270	6,410	6,080	26,000	14,421	
Oats	10,010	1,142	192	192	11,496	11,496	180	118	1,007	12,781	11,496	
Rye	1,142	40	192	192	1,566	1,566	120	120	124	1,810	1,566	
Maize	1,142	40	192	192	1,566	1,566	120	120	124	1,810	1,566	
Beans	1,142	40	192	192	1,566	1,566	120	120	124	1,810	1,566	
Peas	1,142	40	192	192	1,566	1,566	120	120	124	1,810	1,566	
Lentils	1,142	40	192	192	1,566	1,566	120	120	124	1,810	1,566	
Other	1,142	40	192	192	1,566	1,566	120	120	124	1,810	1,566	
Total	1,142	40	192	192	1,566	1,566	120	120	124	1,810	1,566	

Wheat—continued
Oats
Barley
Rye
Maize
Beans
Peas
Lentils

Appendix 2
Agricultural Department

STATEMENT of RECEIPTS for the Year 1910.

	Estimate		Actual	
	Rs.	As.	Rs.	As.
Revenue from—				
<i>Excise Duties—</i>				
Coffee	1,00,000	00	52,625	20
Opium	21,740	00	25,000	74
Stamp of bonded tobacco	26,271	00	24,207	22
Excise	1,000	00	7,022	14
Quintennial cigarette duties	500	00	442	98
Total	1,51,011	00	1,09,376	24
<i>Grants from—</i>				
Crown	20,000	00	10,179	41
Communities	1,000	00	1,070	00
Grant of bonded tobacco	4,000	00	20,407	23
Excise	100	00	22	00
Total	25,100	00	31,678	64
<i>Grants of Revenue—</i>				
Revenue from bonded tobacco (estimated)	611	25		
Excise (estimated)	100	00		
Total	711	25	711	25
Total receipts for the year			1,32,377	80

The revenue has been affected adversely by the smallness of the crop-harvest. As it is impossible at the time of preparing the Estimates to forecast the size of the crop, the figures have to be based on averages.

In addition the crop has been a late one, and picking will continue up to the end of February.

The Government estimates will yield about a further 2,000 lakhs in addition to what has already been sold.

The Revenue from excise duties is low, partly from the increase due to the system of licensing of the crops and partly from the business being able to control the quantity of the crops.

It is interesting to note here with regard to excise duties, the result of a strike in the tobacco industry and the effect of the loss of the tobacco from the 1909-10 season, which was irregularly occupied by the D. of A. in his department.

The yield per acre of opium was 69 lbs. per acre by 1909-10, which is a low yield. The yield was 69 lbs. per acre, as compared with 25 lbs. per acre in 1908-9.

Similarly with regard to crops, the opium yield was 21 lbs. per acre, which is a low yield. The average of the same year of our eight other largest crops was 10 lbs. per acre. The average of our eight other largest crops was 10 lbs. per acre. The average of our eight other largest crops was 10 lbs. per acre.

The revenue from that of bonded tobacco is low, less than the estimate owing to the fact that at the time of framing the estimate it was proposed to lease the D. of A. and the year to be asked was included in "rent from bonded tobacco".

It was later decided not to introduce the proposal.

The revenue from "excise duties on private tobacco" are less than the estimated amount owing to the poor crop.

The receipts from "Pemba coconuts" are less owing to the leasing of Tundaa shamba; and the "rent from leased shambas" is increased by 3,876 rupees.

The increase in rubber is almost solely due to the increase in price and a larger output from the rubber forest.

The Ceara rubber has contributed but little to it. Other questions concerning the revenue of our shambas are dealt with fully in other parts of this report.

F. C. McCLELLAN.

EAST AFRICA.

CONFIDENTIAL.

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Sec 9 &	SECTION 1.	
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[19210]

No. 1.

Mr. Sinclair to Sir Edward Grey.—(Received May 20)

(No. 128. Confidential)
Sir,

Zanzibar April 28, 1911.

WITH reference to your despatch No. 267 of the 22nd November last, I have the honour to report that Colonel Owen Thomas visited Zanzibar on the 16th ultimo with the object of making enquiries, and of subsequently formulating proposals in regard to the purchase or lease by his syndicate of the Zanzibar Government shambas.

By the same mail a Mr. Weiss accompanied by a Mr. Ross, solicitor who represented another syndicate in which Messrs. Peat and Lewis, of Mining Lane are said to be interested, arrived with a like object in view.

Both parties were given transport facilities and were shown over the Zanzibar shambas by the acting director of agriculture who gave them copies of his last report and supplied them with every information in his power.

Colonel Owen Thomas submitted his proposals on the 23rd ultimo, and after Captain Barton and I had discussed them they were considered by the Council at a meeting held on the 29th ultimo.

I have the honour to enclose copies of the letters containing their proposals, and of the minute of the Council meeting in regard to them.

Although it was made clear to him that his assumption that the customs officers took only the best cloves in Zanzibar of duty was incorrect, Colonel Owen Thomas made the remission of the 25 per cent. duty in the case either of purchase or lease of the shambas a *sine qua non*, and for the reasons given in the Council minutes we regarded this as an insurmountable objection from the point of view of the Zanzibar Government.

It will, moreover, be seen from McClellan's memorandum of the 7th and 15th instant, copies of which I also enclose, that the prices offered, 95,500/- for purchase outright or 4,700/- rental are wholly inadequate, the average net revenue for the last seven years, allowing for deduction of duty being 3,865/-, with a prospect in the near future of a considerable increase.

The offer made by Mr. Ross on behalf of his syndicate in his letter of the 4th instant (Enclosure No. 3) was considered by the Council on that day. There can be little doubt but that the object of this syndicate is to obtain control over the clove market and with this in view they propose to purchase the whole of the "duty" cloves, that is, 25 per cent. of the total crops, and have obtained options of purchase over a large number—locally estimated at from one-third to one-half—of the privately owned shambas at prices a good deal higher than the present market value.

Mr. Ross stated that, under his instructions, his offer for the purchase of the Government shambas was dependent upon our acceptance of his offer in respect of duty cloves. It will be within your recollection that in 1906 when in consequence of the private sale of these cloves to Messrs. Charlesworth and Co., protests were made by foreign Governments, you gave instructions that these cloves were in future to be sold by public auction. This decision was, moreover, confirmed in your despatch No. 97 of the 16th April, 1908, respecting the proposals made by Mr. Nevill Fenke. Mr. Ross was consequently informed that, although no definite reply could be given without reference to your department, it was unlikely that his proposals would be favourably considered.

Mr. Ross's figures do not appear to be correctly calculated. He places the value of the duty cloves which would come to the Government from their own shambas at 3,700/-. The average gross revenue from cloves from these shambas for the past seven years was 6,852/-; 25 per cent. of this would be 1,713/- only, and on this basis his offer only amounts to 4,713/-, instead of the 6,700/- he represents it as being.

It is, I think, to be regretted that the terms offered in neither case appear to be such as can form a suitable basis for negotiation, for it is undoubtedly a fact that the agricultural industry of these islands is sadly in want of new blood, and the

We have about 50,000 rupees sunk in buildings and sikafus, but these have rapidly depreciated in value owing to faulty construction, and 50 per cent. of this should be written off.

Under this system of valuation, followed locally, I consider that the prices that I have given would cover these shamba accessories.

Taking our gross revenue for the mean period between 1903 and 1909 inclusive as 10,809l. and our mean gross revenue for the same period from cloves as 6,552l. (that from coconuts, immaterial to this point being 2,582l.), the mean percentage that our clove revenue bears to our total revenue is 63.3.

From the above sale value, then (on the assumption that the Government will keep the duty cloves from its shambas) the deduction must be made from 63.3 per cent. of it, making the sale price 89,954l. (Exclusive of rubber forest), 90,000l. cost price.

Cost Price

This is difficult to estimate. Existing shambas were formed by slave labour, and all we know from recent attempts to raise clove plantations is that the mortality has been great, and that half measures only end in disaster.

Taking the figures in my annual report as the basis of calculation, all expenditure up to production being regarded as capital expenditure, and taking the mean age of the non-bearing trees from 1 to 10 years old as 5 years (assuming that both cloves and coconuts come into bearing at 10 years old, an earlier bearing age being attained by increased expense in cultivation).

