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REPORT

of the

COMMITTEE

appointed to discuss the

RATIONALIZATION OF THE CLOVE

INDUSTRY.

ZANZIBAR :

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1929

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NOTE.—*It has been found necessary to omit Appendix I containing the record of the Committee's proceedings and Appendix II containing the replies of members of the Committee to the Questionnaire on the subject of the proposals of the President of the Clove Growers' Association.*

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(NOTE:—It is not proposed to publish the Appendices).

APPOINTMENT OF COMMISSION AND TERMS OF REFERENCE.

The Commission was appointed by S. B. B. McElderry, Esquire, Acting British Resident, on the 2nd of August, 1934, and was constituted as follows:—

C. E. Law, Esquire,
Chief Justice (*Chairman*).

J. P. Jones, Esquire.
Assistant Chief Secretary and Provincial Commissioner (*Vice-Chairman*).

J. Parnall, Esquire.
Administrator-General, Land Officer and Public Trustee.

Sheikh Seif bin Suleiman el-Busaidi.
Arab Member of the Legislative Council.

Tayabali Rajabali, Esquire,
Bar-at-Law.

2. The terms of reference were:—

“To enquire into and report upon the problem of agricultural indebtedness in the Protectorate; and, having due regard to the interests of the creditors, to make recommendations for the relief of debtors where such relief appears necessary on grounds of public policy”.

INTRODUCTORY.

3. All meetings of the Commissioners were held at Zanzibar. The evidence of witnesses was taken in public in the High Court buildings on the following dates:—

4th, 25th and 29th September, 1934.

9th, 18th and 25th October, 1934.

6th and 28th November, 1934.

8th and 20th December, 1934.

2nd, 5th and 6th January, 1935.

23rd February, 1935.

1st March, 1935.

Private meetings of the Commissioners were held on numerous occasions. Minutes of the meetings will be found in Appendix “A”.

4. In response to a notice published in *The Official Gazette* in English, *The Zanzibar Voice* in English and Gujerati, *The Samachar* in English and Gujerati and *Al-Falaq* in English and Arabic, memoranda were received from various sources. In addition, a number of witnesses were examined. The form of the notice, as published in English, together with the memoranda, will be found in Appendices “B” and “C” respectively.

5. The object of the Commission was also made known throughout the Islands of Zanzibar and Pemba through the agency of the District Administration. Despite the fact that the views of the public were thus widely invited regarding the solution of the problem under reference, numerous letters and other communications were received from various persons concerning their own individual cases. These were considered to be of no real value, as they were unsupported by concrete proposals touching the question and they are, therefore, not attached to this Report.

6. The evidence of the witnesses who appeared before the Commission was taken down in shorthand by Miss R. McElderry and is attached hereto. We desire to express to her and also to Mr. M. T. Hincks, Registrar of the High Court, who acted as Secretary to the Commission, our thanks for the efficient manner in which they discharged their duties.

REVIEW OF INDEBTEDNESS.

7. It is convenient, in the first instance, to refer to the Report on the Indebtedness of the Agricultural Classes, 1933, by Messrs. C. A. Bartlett and J. S. Last, which will hereafter be referred to as the Bartlett-Last Report. In paragraphs 12-13 thereof, the estimated number of clove plantation owners is stated to be 18,000, of whom 5,432 appear to have replied to a certain questionnaire. It is observed that these 5,432 owners are said to owe Rs. 38,60,000, of which Rs. 20,34,000 and Rs. 9,63,000 respectively are shown as due on mortgages and fictitious sales of their plantations. The remaining Rs. 8,63,000 is shown as due on account of other debts. As against these liabilities, Rs. 62,57,000 appears as assets possessed by these owners. These figures indicate that each of these owners is indebted to the extent of approximately Rs. 552 in respect of either a mortgage or a fictitious sale of his plantation and, in addition, to approximately Rs. 158-8-0 in respect of other debts, making an average aggregate debt of Rs. 710-8-0 per head. In our opinion, this is a somewhat heavy debt for the average owner to carry and would appear to be out of proportion to his assets of Rs. 1,152, as estimated in the report under reference.