	Rupees.	Rupees.
Zanzibar—		
113,000 bearing clove trees at 2 r. 70 a.	310,750	
33,000 young clove trees, mean age 5 years old, at 230 rupees	75,900	
86,500 young coconut trees, at 4 r. 70 a.	408,500	
121,000 young coconut trees, mean age 5 years, at 3 r. 80 a.	459,800	
8,500 rubber at cost price	5,710	
8,000 pine apples at cost price	4,500	
Sundry fruit trees	5,000	
		Rupees. Rupees.
8 wells	4,800	
21 bandae	1,650	
37 houses	16,750	
14 sikafus	34,900	
		57,010
Deduct 50 per cent.	28,505	
		28,505
1911 expenditure on Dunga		7,000
7,750 acres under trees, at 75 rupees		581,850
7,000 acres, at 45 rupees		300,000
4,000 acres, at 15 rupees		15,000
		82,434
Pemba—		
129,576 bearing clove trees, at 2 r. 75 a.		398
454 young clove trees, mean age 5 years, at 2 r. 30 a.		56,518
41,688 bearing coconut trees, at 4 r. 75 a.		20,884
7,990 young coconut trees, mean age 5 years, at 3 r. 80 a.		2,967
14,423 rubber trees at cost price		
Buildings, &c.—	Rupees. Rupees.	
Mafua	10,000	
Mimbarani	1,000	
Tupania	5,000	
Sundry	1,300	
	17,500	
Depreciation 50 per cent.	8,750	
		8,750
Tanzania stone house	10,000	
1211 expenditure on Makondani	2,800	
		31,420
Land—		
968 acres under trees, at 75 rupees		72,600
509 acres, at 45 rupees		22,905
500 acres, at 15 rupees		7,500
		103,005
Total		2,294,875

152. exclusive of rubber forest.

Revenue Value

This is the only way in which the Government can estimate the value of its properties, and the first calculation is that dealing with clove revenue.

The figures on p. 2 of my annual report relate only to actual expenditure and receipts on the plantations, exclusive of those items in the estimate for the director, the office staff, and such extraordinary expenses as purchase of motor cars, hire of the Kilwa and Barawa, all the labour extra-ordinary, and all other expenditure not relating actually to the plantations.

A buyer is justified, however, in not accepting these as a basis, owing to the exclusion of the director's salary, for no ruling to the contrary. Therefore the supervision expenses of such a syndicate as he would be likely to incur.

In fixing the net mean revenue of the shambas at the figure of 4,577l. I have taken as my basis the figures in section 2 of my annual report. I have also taken into consideration the fact that the department which manages the shambas does a great deal of other work as well. I have, therefore, taken into account the director's services as shamba manager as well as the other staff, and the office staff as taking three quarters of their time.

All labour extraordinary is deducted in the year 1907, the deduction being for certain capital expenditure, which is not the heading of the estimate, and which of my report referred to exceeds the mean expenditure of that year.

It exceeded the mean expenditure by 1,000 rupees, and this has been set off against the loss of revenue of that year.

The figure of 4,577l. is thus arrived at, and this figure is the net mean revenue of the heavy expenses of the Dunga and Mpya experiments, the Dunga industrial school, and the capital expenses of recent years, which from the above table is seen to have been heavy and which has not been charged as current working expenditure.

The above figures cannot then be regarded as a basis for the Government's duty, and to a buyer therefore the figure representing the mean annual revenue would be 3,865l.

Mean net revenue per annum at 1903 to 1909, 1910 to 1912, 1913 to 1915, 1916 to 1918, 1919 to 1920, 1921 to 1923, 1924 to 1926, 1927 to 1929, 1930 to 1932, 1933 to 1935, 1936 to 1938, 1939 to 1941, 1942 to 1944, 1945 to 1947, 1948 to 1950, 1951 to 1953, 1954 to 1956, 1957 to 1959, 1960 to 1962, 1963 to 1965, 1966 to 1968, 1969 to 1971, 1972 to 1974, 1975 to 1977, 1978 to 1980, 1981 to 1983, 1984 to 1986, 1987 to 1989, 1990 to 1992, 1993 to 1995, 1996 to 1998, 1999 to 2001, 2002 to 2004, 2005 to 2007, 2008 to 2010, 2011 to 2013, 2014 to 2016, 2017 to 2019, 2020 to 2022, 2023 to 2025, 2026 to 2028, 2029 to 2031, 2032 to 2034, 2035 to 2037, 2038 to 2040, 2041 to 2043, 2044 to 2046, 2047 to 2049, 2050 to 2052, 2053 to 2055, 2056 to 2058, 2059 to 2061, 2062 to 2064, 2065 to 2067, 2068 to 2070, 2071 to 2073, 2074 to 2076, 2077 to 2079, 2080 to 2082, 2083 to 2085, 2086 to 2088, 2089 to 2091, 2092 to 2094, 2095 to 2097, 2098 to 2100, 2101 to 2103, 2104 to 2106, 2107 to 2109, 2110 to 2112, 2113 to 2115, 2116 to 2118, 2119 to 2121, 2122 to 2124, 2125 to 2127, 2128 to 2130, 2131 to 2133, 2134 to 2136, 2137 to 2139, 2140 to 2142, 2143 to 2145, 2146 to 2148, 2149 to 2151, 2152 to 2154, 2155 to 2157, 2158 to 2160, 2161 to 2163, 2164 to 2166, 2167 to 2169, 2170 to 2172, 2173 to 2175, 2176 to 2178, 2179 to 2181, 2182 to 2184, 2185 to 2187, 2188 to 2190, 2191 to 2193, 2194 to 2196, 2197 to 2199, 2200 to 2202, 2203 to 2205, 2206 to 2208, 2209 to 2211, 2212 to 2214, 2215 to 2217, 2218 to 2220, 2221 to 2223, 2224 to 2226, 2227 to 2229, 2230 to 2232, 2233 to 2235, 2236 to 2238, 2239 to 2241, 2242 to 2244, 2245 to 2247, 2248 to 2250, 2251 to 2253, 2254 to 2256, 2257 to 2259, 2260 to 2262, 2263 to 2265, 2266 to 2268, 2269 to 2271, 2272 to 2274, 2275 to 2277, 2278 to 2280, 2281 to 2283, 2284 to 2286, 2287 to 2289, 2290 to 2292, 2293 to 2295, 2296 to 2298, 2299 to 2301, 2302 to 2304, 2305 to 2307, 2308 to 2310, 2311 to 2313, 2314 to 2316, 2317 to 2319, 2320 to 2322, 2323 to 2325, 2326 to 2328, 2329 to 2331, 2332 to 2334, 2335 to 2337, 2338 to 2340, 2341 to 2343, 2344 to 2346, 2347 to 2349, 2350 to 2352, 2353 to 2355, 2356 to 2358, 2359 to 2361, 2362 to 2364, 2365 to 2367, 2368 to 2370, 2371 to 2373, 2374 to 2376, 2377 to 2379, 2380 to 2382, 2383 to 2385, 2386 to 2388, 2389 to 2391, 2392 to 2394, 2395 to 2397, 2398 to 2400, 2401 to 2403, 2404 to 2406, 2407 to 2409, 2410 to 2412, 2413 to 2415, 2416 to 2418, 2419 to 2421, 2422 to 2424, 2425 to 2427, 2428 to 2430, 2431 to 2433, 2434 to 2436, 2437 to 2439, 2440 to 2442, 2443 to 2445, 2446 to 2448, 2449 to 2451, 2452 to 2454, 2455 to 2457, 2458 to 2460, 2461 to 2463, 2464 to 2466, 2467 to 2469, 2470 to 2472, 2473 to 2475, 2476 to 2478, 2479 to 2481, 2482 to 2484, 2485 to 2487, 2488 to 2490, 2491 to 2493, 2494 to 2496, 2497 to 2499, 2500 to 2502, 2503 to 2505, 2506 to 2508, 2509 to 2511, 2512 to 2514, 2515 to 2517, 2518 to 2520, 2521 to 2523, 2524 to 2526, 2527 to 2529, 2530 to 2532, 2533 to 2535, 2536 to 2538, 2539 to 2541, 2542 to 2544, 2545 to 2547, 2548 to 2550, 2551 to 2553, 2554 to 2556, 2557 to 2559, 2560 to 2562, 2563 to 2565, 2566 to 2568, 2569 to 2571, 2572 to 2574, 2575 to 2577, 2578 to 2580, 2581 to 2583, 2584 to 2586, 2587 to 2589, 2590 to 2592, 2593 to 2595, 2596 to 2598, 2599 to 2601, 2602 to 2604, 2605 to 2607, 2608 to 2610, 2611 to 2613, 2614 to 2616, 2617 to 2619, 2620 to 2622, 2623 to 2625, 2626 to 2628, 2629 to 2631, 2632 to 2634, 2635 to 2637, 2638 to 2640, 2641 to 2643, 2644 to 2646, 2647 to 2649, 2650 to 2652, 2653 to 2655, 2656 to 2658, 2659 to 2661, 2662 to 2664, 2665 to 2667, 2668 to 2670, 2671 to 2673, 2674 to 2676, 2677 to 2679, 2680 to 2682, 2683 to 2685, 2686 to 2688, 2689 to 2691, 2692 to 2694, 2695 to 2697, 2698 to 2700, 2701 to 2703, 2704 to 2706, 2707 to 2709, 2710 to 2712, 2713 to 2715, 2716 to 2718, 2719 to 2721, 2722 to 2724, 2725 to 2727, 2728 to 2730, 2731 to 2733, 2734 to 2736, 2737 to 2739, 2740 to 2742, 2743 to 2745, 2746 to 2748, 2749 to 2751, 2752 to 2754, 2755 to 2757, 2758 to 2760, 2761 to 2763, 2764 to 2766, 2767 to 2769, 2770 to 2772, 2773 to 2775, 2776 to 2778, 2779 to 2781, 2782 to 2784, 2785 to 2787, 2788 to 2790, 2791 to 2793, 2794 to 2796, 2797 to 2799, 2800 to 2802, 2803 to 2805, 2806 to 2808, 2809 to 2811, 2812 to 2814, 2815 to 2817, 2818 to 2820, 2821 to 2823, 2824 to 2826, 2827 to 2829, 2830 to 2832, 2833 to 2835, 2836 to 2838, 2839 to 2841, 2842 to 2844, 2845 to 2847, 2848 to 2850, 2851 to 2853, 2854 to 2856, 2857 to 2859, 2860 to 2862, 2863 to 2865, 2866 to 2868, 2869 to 2871, 2872 to 2874, 2875 to 2877, 2878 to 2880, 2881 to 2883, 2884 to 2886, 2887 to 2889, 2890 to 2892, 2893 to 2895, 2896 to 2898, 2899 to 2901, 2902 to 2904, 2905 to 2907, 2908 to 2910, 2911 to 2913, 2914 to 2916, 2917 to 2919, 2920 to 2922, 2923 to 2925, 2926 to 2928, 2929 to 2931, 2932 to 2934, 2935 to 2937, 2938 to 2940, 2941 to 2943, 2944 to 2946, 2947 to 2949, 2950 to 2952, 2953 to 2955, 2956 to 2958, 2959 to 2961, 2962 to 2964, 2965 to 2967, 2968 to 2970, 2971 to 2973, 2974 to 2976, 2977 to 2979, 2980 to 2982, 2983 to 2985, 2986 to 2988, 2989 to 2991, 2992 to 2994, 2995 to 2997, 2998 to 2999, 3000 to 3002, 3003 to 3005, 3006 to 3008, 3009 to 3011, 3012 to 3014, 3015 to 3017, 3018 to 3020, 3021 to 3023, 3024 to 3026, 3027 to 3029, 3030 to 3032, 3033 to 3035, 3036 to 3038, 3039 to 3041, 3042 to 3044, 3045 to 3047, 3048 to 3050, 3051 to 3053, 3054 to 3056, 3057 to 3059, 3060 to 3062, 3063 to 3065, 3066 to 3068, 3069 to 3071, 3072 to 3074, 3075 to 3077, 3078 to 3080, 3081 to 3083, 3084 to 3086, 3087 to 3089, 3090 to 3092, 3093 to 3095, 3096 to 3098, 3099 to 3101, 3102 to 3104, 3105 to 3107, 3108 to 3110, 3111 to 3113, 3114 to 3116, 3117 to 3119, 3120 to 3122, 3123 to 3125, 3126 to 3128, 3129 to 3131, 3132 to 3134, 3135 to 3137, 3138 to 3140, 3141 to 3143, 3144 to 3146, 3147 to 3149, 3150 to 3152, 3153 to 3155, 3156 to 3158, 3159 to 3161, 3162 to 3164, 3165 to 3167, 3168 to 3170, 3171 to 3173, 3174 to 3176, 3177 to 3179, 3180 to 3182, 3183 to 3185, 3186 to 3188, 3189 to 3191, 3192 to 3194, 3195 to 3197, 3198 to 3199, 3200 to 3202, 3203 to 3205, 3206 to 3208, 3209 to 3211, 3212 to 3214, 3215 to 3217, 3218 to 3220, 3221 to 3223, 3224 to 3226, 3227 to 3229, 3230 to 3232, 3233 to 3235, 3236 to 3238, 3239 to 3241, 3242 to 3244, 3245 to 3247, 3248 to 3250, 3251 to 3253, 3254 to 3256, 3257 to 3259, 3260 to 3262, 3263 to 3265, 3266 to 3268, 3269 to 3271, 3272 to 3274, 3275 to 3277, 3278 to 3280, 3281 to 3283, 3284 to 3286, 3287 to 3289, 3290 to 3292, 3293 to 3295, 3296 to 3298, 3299 to 3301, 3302 to 3304, 3305 to 3307, 3308 to 3310, 3311 to 3313, 3314 to 3316, 3317 to 3319, 3320 to 3322, 3323 to 3325, 3326 to 3328, 3329 to 3331, 3332 to 3334, 3335 to 3337, 3338 to 3340, 3341 to 3343, 3344 to 3346, 3347 to 3349, 3350 to 3352, 3353 to 3355, 3356 to 3358, 3359 to 3361, 3362 to 3364, 3365 to 3367, 3368 to 3370, 3371 to 3373, 3374 to 3376, 3377 to 3379, 3380 to 3382, 3383 to 3385, 3386 to 3388, 3389 to 3391, 3392 to 3394, 3395 to 3397, 3398 to 3399, 3400 to 3402, 3403 to 3405, 3406 to 3408, 3409 to 3411, 3412 to 3414, 3415 to 3417, 3418 to 3420, 3421 to 3423, 3424 to 3426, 3427 to 3429, 3430 to 3432, 3433 to 3435, 3436 to 3438, 3439 to 3441, 3442 to 3444, 3445 to 3447, 3448 to 3450, 3451 to 3453, 3454 to 3456, 3457 to 3459, 3460 to 3462, 3463 to 3465, 3466 to 3468, 3469 to 3471, 3472 to 3474, 3475 to 3477, 3478 to 3480, 3481 to 3483, 3484 to 3486, 3487 to 3489, 3490 to 3492, 3493 to 3495, 3496 to 3498, 3499 to 3501, 3502 to 3504, 3505 to 3507, 3508 to 3510, 3511 to 3513, 3514 to 3516, 3517 to 3519, 3520 to 3522, 3523 to 3525, 3526 to 3528, 3529 to 3531, 3532 to 3534, 3535 to 3537, 3538 to 3540, 3541 to 3543, 3544 to 3546, 3547 to 3549, 3550 to 3552, 3553 to 3555, 3556 to 3558, 3559 to 3561, 3562 to 3564, 3565 to 3567, 3568 to 3570, 3571 to 3573, 3574 to 3576, 3577 to 3579, 3580 to 3582, 3583 to 3585, 3586 to 3588, 3589 to 3591, 3592 to 3594, 3595 to 3597, 3598 to 3599, 3600 to 3602, 3603 to 3605, 3606 to 3608, 3609 to 3611, 3612 to 3614, 3615 to 3617, 3618 to 3620, 3621 to 3623, 3624 to 3626, 3627 to 3629, 3630 to 3632, 3633 to 3635, 3636 to 3638, 3639 to 3641, 3642 to 3644, 3645 to 3647, 3648 to 3650, 3651 to 3653, 3654 to 3656, 3657 to 3659, 3660 to 3662, 3663 to 3665, 3666 to 3668, 3669 to 3671, 3672 to 3674, 3675 to 3677, 3678 to 3680, 3681 to 3683, 3684 to 3686, 3687 to 3689, 3690 to 3692, 3693 to 3695, 3696 to 3698, 3699 to 3701, 3702 to 3704, 3705 to 3707, 3708 to 3710, 3711 to 3713, 3714 to 3716, 3717 to 3719, 3720 to 3722, 3723 to 3725, 3726 to 3728, 3729 to 3731, 3732 to 3734, 3735 to 3737, 3738 to 3740, 3741 to 3743, 3744 to 3746, 3747 to 3749, 3750 to 3752, 3753 to 3755, 3756 to 3758, 3759 to 3761, 3762 to 3764, 3765 to 3767, 3768 to 3770, 3771 to 3773, 3774 to 3776, 3777 to 3779, 3780 to 3782, 3783 to 3785, 3786 to 3788, 3789 to 3791, 3792 to 3794, 3795 to 3797, 3798 to 3799, 3800 to 3802, 3803 to 3805, 3806 to 3808, 3809 to 3811, 3812 to 3814, 3815 to 3817, 3818 to 3820, 3821 to 3823, 3824 to 3826, 3827 to 3829, 3830 to 3832, 3833 to 3835, 3836 to 3838, 3839 to 3841, 3842 to 3844, 3845 to 3847, 3848 to 3850, 3851 to 3853, 3854 to 3856, 3857 to 3859, 3860 to 3862, 3863 to 3865, 3866 to 3868, 3869 to 3871, 3872 to 3874, 3875 to 3877, 3878 to 3880, 3881 to 3883, 3884 to 3886, 3887 to 3889, 3890 to 3892, 3893 to 3895, 3896 to 3898, 3899 to 3901, 3902 to 3904, 3905 to 3907, 3908 to 3910, 3911 to 3913, 3914 to 3916, 3917 to 3919, 3920 to 3922, 3923 to 3925, 3926 to 3928, 3929 to 3931, 3932 to 3934, 3935 to 3937, 3938 to 3940, 3941 to 3943, 3944 to 3946, 3947 to 3949, 3950 to 3952, 3953 to 3955, 3956 to 3958, 3959 to 3961, 3962 to 3964, 3965 to 3967, 3968 to 3970, 3971 to 3973, 3974 to 3976, 3977 to 3979, 3980 to 3982, 3983 to 3985, 3986 to 3988, 3989 to 3991, 3992 to 3994, 3995 to 3997, 3998 to 3999, 4000 to 4002, 4003 to 4005, 4006 to 4008, 4009 to 4011, 4012 to 4014, 4015 to 4017, 4018 to 4020, 4021 to 4023, 4024 to 4026, 4027 to 4029, 4030 to 4032, 4033 to 4035, 4036 to 4038, 4039 to 4041, 4042 to 4044, 4045 to 4047, 4048 to 4050, 4051 to 4053, 4054 to 4056, 4057 to 4059, 4060 to 4062, 4063 to 4065, 4066 to 4068, 4069 to 4071, 4072 to 4074, 4075 to 4077, 4078 to 4080, 4081 to 4083, 4084 to 4086, 4087 to 4089, 4090 to 4092, 4093 to 4095, 4096 to 4098, 4099 to 4101, 4102 to 4104, 4105 to 4107, 4108 to 4110, 4111 to 4113, 4114 to 4116, 4117 to 4119, 4120 to 4122, 4123 to 4125, 4126 to 4128, 4129 to 4131, 4132 to 4134, 4135 to 4137, 4138 to 4140, 4141 to 4143, 4144 to 4146, 4147 to 4149, 4150 to 4152, 4153 to 4155, 4156 to 4158, 4159 to 4161, 4162 to 4164, 4165 to 4167, 4168 to 4170, 4171 to 4173, 4174 to 4176, 4177 to 4179, 4180 to 4182, 4183 to 4185, 4186 to 4188, 4189 to 4191, 4192 to 4194, 41