8. We would observe, however, that the above valuation of the assets, as compared with present day prices, appears to be considerably under-estimated. From the evidence before us, we are satisfied that the valuation in the Bartlett-Last Report of Rs. 4 and Rs. 2 per mature clove and coconut tree respectively is extremely low and that Rs. 8 and Rs. 4 respectively would form a truer basis of calculation. The relative proportion of debts to assets is not, therefore, so heavy as it would appear to be at first sight. In his evidence, Mr. Bartlett frankly admitted that the basis of this estimate is not reliable, but maintained that the report as a whole is an indication of a problem of magnitude. He explained that he and Mr. Last were not invited by Government to examine creditors. Naturally, therefore, we are unable to accept the report except as indicative of a state of indebtedness which was likely to cause alarm to Government. Assuming that full opportunity was given to the persons concerned to state their case, we would express astonishment that only 5,432 owners out of approximately 18,000 replied to the questionnaire. Either the remaining 12,500 odd owners were completely indifferent as to their ultimate fate, or they did not reply because they were not financially embarrassed. If the latter surmise be the correct one, the position which presents itself, on the figures quoted, appears to be that about 30% of the owners are indebted and that about 23% of the total indebtedness is by way of mortgage or fictitious sale.

9. In their evidence, the Honourable K. K. Sualy, M.B.E. and Mr. S. B. Sidhwa roughly estimate the total agricultural indebtedness of the Protectorate to be from 60 to 80 lakhs of rupees. We incline to the view that this is an over-estimate and we believe that, if debts are adjusted in the manner indicated at a later stage of this report, it will be found that the actual total will be considerably lower. No conclusive figure in this connexion can be extracted from the Bartlett-Last Report. In the absence, therefore, of exact figures, which we are unable to obtain, we can only express the opinion that a state of indebtedness exists which would appear to warrant our examining the position generally, with a view to offering, to the best of our ability, suggestions for its amelioration.

ESTIMATED NUMBER OF CLOVE TREES.

10. The consensus of opinion hitherto appears to have been that there are, in the Protectorate, 3,000,000 clove trees—2,000,000 in Pemba and 1,000,000 in Zanzibar. The figure given in the Bartlett-Last Report is 2,947,966, inclusive of 190,995 immature trees. These figures are shown as having been taken from the Clove Bonus Registers which were kept by the Department of Agriculture from 1922 to 1928.

11. It is worthy of note that Mr. W. Grazebrook in "The Clove of Commerce", published in 1925, states "The latest returns show the total number of trees to be about 3½ millions".

12. It has been ascertained from official records that, during the period 1922-1929, plantation owners were encouraged by Government to plant clove trees, a cash bonus being offered in respect of each tree found on examination to be planted in accordance

with directions issued by the Department of Agriculture. The procedure during the period 1922-1927 was to pay Re. 1 in respect of each tree on its attaining the age of one year, a further 8 annas on its attaining the age of 3 years and a final Rs. 1-8-0 on its attaining the age of 6 years. During the period 1928-1929, a certain number of consolidated payments of Rs. 3 were made. The total sum so disbursed during the period 1928-1929 was Rs. 488,383. It is clear, therefore, that during this period a large number of trees were successfully planted. It is, at the same time, realized that a number of trees were lost through various causes.

13. Regarding the yield of a clove tree, Mr. Grazebrook again states:—“It would appear, from statistics of ten years from a well-known plantation, that cloves carefully picked and dried show an average yield of 6 lbs. per tree”, that is to say, that it requires $5\frac{2}{3}$ trees to produce one frasila (35 lbs.) of dried cloves. Evidence adduced before us tends to confirm this. Figures submitted by the Public Trustee indicate that four trees of average quality, properly cultivated, are capable of producing an average annual yield of one frasila of dried cloves. As there is some difference of opinion as to what is an average tree, the Public Trustee has expressed the view that an average annual return of one frasila from 5 trees would be a safer estimate. The Director of Agriculture, on the other hand, estimates that it takes 7 trees to yield one frasila per annum. Taking into consideration the evidence of other witnesses, Arab and Indian, it does not seem unreasonable to conclude that 6 average trees will yield one frasila per annum.