Enclosure 6 in No. 1

Memorandum by Mr. McClellan

First Minister,

IN continuation of my memorandum on the valuation of our shambas and with regard to your further enquiry as to the rent that should be charged were a lease granted for a long period, the only basis on which I can offer an opinion is that given in the memorandum itself.

When certain figures were put to me at one of the council meetings, you will recollect I guarded myself by saying that I could offer no definite opinion without further time to look into the question of future increments that might be expected.

Our mean net shamba revenue, as I arrive at it is 4,577 per annum with the duty clove, and without these taking our clove revenue to be 63.3 per cent of the whole, 3,863.

Owing to the fact that of the young crops coming on, especially the coconuts at Machui and Dunga, a considerable number of trees are just about to come into bearing, we are justified in asking a rent of 4,000 per annum, exclusive of the Ceara rubber.

In this it is possible we may possess a valuable asset in our 14,000 trees. These might by now be ready for tapping, but owing to want of proper cultivation, are in a very backward condition.

No one can yet tell what the price will be here or whether it will be such in quality and quantity as to give any return on capital. It is difficult therefore to fix a rent, and both sides must take a risk.

Our expenditure has been £6,100 per year, 15,000 rupees, at 5 per cent a rental of 500 rupees would cover this.

Assuming the Ceara to yield 200 lbs per acre and fetches 3 rupees a lb and with proper cultivation is ready for tapping in 1912, and yields 2 oz of dry rubber a tree and costs 1 rupee to collect, a lease might obtain 2500 which would run freely until in seven or eight years an income of 1,000 might be obtainable.

A royalty of 20 per cent would thus bring us in 400, rising to 2500 in seven or eight years.

I imagine both parties would prefer a rent, and I suggest an increase rent of 500 rising in five years' time to 2500. The shambas at Cheuki and Mlangatwani are free from annual

	£	Rs
Year 1911	4,000	
Ground rent	50	
Rubber cost		4,050
Year 1912	4,000	
Ground rent	50	
Rubber cost		4,050
Year 1913	4,200	
Ground rent	1,200	
Rent from young coconuts	250	
Rent from young clove		1,000
Year 1914	4,200	
Ground rent	1,200	
Rent from young coconuts	500	
Rent from young clove		2,500
Year 1915	4,200	
Ground rent	1,200	
Rent from young coconuts	1,200	
Rent from young clove		1,700
Year 1916	4,200	
Ground rent	1,200	
Rent from young coconuts	1,200	
Rent from young clove		1,700

Any intending leaseholder will also be careful to examine our shambas closely with regard to the species for coconuts from young crops because they are not in complete bearing.

The young coconuts are scattered all over the area sometimes but only in small quantities.

We are glad to point this fact out to them, yet we ourselves must take the responsibility in any negotiations.

F. D. McClellan

1911

D

Expenses 1,449,375

Brought forward

2000 tons and on waste -
Mean yield 20 cents a ton, 1,000,000 cts. at 50 rupees per 1000
yielding 100,000 rupees or 45 rupees per acre gross.

Expenses	R	S
Overseas	1	0
Clothing	14	0
Harvesting	4	0
	19	0
	3	4

Net profit 21,114 per acre

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124,200

12,000

112,200

12,000

100,200

12,000

88,200

12,000

	R. a.	Rupess
Brought forward		1,449,375
20th year and onwards— Mean yield 30 nuts a tree, 8,630,000 nuts, at 30 rupees per 1,000 yielding 108,900 rupees or 43 rupees per acre gross.		
Expenses—		
Oversewing	1 5	
Cleaning	14 0	
Harvesting	4 0	
	19 5	
(Net profit, 23 r. 6 a. per acre.)	R. a.	
Present value of the annual net profits (1916 to 1920) inclusive	50 7	
Present value of the net rental of 23 r. 5 a. from 1926 onwards deferred for 15 years	225 60	
	275 71	
2,020 acres at 275 r. 71 a.		745,540
Cloves—		
33,371 young clove trees, mean age 5 years 11th to 16th years (1916 to 1920)— Mean yield 4 lbs. per tree or 50 lb. per acre = 142 masas or 142 masas per fraga yields 14 r. 2 a.		
Expenses—		
Rentals and profit 100 lb.		
11th to 20th year (1921 to 1925)— 10 lbs. per tree or 100 lb. an acre = 2 masas or 2 masas per fraga yields 2 r. 5 a. gross		
Expenses—		
Oversewing		
Cleaning		
Cost of harvesting and selling 100 lbs.		
(Net profit, 27 rupees)		
21st to 25th year (1926 to 1930)— 2 lbs. a tree or 200 lbs. an acre = 10 masas or 10 masas per fraga = 67 rupees per acre gross		
Expenses 16 r. 5 a.		
(Net profit, 40 r. 5 a. per acre)		
From the 26th year— 5 lbs. a tree or 500 lbs. an acre = 25 masas per acre at 10 rupees per fraga = 85 rupees an acre		
Expenses—	R. a.	
Oversewing	1 5	
Cleaning	15 0	
Pruning, &c.	19 0	
	35 5	
Net profit (49 r. 4 a.)		
Present value of the net profits per acre from 1926 to 1930	R. a.	
	129 40	
Present value of the net annual profit from 1931 onwards deferred for 20 years	416 25	
	586 65	
536 acres at 536 r. 65 a.		287,697
Rubber and pineapples at cost price		19,886
145 acres of young coconut trees in Pamba— Present value of the net profits deferred at 275 r. 71 a. per acre		40,020
Total		2,383,752
150,000 at 51 per cent., would bring in 5,550 r. per annum + 1,500 r. duty on cloves.		4,764 r.