14. We would here make reference to the Report by Mr. K. P. S. Menon, I.C.S., who was deputed by the Government of India to enquire into and report upon the effect on Indian interests of certain Decrees passed, in 1934, by the Government of Zanzibar. Examination of the statistics officially furnished to Mr. Menon regarding the quantities of cloves delivered at the Custom House during the period 1924-1934 (*vide* page 16 of his Report) shows total receipts of 6,665,000 frasilas, that is, an average of 666,500 frasilas per year. As it has been shown that an average tree yields on an average 6 lbs. of dried cloves per annum, it would appear that the number of trees represented by 666,500 frasilas is 8,999,000 which, we would observe, is 1,242,000 trees in excess of the figure of mature trees given in the Bartlett-Last Report. We have also examined figures taken from the records of the Customs Department relating to the export of cloves during the same period. We find that those figures, together with an estimate of stocks in hand, bear out the conclusion which we have arrived at, namely, that there must be in the Protectorate not less than 4,000,000 bearing clove trees.

EXTENT OF HOLDINGS BY INDIANS.

15. It is on record that, in 1922, 152,490 clove trees were owned by Indians (paragraph 11 of the Menon Report).

16. Figures furnished to us by the Honourable C. M. Patel (Pemba) and Mr. N. C. Mehta (Honorary Secretary, Indian National Association, Zanzibar) show that the total number of clove trees *mortgaged* to Indians is 309,590, of which 125,250 are in Pemba and 184,340 in Zanzibar; and that the total number of clove trees *owned* by Indians is 502,613 of which 351,800 are in Pemba and 151,813 in Zanzibar.

17. With regard to clove trees *owned* by Indians in Pemba, Mr. Patel agreed that so-called owners may include mortgagees by way of fictitious sale. This must be so. On the assumption that the total number of clove trees in the Protectorate is 2,947,966 (as given in the Bartlett-Last Report), the number of clove trees mortgaged to and owned by Indians, according to their own figures, approximates 27% of the total. We have, however, already expressed the view that there are not less than 4,000,000 clove trees in the Protectorate and an examination, in this light, of the figures furnished by Messrs. Patel and Mehta shows that:—

- (a) the number of clove trees *owned* by Indians, including fictitious sales, is approximately 12½% of the total;
- (b) the number of clove trees *mortgaged* to Indians is approximately 7½% of the total.

18. Figures supplied by the Registrar of Documents show that, during the period 1923-1933, Indians in Pemba acquired 305,676 clove trees, and that Indians in Zanzibar acquired, during the same period, agricultural property of the estimated value of

Rs. 21,64,288. The reason why the number of clove trees which passed into Indian hands in Zanzibar is not available from official records is that, whilst in Pemba it has been the practice to record the number of trees in deeds of conveyance, such practice was not followed in Zanzibar until the year 1931.

19. From the Blue Book for 1933 (page 182), it appears that in Zanzibar Island 16,000 acres were under cloves and 45,000 acres under coconuts. The area under cloves is, therefore, 26% of the total area under cloves and coconuts. As Indians in Zanzibar acquired, during the period 1923-1933, agricultural property of the value of Rs. 21,64,288, the value of clove plantations acquired by them during that period may be estimated at 26% of Rs. 2,164,288, that is, Rs. 5,62,714. We have reliable evidence to the effect that clove trees were sold during this period at an average price of Rs. 11 per tree. On this basis, therefore, the figure Rs. 5,62,714 would represent 51,156 trees, no allowance being made for the value of plantation buildings. The foregoing figures give a total holding by Indians of 509,322 clove trees, arrived at as follows:—

152,490	Held in 1922.
305,676	Acquired in Pemba, 1923-1933.
51,156	Acquired in Zanzibar, 1923-1933.
—————	
509,322	As compared with Messrs. Patel and Mehta's total of 502,613 trees.
—————	