E. C. McC.

April 7, 1911

Enclosure 6 in No. 1.

Memorandum by Mr. McClellan

First Minister,
IN continuation of my memorandum on the valuation of our shambas and with regard to your further enquiry as to the rent that should be charged were a lease granted for a long period, the only basis on which I can offer an opinion is that given in the memorandum itself.

When certain figures were put to me at one of the Council's meetings you will recollect I guarded myself by saying that I could offer no definite opinion without further time to look into the question of future increments that might be expected. Our mean net-shamba revenue, as I arrive at it is 4,777 per annum with the duty cloves; and without these taking our clove revenue to be 6.3 per cent of the whole, 3,865 r.

Owing to the fact that of the young crops coming on especially in Pamba at Machi and Dunga, a considerable number of trees are just about to come into bearing, we are justified in asking a rent of 4,000 r. per annum in view of the mean rubber.

In this it is possible we may possess a valuable asset in our 14,000 trees. These ought by now to be ready for tapping, but owing to want of proper facilities are in a very backward condition.

No one can yet tell what the yield will be here or whether it will be such in quality and quantity as to give any returns comparable to a different class of rubber, and both sides must take a risk.

Our expenditure has been to 1910 to 1911 1,000,000 rupees or at 5 per cent a rental of 500,000 r. year would cover this.

Assuming the trees to yield satisfactory and to fetch 3 rupees a lb. and with proper cultivation is ready for tapping in 1912, and yields 1 lb. of the rubber a tree and costs 1 rupee to collect a lessee might obtain 2500, which would run partly off in seven or eight years an income of 1,000,000 might be obtainable.

A royalty of 20 per cent would thus bring us to 200,000 r. in seven or eight years.

I imagine both parties would prefer a rent, and I suggest an inclusive rent of 500, rising in five years time to 2500. The shambas at Chavak and Mitaungwan are far from a ruin.

Year 1911	4,000
General rent	500
Rubber rent	3,500
Year 1921	4,000
General rent	500
Rubber rent	3,500
Year 1925	4,000
General rent	500
Rent from young coconuts	200
Rent from young trees	1,300
Year 1930	4,500
General rent	500
Rent from young coconuts	500
Rent from young trees	3,500
Year 1935	4,500
General rent	500
Rubber rent	3,500
Chavak	1,000

Any intending lessee who was desirous to examine our shambas should be made subject to the figures for revenue from young crops because they are not in complete state.

The young coconuts are scattered all over the area, sometimes a few only on the area of ground.

We are not bound to point this fact out to them, yet we consider it our duty to do so in consideration of any negotiations.

April 18, 1911

[Signature]

Enclosure 7 in No. 1.

German Consul to Mr. Sinclair.

April 7, 1911.

(Translation.)

As you are aware, several European firms are desirous of forming a syndicate to engage in the production and sale of cloves in Zanzibar on a large scale. It is stated that the representatives of this syndicate are already in negotiation with the Zanzibar Government for the purchase of all the Government clove shambas.

I should be glad if you would inform me whether the Zanzibar Government have, in fact, the intention of selling their shambas. If so, I would request to be informed whether as is usually the case in such sales, the shambas in question will be sold in the open market, and at the same time I would ask to be furnished with the conditions of sale, in order that any German firm interested may be in a position to obtain the same terms as those sought by the syndicate in question.

You are probably not unaware that the syndicate is credited with the intention of creating a virtual or actual monopoly here in the clove trade, and that the first step in this direction is the purchase of large groups of shambas, as, for example, those belonging to the Zanzibar Government. While I am not disposed at the present moment to give any particular credence to the rumours circulating in the matter, I desire to draw your attention to the fact that the creation of a monopoly or the grant of trade privileges would be a contravention of the provisions of the existing international agreements with regard to commercial relations in Zanzibar.

HAUG.

Enclosure 8 in No. 1.

King French Consul to Mr. Sinclair.

M. le Consul.

Zanzibar, le 7 avril, 1911.

Il est parvenu à ma connaissance que des négociations sont actuellement en cours entre le Gouvernement de Zanzibar et un groupe de capitalistes anglais aux fins de céder à l'ensemble de ces derniers de la totalité des propriétés que possède ou exploite le Gouvernement de Sa Haute-tesse et que les capitalistes dont il s'agit, partant de cette base et étendant leurs opérations, cherchent à s'assurer, par de nombreux autres achats de propriétés, un monopole de fait sur la production des giroflas à Zanzibar. Ces renseignements ont été obtenus par les agents dudit groupe de capitalistes qui ont fait des offres d'achat sur un nombre considérable de propriétés situées à Zanzibar qu'il m'est ainsi en mesure de vous transmettre, et dont je vous transmets ci-joint copie pour votre information.

En ce qui concerne le projet qui est présenté au Gouvernement de Zanzibar de céder ses propriétés à Zanzibar à un groupe de financiers, je me permets de vous rappeler qu'en agissant ainsi il méconnaîtrait le principe qui a été admis par le Gouvernement de Sa Majesté britannique à la suite des protestations du Gouvernement de la République de la concession accordée par l'Administration de la Colonie à M. Chastoworth en 1896.

Il ne faut s'étonner pas non plus que le Gouvernement de Sa Haute-tesse, en se portant à de telles tentatives de ce genre, favorisant l'établissement d'un monopole de fait de la production de l'épice le plus important du commerce à Zanzibar et ce, serait à l'encontre des principes de l'article 2 du Traité de Commerce de 1844, qui stipule que "Les Français auront toujours liberté d'acheter ou de vendre à tout bon leur semblera, dans toute l'Égypte des possessions de Sa Haute-tesse et cette liberté ne pourra être restreinte par aucun monopole ou privilège accordés par aucun État."

Je vous prie d'insister de faire d'ores et déjà, au nom du Gouvernement de la République, toutes réserves contre la cession à l'ensemble des propriétés du Gouvernement de Zanzibar à des tiers et de préciser, dans le cas où le Gouvernement de Zanzibar serait dans l'intention de les aliéner, la publication d'un cahier des charges qui précéderait à une soumission de concours à l'adjudication qui pourrait être

Veuillez, Ag.

GIRIAUD.

Enclosure 9 in No. 1.

Form.

JE, soussigné, _____, accorde à _____, pendant deux mois, à partir de la date ci-dessus, l'option d'acheter ma plantation sise à _____ et m'appartenant, au prix de _____

Je donne aussi à _____ le droit de transférer cette option à une tierce personne, ou à de tierces personnes, ou à leurs représentants à Londres, dans le but d'incorporer la plantation à une compagnie.

Dans le cas où _____, par l'intermédiaire de leurs représentants à Londres, réussiraient à former une compagnie, j'accepte de recevoir paiement comptant contre transfert à ladite compagnie.

_____ sont libres de vendre la plantation à toute personne ou personnes, ou compagnie à tel prix plus élevé qu'ils pourront juger opportun. Dans ce cas toute somme qu'ils obtiendront au-dessus du prix de vente indiqué dans cette promesse sera leur propriété.

Zanzibar, le _____ mars, 1911

Enclosure 10 in No. 1.

Mr. Sinclair to German and French Consuls

Sir,

Zanzibar, April 11, 1911.

I HAVE the honour to acknowledge the receipt of your letter of the 7th instant in regard to the offers which have lately been made to the Zanzibar Government by certain syndicates for the sale or lease of the Government shambas.

Although I am not prepared to admit that a sale or lease by private arrangements of these properties, the output of cloves from which only amounts to an average of 2.8 per cent. of the total annual crops from both islands, could be regarded as constituting an infringement of the rights secured to French [German] subjects by treaty, you may, nevertheless, rest assured that the considerations you mention have not been and will not be lost sight of by the Zanzibar Government.

I would add that no conditions of sale or lease have been formulated or issued either officially or non-officially, but that the Zanzibar Government is, and always has been, ready to give consideration to any offer which might be made by reputable firms or syndicates of any nationality.

I have, &c.

JOHN H. SINCLAIR.

Enclosure 11 in No. 1.

Herr Haug to Mr. Sinclair.

Sir,

Zanzibar, April 19, 1911.

I HAVE the honour to acknowledge the receipt of your letter of the 11th instant No. 31, respecting the sale of the clove shambas belonging to the Zanzibar Government, and to thank you for the information that the Government is ready to consider any offers that may be made for the purchase of the Government shambas by reliable firms or syndicates of any nationality.

I have further noted with interest that the Government has given full attention to the question of the treaty rights as regards the possible creation of a clove-monopoly, and that it will continue to do so.

I have, &c.

HAUG.

Enclosure 12 in No. 1.

*Portuguese Consul-General to Mr. Sinclair.**Zanzibar, April 15, 1911.*

(Translation.)
I LEARN that a syndicate has been formed to acquire the clove plantations of the Zanzibar Government. If this is so there would ensue a contravention of article 4 of the treaty of 1879 between Zanzibar and Portugal, against which contravention I must protest. I should be glad if you would give me your views on the subject in order that I might be able to communicate them to my Government.

LEOPOLDO DE OLIVEIRA.

Enclosure 13 in No. 1.

*Mr. Sinclair to Portuguese Consul-General.**Zanzibar, April 20, 1911.*

Sir, I HAVE the honour to acknowledge the receipt of your letter No. 5 of the 15th inst. in regard to the offers which have lately been made to the Zanzibar Government by certain syndicates for the sale or lease of the Government shambas.

Although I am not prepared to admit that a sale or lease by private arrangement of these properties, the output of cloves from which only amounts to 28 per cent. of the total annual crops from both islands, could be regarded as constituting an infringement of the rights secured to Portuguese subjects by treaty, you may nevertheless rest assured that the considerations you mention have not been and will not be lost sight of by the Zanzibar Government.

I have, &c.

JOHN H. SINCLAIR.

Enclosure 14 in No. 1.

*Merchants of Zanzibar to Captain Barton.**Zanzibar, April 24, 1911.*

WE, the undersigned, merchants of Zanzibar, beg to place the following request before you for your consideration.

It is a public fact that for some time past various parties have been engaged in negotiations for the purchase of a large number of clove plantations, with a final view to acquire such a position as might enable them to rule to a certain extent the Zanzibar clove market.

It is rumoured that such parties have approached the Government of His Highness the Sultan of Zanzibar proposing to acquire or rent for a long period the bulk of the Government estates.

We beg to express herein the hope that, should the rumour be correct, the Government of Zanzibar would refuse to entertain such proposals, as they are directly going against the liberty of the commercial transactions which should be guaranteed by the Government to the whole of the commercial community without any preference to private parties.

We accordingly suggest that, should the Government really intend to sell or to rent for a long period that bulk of their estates, such an intention be largely advertised in order to keep all the interested informed.

We would further suggest that the estates of purchase or rent, as the case might be, be offered at public auctions and by allotment, each distinct estate being to form a separate lot, so as to enable every body to participate in the auction, as selling or letting the bulk of the Government estates without publication of any intention of the Government, and thus not giving every intending purchaser an opportunity to make an offer, would have to be considered under the present circumstances as a support to the efforts of the above-mentioned parties to monopolise the clove market.

We feel confident that such a course, while enabling the Government to obtain better price as they would get by private dealings, will also safeguard the interests of

the whole community which shall be offered an opportunity to share in the purchases as it has always been the case with all the business transacted by the Government, for instance, with the sale of duty cloves.

We request you to kindly send the reply, which we hope you will favour us with, to Messrs. Wm. O'Swald and Co.

We have, &c.

For the Chartered Bank of India, Australia, and China:

HANSING AND CO., Agents.

National Bank of India (Limited):

WM. O'SWALD AND CO.

Deutsch-Ostafrikanische Gesellschaft:

ARNOLD CHENEY AND CO.

Deutsche Ost-Afrika-Linie:

W. HINTZMANN AND CO.

BESSON AND CO.

CHILDS, PARR, AND JOSEPH

For Jan Mahomed Hunsari:

MAHOMED SALEH KANJI.

KARIMJEE JIVANJEE.

MULLA ABDELALI VALJI AND SONS.

MAHOMEDBHAI HUSEINBHAI.

NURBHAI EBRAHIMJI PATVA AND CO.

CASSUM KARIMANI.

NOORMAHOMED PEERANI.

BUNDALIBHOY HIRJEE AND CO.

LACKA, VELANI AND CO.

REMTULLA ALLARAKHIA TEJA.

PIRA GULAMANI.

HASAMALI GULAMHUSEIN AND CO.

HASSUM HIRJI.

MOHARJI VISANJI.

JETHA LILA.

EAST AFRICA.

[July 4.]

CONFIDENTIAL.

SECTION I.

[26036]

No. 1.

Mr. McClellan to Foreign Office.—(Received July 4)

38, Avenue, Kew Gardens, London,
July 2, 1911.

Sir,

I HAVE the honour to enclose the Zanzibar correspondence on the leasing proposals, lent to me on Thursday last, and to send my observations, which I have given more fully than I should otherwise have done owing to the nearness of my return to Africa.

I have, &c.

FRANK C. MCCLELLAN.

Enclosure in No. 1.

Mr. McClellan to Foreign Office.

38, Avenue, Kew Gardens, London,
July 2, 1911.

Sir,

I HAVE the honour to forward you my observations on the two offers to lease the Zanzibar Government plantations.

(A.)—*The Owen-Thomas Proposals.*

The minimum rent the Government should ask is, in my opinion, 5,000*l.*, the lessees taking the duty cloves: though, to prevent the possibility of their concentrating their clove expenditure on these leased plantations and buying up others with a view to discontinuing clove culture on them, it would be better to reserve the duty cloves. There would be the various items mentioned below to add to this rent.

The increment proposals are fair, though it is desirable to put some limit on the proportion that direction-expenses bear to the total current annual expenses, so as to prevent the possibility of an undue amount being charged to directors' fees, travelling, &c.

Our own mean direction and office expenses of the plantations and the islands' agriculture amount to 14 per cent. of our total expenditure.

There is little doubt that under the terms of these clauses the Government for a number of years would receive only the minimum rent, even were items of capital expenditure kept strictly separate from the other, as would have to be done.

A wider participation by the Government in any success is desirable than that provided for in clause 5, and a minimum of 2½ per cent. on the net profits of the company should be paid, subject, if possible, to the above limitation on direction-expenses.

In clause 6 the term "developing the clove industry" is too vague to be of practical use; and the company should bind themselves to lay down a fixed mileage of roads or light railways within the first five years of their lease, 20 miles in Zanzibar and a road or railway from Weti to Mtangutwani in Pemba; that one of the Zanzibar roads should have its terminus at the railway terminus of Bububu, and that the railway should be taken over and developed for the purposes of carriage of agricultural produce at reasonable rates.

Further, that they should spend in addition 20,000*l.* on improvements of a permanent character in connection with the clove and cocconut industries of the leased plantations; and a sum of 15,000*l.* (some of which should be spent in Pemba) on wharves and accommodation for cloves and coconuts.

EAST AFRICA.
CONFIDENTIAL.

[July 4.]

SECTION I.

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Further, that they should spend in addition 20,000*l.* on improvements of a permanent character in connection with the clove and coconut industries of the leased plantations; and a sum of 15,000*l.* (5,000*l.* of which should be spent in Pemba) on wharves for accommodation for cloves and coconuts.

[REDACTED]

(B) - East African Investment Trust Proposals

On the basis of our stock figures the first year's rent would be \$3,327. The increment proposals are impracticable, as it would be impossible to say how many trees come into bearing each year. Assuming that they bear at the tenth year and that one-tenth of the total number come into bearing each year—a fair assumption—the above rent would be increased annually by 373%, culminating in the tenth year in a rental of \$3,884.

For the expression "now in bearing" should be substituted either "over ten years old," or "having reached bearing age," so as to obviate disputes.

Other points in these proposals are dealt with in my remarks on the Owen Thomas offer.

No allowance is made for the rubber forest. The product is now sent home as collected by the native, unprepared, and we need not therefore look for a diminution of price, but rather, in the hands of a company, for an increase.

A less rent should therefore not be received for this than the average net receipts of the past two years, \$250.

Remarks on Points not Covered by either of the Proposals

1. *Land and Timber Reserves for Crops*—As regards rubber there is some natural uncertainty as to how much will be grown probably in the interior of the islands where wild yard natural trees occur.

The Government should be content with payment of a lump sum covering their expenditure, and should not be over that in rubber and pineapples.

2. *Maintenance of Areas of Fall Bear by Trees*—To ensure a proper gradation of crops the company should bind themselves to plant yearly 10 acres of trees and 100 acres of coconuts, not removing in any one year more of trees than actually larger than these figures without a corresponding increase in the plantations.