20. In the Bartlett-Last Report Rs. 968,000 are stated to be due by Arabs and Africans on account of fictitious sales. At a valuation of Rs. 4 per tree, as adopted in that report, this indicates that 240,750 clove trees have passed to Indians by way of fictitious sale. Having regard to the provisions of Section 18 of the Alienation of Land (Restriction and Evidence) Decree, 1934, it is reasonable to assume that a considerable proportion of these trees will, in due course, revert to the original Arab and African owners, and there is evidence before us to show that this is, in a number of instances both through the medium of the Courts and by private treaty, actually taking place. Assuming that these 240,750 trees revert to their former owners, the Indian holding would become reduced from 12½% (*vide* paragraph 17) to 6½% of the total. Apart from this consideration, figures supplied by the Registrar of Documents show that in the Island of Zanzibar, during the period 1923-1934, Indian mortgagees purchased at Court auction sales, in satisfaction of their claims, clove and coconut plantations of the aggregate value of Rs. 508,062. Taking 26% of this amount (*vide* paragraph 19), we arrive at the figure of Rs. 132,096 which, at Rs. 11 per tree, represents 12,009 trees. During the same period, 25,144 clove trees were purchased in Pemba under similar circumstances. We have evidence that, in certain instances, these mortgagee-purchasers would readily re-transfer to the Arab and African mortgagors the properties which they have thus acquired. From the foregoing, it may, we consider, be reasonably assumed that, in the course of the next few years, especially if facilities are provided for the liquidation of existing debts, a further number of trees now in Indian hands are likely to revert to their original owners.

21. No information is available from official sources regarding the number of clove trees under mortgage, as discharges thereof were not compulsorily registrable before 1934. The figure given by Messrs. Patel and Mehta is 309,590, or 7½% of the Protectorate total. As we have satisfied ourselves that the figure furnished by them regarding the number of trees owned by Indians is approximately correct, we are disposed to accept the mortgage figure as approximately correct also.

NOTE.—Sheikh Seif bin Suleiman does not accept the figures furnished on behalf of Indian mortgagees regarding the number of trees under mortgage to them.

22. It is stated in the Bartlett-Last Report (paragraph 55) that "it is probable that not less than half the agricultural property of these islands has passed into the hands the money-lending classes and that at least half the remainder is encumbered to them, most of it heavily." We find that the above expression of opinion is not borne out as a result of our investigations. We are, of course, aware of the fact that there are money-lenders other than Indians, but we feel that the amount so involved is, comparatively speaking, negligible. Before leaving the subject of Indian holdings, we desire to point out that such property as has passed into Indian hands has not passed into the hands of the money-lending classes exclusively, for there are in the Protectorate Indians who hold properties as *bona fide* investors and agriculturists.

VARIATION IN QUALITY OF PLANTATIONS.

23. We have irrefutable evidence that the valuations placed on clove and coconut trees vary very considerably, the determining factors being the age and productive capacity of the trees, the quality of their soil and their situation in relation to the main roads. It is a well-known fact that there are plantations in the Protectorate containing clove trees which yield a frasila or more of dried cloves in a season, whilst others contain trees which produce as little as one lb. or less per season. In view of these facts, we consider it would not be right to place one value on all trees and we are of the opinion that the proper course is to value each plantation separately.

TITLE IN RELATION TO INDEBTEDNESS.

24. It is generally admitted that the absence of cheap credit facilities, coupled with the disinclination of mortgagees to foreclose and dispossess their debtors, has aggravated the problem of agricultural indebtedness, and it has been suggested that the absence of a survey of properties and of registration of title appreciably increases the cost of credit (paragraph 48 of the Bartlett-Last Report). We have already expressed the opinion that a state of indebtedness exists such as to warrant the consideration of measures to be taken for its alleviation and, as a result of our investigations into production costs and plantation values, details of which are contained in Appendices "D" and "E", we are convinced that, given cheap credit facilities, the majority of plantation owners who are now embarrassed should be able to free themselves in due course.

25. The question which now confronts us is whether such relief, which we consider should be immediate, should necessarily await the introduction into this Protectorate of a system of land survey and registration of title, regarding which, we understand, the Government is shortly to receive the advice of no less an authority than Sir Ernest Dowson, K.B.E. There is, in our opinion, no question that such a system, the completion of which might take several years, will be of considerable value. We have, however, the evidence of local advocates of long standing and experience. They inform us that loss from bad or defective title is very small, barely one per cent, which, with more careful investigation, may be still further reduced. The Public Trustee, who has during the past 17 years invested nearly 20 lakhs of rupees, states that he has so far had only one case of defective title in which he anticipates a possible loss of about Rs. 2,000. It will thus be seen that, if reasonable precautions are taken, the risk of loss of money lent on the security of agricultural properties in Zanzibar is negligible. With regard to Pemba, where conditions differ somewhat from those which obtain in Zanzibar, title will require more careful scrutiny and closer investigation.