3. *Company's Obligations*—The other proposal mentions this: "As our object is to attract capital, we should do as elsewhere is done, not for a system."

On payment of a lump sum of plantations requiring hard roads, I suggest a quit-rent of 10 per acre for the first 4 years, rising after that period to 20 per acre, and that the Government should be given on land cultivated with certain specified crops.

That any plantation not tracking a hard road the unopened land be charged with a quit-rent of 10 per acre for the first six years, and thereafter as above.

4. *Timber and other existing timber trees* should be reserved, such as mango (four varieties), coffee, guava, and such.

Provision to cut these for private purposes of development would not be unreasonably withheld, provided such cutting would not unduly interfere with the necessities of the plantation business, or the food-supply of the plantation people, or the natives.

5. *Nothing is changed*—The Government are entitled to a royalty on the sale of 20 percent.

6. *Working in the rubber-forest*—Working without permission should be prohibited, except for purposes of genuine development of the forest as a rubber-tape producing area.

7. *Maintenance*—To be reserved with right of entry for working and removal. Compensation of Government when asked to be paid for land taken, and no compensation to be paid for use of their lands or ground for removal or replanting.

8. *Access*—To be allowed to quarry stone and gravel for use on the forest plantations, the usual conditions as to fencing, working, and covering to be followed.

9. *Working System*—License to take over the Government interest in them.

10. *Reserves reserved*—Plots in the immediate vicinity of the town. Nos. 20, 21, 22, 23, 24, 25, 26, 27, 28, on p. 123 of the printed copy of the Agricultural Report for 1920. The site of the 704 coconut trees now reserved for His Highness' use at the town, with all trees and cleared patches with access to them, and a specified area of ground for the plantations of Orange and Mirra; specified areas of Orange, Mango, Guava, and Macadamia; and at Punda, the Wolf Tree, Shambhu, Kinkara, Shambhu, Man, the School, the Great Chalk creek, Shambhu, Mithanga, Tumbura, Shambhu, and the surrounding village ground; and the Mikoni plantation tower, Shambhu.

8. Before leasing, steps should be taken to provide means in the proposed land decree—as is customary in other countries—to prevent the possibility of one owner or corporation getting control of too large a proportion of the islands' lands; also of buying up plantations, especially of cloves, with a view to letting them go out of cultivation so as to reduce the clove area; or of holding land, not for development, but for keeping other people out.

At present there is nothing to prevent a company which has obtained a footing from becoming within a year or two practically the sole landlord in the two islands.

I have, &c.
FRANK C. McCLELLAN.

Copy.

(2415)

4 copies all

22254
8 JUN 11

BRITISH EASTERN INVESTMENT TRUST, LIMITED,
76, COLEMAN STREET,
LONDON, E.C.

June 19th 1911.

Sirs-

Reference No. 21608/11. Zanzibar.

In further reference to your communication of 16th instant my Company's suggestions are that they would arrange for the formation of a Company with an adequate Capital to lease and work Government Shambas in Zanzibar and Pemba, and provide Working Capital for their further development and for acquiring other Shambas and financing Planters and for general business and trading purposes.

I would suggest a nominal Capital of say £50,000 and an initial issue of say £250,000 leaving £200,000 for future issue. This capital could of course be further increased if it could be profitably employed.

I suggest that the Company should pay to the Government as rent an annual sum equal to 5/- Annas per tree (Clove and Coconut) now in bearing, and for the trees now planted but not yet in bearing 4/- Annas for each tree

for

Under Secretary of State
for Foreign Affairs.

43303
11 JUL 1911

BRITISH EASTERN HAWAIIAN MINING COMPANY LIMITED
13, COLLEGE STREET
LONDON, E.C.4
June 19th 1911.

Sir,

Reference to the 1908/9/10 Report

In further reference to your communication of 19th instant my Company's suggestions are that they would be valuable for the formation of a Company with an adequate Capital to Lease and work Government Grants in Hawaii and Puna, and provide working Capital for their further development and for acquiring other Grants and Finance in Hawaii and for general business and training purposes.

I would suggest a nominal Capital of say £500,000 and an initial issue of say £250,000 leaving £250,000 for future issues. This capital could be raised by the then increased if it could be profitably employed.

I suggest that the Company should pay to the Government as rent for annual area of 50 acres per tree (Grove and Coconut) now in bearing and the trees now in bearing of the same area to be planted & so on.

Yours faithfully,
for Foreign Affairs.

for the first year in which it comes into bearing rising to 4 Anna per annum until a maximum is reached of 64 Annas per annum. It will of course be realised that a very considerable sum will be spent by the Company in bringing these younger trees to maturity and that the yield will be small in the early years of production. As and when existing leases of 1000 trees are reached the number of younger trees planted will be reduced to 1000 trees of these to be planted in the same area as the trees above set forth.

In addition we suggest that the Company should take over the Government Grants in Hawaii and Puna for a period of 10 years and the Government should be thereof an annual payment to be based on the average annual net revenue derived by the Government from the same for the years 1902 to 1907. In any year the 25% of the increase of the revenue of the years above mentioned the annual payment to be increased by 50% of the increase taken at 50% per cent which we make to be about the average price, and if in any year the price exceeds the said average price the annual payment to be

increased

increased by 50% of the increased price. On the other hand if the Crop and/or price fell below the above average in any year a rebate would be made by the Government to the Company of 50% of the diminution in the crop and/or price.

As to Rubber I am very sceptical as to whether this can be made pay in view of the labour conditions, the way the trees are scattered, and the difficulties of management.

The Company would of course do its best to develop this branch if it saw prospects of profitable results, and I would be glad to consider any suggestions which the Government may make on the subject.

It would of course be understood that no additional Government imposts be put upon the Clove and Cocoanut production.

So that the Government would, for the benefit of the Islands, participate in the general prosperity of the Company should it prove a commercial success I would suggest in addition to all the fore-going provisions that the Company pay to the Government after each year's audit

audit has been completed a sum equal to 2 1/2% of the net profits which the Company's Auditors may certify have been earned by the Company for the year.

I shall be pleased to meet you and Mr. Clarke and Mr. McLellan at any time to discuss the matter further.

I am, Sir,

Signed, *W.H. Stearns*

W.H. Stearns

Chairman

On the other hand if the crop and/or price fell below the average in any year a rebate would be made by the Government to the Company to the extent of the difference in the crop and/or price.

As to whether I am very sceptical as to whether this can be made pay in view of the labour conditions, the way the trees are scattered, and the difficulties of management.

The Company would be bound to develop this branch if it saw prospects of profitable results and I would be glad to consider any suggestions which the Government may make on the subject.

It would of course be understood that no additional Government imports be put upon the Olive and Coconut production.

So that the Government would, for the benefit of the Island, participate in the general prosperity of the country should it have a commercial export I would suggest that the Government should consider the possibility of the Government taking over the plantation.

22254

Rec'd & 28 4 11

BRITISH EASTERN INVESTMENT TRUST, LIMITED,
76, COLEMAN STREET,
LONDON, E.C.

July 3rd 1911.

Sir:-

25.03/11. Zanzibar.

I beg to acknowledge receipt of your letter of 1st instant, and state that the Government are not prepared to entertain our proposals regarding the Duty Cloves payable by Shambas other than those of the Government.

I am quite willing to proceed with the negotiations simply on the basis of renting the Government Shambas but I find it extremely difficult to formulate a basis for a sliding scale of rent, as I was informed that the cost of collecting the crop beyond a certain amount will increase materially after the more readily collected portion has been picked, and that labour and other conditions will become more difficult as the production is increased. Moreover, if the rent I have suggested is a fair one it is a little difficult to see why it should be augmented from the lessor Company's profits when it is

taking

Under Secretary of State,
Foreign Office.

... completed a sum equal to the net
... which the Company's Auditors may certify have
... been earned by the Company for the year.
I shall be pleased to meet you and Mr. Clarke and
Mr. McCallan at any time to discuss the matter further.

I am,
Yours faithfully,
W. K. W.

22254

Rec 3 PARLION HOUSE,
JUL 8 11 REGENT STREET, W.

June 26th 1911.

After more carefully considering the matter of the clove industry in Sanzibar and Zanzibar submitted for your consideration in my memorandum of the 18th March, I have come to the conclusion after consultation with my friends that it is almost impossible to arrive at either a fixed price for a fixed number of years for the Government owned clove and coconut plantations which will certainly be fair to the holders of these plantations to withdraw the proposals made in that previous letter, and to submit in their place the scheme set forth below.