26. We therefore consider that the immediate relief of debtors is practicable, as title can be investigated, in the case of the larger plantation owners, by experienced local advocates, which is the practice followed by the Public Trustee. In the case of the smaller owners, with a view to saving expense, it is probable that title can be investigated with reasonable certainty by the staff of the District Administration.

RECOMMENDATIONS.

(a) Adjustment of Existing Debts.

27. We have now reached the stage when we consider it appropriate to outline the manner in which debts should be adjusted. This is a matter which presents no little difficulty. We have to bear in mind the terms of reference which include the interests of creditors which, we would respectfully agree, is a very proper provision, in other words, vested interests. We feel we are not concerned with the legislation of 1934, such as the Clove Growers' Association Decree, the Clove Exporters Decree, the Agricultural Produce

Decree and the Adulteration of Produce Decree, all of which we regard as matters of public policy primarily affecting the prosperity of the Protectorate as a whole and not directly concerning the rights of individuals as between themselves. The Moneylenders (Amendment) Decree, together with its principal Decree, stands on a footing of its own, and regulates the fate of transactions coming within its scope. With regard to vested interests, they fall into two natural categories, namely, secured and unsecured debts. The problem before us is what special steps should be adopted to enable debtors to pay off their creditors, fair consideration being given to the merits of the cases concerned.

28. With the object of bringing creditors and debtors together and of examining claims Conciliation Boards might be set up. Legislation of this nature exists elsewhere, for instance, the Farmers' Creditors Arrangement Act, 1934 (Canada), the Debt Adjustment Act, 1933 (Saskatchewan) and the Debt Adjustment Act, 1933 (Alberta). Similar legislation has been under consideration in India, namely, the Punjab Relief of Indebtedness Bill. Copies of these measures are, we understand, in the possession of Government.

29. Generally speaking, the object of such legislation is, on the application of a debtor, to bring his creditors, secured and unsecured before a properly constituted Board. If, therefore, an amicable settlement be arrived at between the parties, so much the better; it should then be duly recorded and certified by the Board. In our opinion, the Board should also be empowered to impose on the parties and certify any adjustment which is acceptable to the debtor and sixty per cent in value of his creditors. We consider, however, that any adjustment thus imposed should be appealable to the Chief Justice whose decision should be final. If an amicable settlement were not arrived at, or if no adjustment were imposed, the Board should refer the parties to their ordinary civil rights. We feel convinced, however, that the Board would be able to effect settlements in the majority of cases.

30. The personnel of the Board is a matter of some importance and we would therefore suggest that it should consist of a Resident Magistrate (with a knowledge of local conditions), an Indian and an Arab. We do not consider that the parties concerned should be entitled to be represented by advocates before the Board in cases where the total indebtedness does not exceed Rs. 1,500.

31. We consider that the Board should be empowered to disallow interest above 10% and 15%, on secured and unsecured debts respectively for the period for which such interest has been unpaid. As to compound interest, we consider that it should not be allowed at all. In recommending the above maximum rates of interest, where unpaid, we fully realize that some debtors may have paid at a higher rate for a considerable time and that others may have paid little or nothing and that our recommendation may, therefore, appear to be hard on the debtor who has paid regularly. It should, however, be borne in mind that the debtor who has paid little or nothing will be faced with the payment of a larger sum by way of balance of interest than the debtor who has paid regularly. This will also penalize, in a sense, the creditor who has omitted to collect his interest and who is not so deserving of sympathy as the creditor who has collected his interest regularly and who has thus left his debtor with a smaller liability on account of interest.

32. With regard to secured debts, the Board should value the security and, if its value be found to be *more* than the amount found due to the secured creditor, the debtor should be given time—if necessary, up to, say, four or five years—to pay off the creditor by such annual instalments as the Board may fix. If, in such a case, there be unsecured creditors also, they should be entitled to share, in proportion to their proved claims, in the difference between the value of the security and the amount found due to the secured creditor. In making any order for payment by instalments, the Board should be at liberty to apportion what amount should be paid annually to the secured and unsecured creditors respectively. Whatever balance may remain due to unsecured creditors over and above the difference between the value of the security and the amount due to the secured creditors should be made irrecoverable after consideration has been given by the Board, in the manner indicated in paragraph 35, to the debtor's ability to pay.

33. In the event of the value of the security being found to be *less* than the amount due to the secured creditor, the unsecured liabilities should be made irrecoverable, consideration having been given to the principle outlined in paragraph 35, and the Board should have a discretionary power to order the debtor to pay to the secured creditor such annual instalments as it considers advisable over a period not exceeding five years. The instalments so paid under the order should be utilized (a) to discharge arrears of interest and (b) to reduce principal. The above provision would tend to save many debtors who might otherwise lose their plantations. Such debtors, having reduced the amount of their

indebtedness over the period of years allowed to them by the Board, should then be in a position to raise money on favourable terms to liquidate the balance e.g., by arranging a transfer of mortgage.

34. Under the scheme above-outlined, a debtor would get rid of his debts at large, which would thus become defined and which would be liquidated in due course, provided he complied with the order of the Board. Failure to do so should render the security liable to immediate sale at the instance of any of his proved creditors, together with any other property movable or immovable, belonging to the debtor. We consider that, in such cases the mortgagee should have the right to bid for and purchase the property. We would here observe that it is claimed on behalf of the Indian community, the overwhelming majority of whom are, to all intents and purposes, "Zanzibaris", that they should share with Arabs and Africans the right to acquire plantations and that, accordingly, mortgage securities, when sold, should be sold in a free and unrestricted market. Any such principle should, we consider, be so applied as to ensure that no community nor individual acquires an entirely disproportionate number of plantations, for this, we feel would be neither economically nor socially desirable. Should it ever be found necessary, in order to avoid this, to apply any restriction against the right of a mortgagee to bid for and purchase the property mortgaged, we consider that he should be compensated by Government, otherwise he would suffer an injustice inasmuch as he would have to face a loss of capital by reason of interference with his vested rights. Government should, of course, be free at all times to intervene on behalf of a debtor in order to assist him in such manner as they may see fit.

35. In all cases, when making its order, consideration should be paid by the Board to the fact whether the debtor possesses other means or other property, movable or immovable, apart from the security, in order to arrive at a true estimate of his ability to pay.

36. We consider that, in dealing with fictitious sales, the Board should have the powers conferred on a Court by Section 18 of the Alienation of Land (Restriction and Evidence) Decree, 1934, with the following reservation, namely, that having declared the transaction to be a mortgage, it should treat it as an ordinary and not a usufructuary mortgage.

37. The Board's certificate should have the force of a decree, and should be filed in either a Resident Magistrate's Court or the High Court, according to the monetary value thereof. Where instalments or other payments have been ordered by the Board, the Court could employ the services of the Official Assignee to collect and distribute the same.

38. The valuation of a security, which will not be free from difficulty, should be done by approved brokers attached to the Board, but the parties should also be at liberty to bring evidence on the subject. Brokers should be instructed that their valuations should reflect the price that would be paid by a willing purchaser to a willing vendor in an open market.

39. The procedure before a Conciliation Board might follow that outlined in Part 4 of the Punjab Indebtedness Bill, with such alterations as may be considered necessary.

40. As an alternative to Conciliation Boards, we would recommend that creditors and debtors should be left to adjust their differences, if they so desire, through the Courts, which should be invested with the same powers as we have recommended in the case of the Conciliation Boards. Whilst we fully recognize the advantages of Conciliation Boards, we prefer and strongly favour this alternative, which has the merit of utilizing existing machinery and thus of avoiding the expense and delay likely to be entailed if Conciliation Boards are resorted to.

(b) Credit Facilities.

41. As the result of our investigations, we recommend that Government should assist plantation owners, who are deserving of assistance, with loans at a low rate of interest. This, we consider, would be of inestimable benefit to the Protectorate as a whole and should go far to solve the problem of agricultural indebtedness. Given such assistance, many agriculturists, who may now be on the verge of insolvency, would, we believe, be saved.

CONCLUSION.