1. The Government of the Islands Sanzibar and Zanzibar to grant a 99 years lease of the Government owned plantations and of all 'duty cloves' now collected in the above islands.

2. The rent to be based on the average net income derived by the Government during the last 10 years from the above sources, such average to be determined by an

independent

The Under Secretary of State
for Foreign Affairs

42222

REPUBLICAN HOUSE

Room 8 1111 ROBERT STREET, W.

June 28th 1911.

-112-

After more carefully considering the matter of the

clove industry in Sumatra and Penda submitted for your

consideration in my memorandum of the 28th March I have

come to the conclusion in consultation with my colleagues

that it is almost impossible to arrive at a fixed

price for a fixed amount of cloves for the Government

cloves and to do this will certainly be to the

profit of the Government and to the disadvantage of the

possibilities made in that provision for the

their place the scheme for the

the Government of the (Sumatra) and

(Penda) to grant a 25 years lease to the Government, owned

the above islands.

The rent to be paid on the average for the

derive to the Government during the first 10 years from

the above islands, such average to be determined by the

the Government

the Government

the Government

the Government

independent authority.

(3) Each succeeding year's rent to be determined by dropping the first of the ten years and reckoning a new average by the inclusion in its place of the last years net income. But

(4) the minimum rent payable in any year during the currency of the lease to be that paid in the first year even should the average drop from any unforeseen cause. By this means the Government obtains security against carelessness on the part of the leaseholders or from any other cause and also fixing in at least minimum revenue.

(5) The Government to receive of the net profit to be made by the leaseholder from the Government Estate and duty cloves.

(6) The Company to undertake to spend if in further developing the clove industry and in making new roads &c., to the plantations.

(7) The leaseholder Company to have a subscribed Capital of £ when the lease is signed.

(a)

55554

BRITISH EAST AFRICAN COMPANY LIMITED
10, COLLEGE STREET
LONDON, E.C. 4
July 27 1911

RECEIVED 11/27/11

I have to acknowledge receipt of your letter of 19th ult. in regard to the proposed rent for the year 1912, and note that the Government are not prepared to entertain our proposals regarding the duty of value payable by the Government other than those of the Government. I am quite willing to proceed with the negotiations simply on the basis of fixing the Government's share but I find it extremely difficult to formulate a basis for a sliding scale of rent, as I am informed that the Government are not prepared to collect a certain amount of rent, and that labour and other conditions will become more difficult as the production is increased. Moreover, if the rent I have proposed is to be suggested from the lessor Company's profits when it is taking

taking the risks. I would suggest, however, that when at the end of each year the net profits to the Company from the sale of produce from the Estates leased from the Government is ascertained, that it should pay to the Government 5% of that net profit in addition to the rent proposed in my letter of 19th ultimo.

If any other method of fixing a fair sliding scale rent can be suggested I should be glad to give it immediate consideration, and in any case I should be glad to be favoured with another interview on the subject.

I am &c.,
W.K. Steedman
(Signed) W.K. Steedman.
Chairman.

22224

BRITISH EASTERN TRADING COMPANY, LIMITED

25, COLLEGE STREET,

LONDON, E.C.

July 2nd 1911

Sir:

25.07.11. Number.

I beg to acknowledge receipt of your letter of last instant, and note that the Government are not prepared to entertain our proposals regarding the duty clover payable by Shambas other than those of the Government. I am quite willing to proceed with the negotiations simply on the basis of renting the Government Shambas but I find it extremely difficult to formulate a basis for a sliding scale of rent, as I am informed that the cost of collecting the crop beyond a certain amount will increase materially after the more readily collected portion has been picked, and that labour and other conditions will become more difficult as the production is increased. Moreover, if the rent I have suggested is a little more it is a little difficult to see why it should be suggested from the lessor Company's point of view when it is being

45333

BRITISH TANNING COMPANY LIMITED
24, COLLEGE STREET,
LONDON, E.C. 4.
July 2nd 1911.

Sir:

25 Q13/11. Number

I beg to acknowledge receipt of your letter of 1st instant, and note that the Government are not prepared to entertain our proposals regarding the Duty Cloves payable by Bampas other than those of the Government. I am quite willing to proceed with the negotiations simply on the basis of renting the Government Bampas but I find it extremely difficult to formulate a basis for a sliding scale of rent, as I am informed that the cost of collecting the crop beyond a certain amount will increase materially after the more readily collected portion has been picked, and that labour and other conditions will become more difficult as the production is increased. Moreover, if the rent I have suggested is a little difficult to see why it should be suggested from the lessor Company's point of view.

taking the risks. I would suggest, however, that when at the end of each year the net profits to the Company from the sale of produce from the Estates leased from the Government is ascertained, that it should pay to the Government 5% of that net profit in addition to the rent proposed in my letter of 19th ultimo.

If any other method of fixing a fair sliding scale rent can be suggested I should be glad to give it immediate consideration, and in any case I should be glad to be favoured with another interview on the subject.

I am &c.,

(Signed)

W.K. Steedman

W.K. Steedman

Chairman.

55524

BRITISH EASTERN TRADE INVESTMENT LIMITED
24, COLLEGE STREET,
LONDON, E.C.

25.05.11. Number

I beg to acknowledge receipt of your letter of 1st
instant, and note that the Government are not prepared
to surrender our proposals regarding the Duty Cleave
payable by Shamba other than those of the Government.
I am quite willing to proceed with the negotiations
simply on the basis of renting the Government Shamba
but I find it extremely difficult to formulate a basis
for a sliding scale of rent, as I am informed that the
cost of collecting the crop beyond a certain amount will
increase markedly after the more readily collected
portion has been picked, and that labour and other con-
ditions will become more difficult as the production is
increased. Moreover, if the rent I have suggested is a
fair one it is a little difficult to see why it should
be augmented from the lessor Company's profits when it is
making

taking the risks. I would suggest, however, that when
at the end of each year the net profits to the Company
from the sale of produce from the Estates leased from
the Government is ascertained, that it should pay to
the Government 5% of that net profit in addition to
rent proposed in my letter of 19th ultimo.

If any other method of fixing a fair sliding scale
rent can be suggested I should be glad to give it im-
mediate consideration, and in any case I should be glad
to be favoured with another interview on the subject

I am &c.,

(Signed)

W.K. Standman

W.K. Standman.

Chairman.

25254

BRITISH EASTERN SYCAMORE TRUST LIMITED
24, COLLEGE STREET,
LONDON, E.C. 4.
July 2nd 1911.

SIR,

25254

I beg to acknowledge receipt of your letter of the 19th instant, and note that the Government are not prepared to entertain our proposals regarding the duty clover payable by Shambas other than those of the Government. I am quite willing to proceed with the negotiations simply on the basis of renting the Government Shambas but I find it extremely difficult to formulate a basis for a sliding scale of rent, as I am informed that the cost of collecting the crop beyond a certain amount will increase markedly after the more readily collected portion has been picked, and that labour and other conditions will become more difficult as the production is increased. Moreover, if the rent I have suggested is a little difficult to see why it should be suggested from the lesser Company's point of view.

taking the risks. I would suggest, however, that when at the end of each year the net profits to the Company from the sale of produce from the Estates leased from the Government is ascertained, that it should pay to the Government 5% of that net profit in addition to the rent proposed in my letter of 19th ultimo.

If any other method of fixing a fair sliding scale rent can be suggested I should be glad to give it immediate consideration, and in any case I should be glad to be favoured with another interview on the subject.

I am &c.,

Steedman

(Signed)

W.K. Steedman.

Chairman.

22254

Recd CARLTON HOUSE,
8 JUL REGENCY STREET, W.

June 26th 1911.

Sir:-

After more carefully considering the matter of the clove industry in Zanzibar and Pemba submitted for your consideration in my memorandum of the 28th March, I have come to the conclusion in consultation with my friends that it is almost impossible to arrive at either a fixed price or a fixed annual rent for the Government owned clove and coconut shambas which will certainly be fair to both sides. I therefore venture to withdraw the proposals made in that previous letter, and to submit in their place the scheme set forth below.

(1) The Government of the Islands (Zanzibar and Pemba) to grant a 99 years lease of the Government owned plantations and of all "duty cloves" now collected in the above islands.

(2) The rent to be based on the average net income derived by the Government during the last 10 years from the above sources, such average to be determined by an independent

Under Secretary of State
for Foreign Affairs.

(8) Or, as an alternative, we are prepared to purchase on the basis of cash.

I am prepared to further discuss these proposals whenever you can arrange for those concerned to meet at the Foreign Office.

I have &c.,

(Signed) Owen Thomas.