42. In the course of our enquiry we have had occasion to review certain steps which have been taken by Government with the object of safeguarding the agriculturist from future indebtedness. We have also considered whether any additional or alternative measures should be taken to this end, but, having strict regard to the terms of reference, we have refrained from including in this report any recommendations thereon which, however, are available, if required. Finally, we would refer to the moratorium created under the provisions of section 19 of the Alienation of Land (Restriction and Evidence) Decree, 1934, which, we consider, should be lifted as soon as possible after a decision has been taken by Government regarding the liquidation of existing debts.

C. E. LAW,

J. P. JONES,

J. PARNALL,

SEIF BIN SULEIMAN EL-BUSAIDI.

TAYABALI RAJABALI.

Zanzibar, 3rd April, 1935.

Memorandum

by the

Government of Zanzibar

on the

Report of the Commission

MEMORANDUM.

Summary of recommendations of the Commission on Agricultural Indebtedness and of views and recommendations submitted by the Government of Zanzibar for the consideration of the Secretary of State for the Colonies.

The Commission recommends that Conciliation Boards or Courts should be established for the settlement of debts.

The Government considers that the ordinary Courts of the Protectorate, specially authorized for the purpose, are preferable to Conciliation Boards, but that appeal should lie from these Courts to the Chief Justice, whose decision should be final.

The Commission recommends that, if amicable arrangements are come to between debtors and creditors for settlement of debts, these arrangements should be certified by Courts. It recommends also that Courts should be empowered to impose on the parties and certify any adjustment which is acceptable to the debtor and 60% in value of his creditors. If an amicable settlement is not arrived at or if no adjustment is imposed the Court should refer the parties to their ordinary civil rights.

In the view of the Government these recommendations are inadequate or to some extent unsatisfactory. The indebtedness question is a very serious one and, in the interests of both debtors and creditors, the Government considers that every effort should be made to deal with it to the fullest extent possible. It considers, therefore, that it is not sufficient to rely upon amicable settlements but that Courts must have power, when cases come before them in respect of debts contracted before the clove legislation of 1934, or upon application of either party, to make a compulsory adjustment of the debt if the case is a proper one for adjustment, and in such cases to re-open past transactions.

The Commission recommends that Courts should be empowered to disallow interest above 10% and 15% on secured and unsecured debts respectively for the period for which such interest has been unpaid.

The Government agrees in principle with this recommendation but considers that where a case is brought before the Court for adjustment interest already paid at a higher rate should be taken into consideration. It agrees with the further recommendation of the Commission that compound interest should not be allowed.

The Commission recommends that in the case of secured debts the Courts should value security and that, if its value is found to be more than the amount due to the secured creditor, the debtor should be given time—up to say four or five years—to pay off the creditor by such annual instalments as the Court may fix.

It recommends also that if in such a case there are unsecured debts also the unsecured creditors should be entitled to share, in proportion to their proved claims, in the difference between the value of the security and the amount due to the secured creditor.

In making any order for payment by instalments the Commission recommends that Courts should be at liberty to apportion what amount should be paid annually to secured and unsecured creditors respectively, and that whatever balance may remain due to unsecured creditors over and above the difference between the value of a security and the amount due to the secured creditor should be made irrecoverable after consideration has been given to the ability of the debtor to pay. The ability of the debtor to pay should be based on the considerations whether the debtor possesses other means or other property movable or immovable apart from the security. If the security based on these considerations should be found to be less than the amount due to a secured creditor, the Commission recommends that the balance, both of secured and unsecured debts, should be made irrecoverable.

The Government concurs generally in these recommendations subject to:

(a) in making an order as to the time and method of payment, the amount of instalments, if any, and the period over which payments are to be spread, Courts must take into consideration the immovable property of the debtor whether charged with the debt or not, such movable property as is not exempt from attachment under the Civil Procedure Decree, and the debtors probable earnings.

(b) when considering the question as to whether a debtor can redeem his debt if spread over a number of years the probable annual return from a plantation is a better criterion than the estimated market value.

The Government considers that a period of four or five years is wholly inadequate and that in the vast majority of cases debtors would find it quite impossible at the end of that period to make satisfactory arrangements to finance themselves, and that the very circumstances which justify action being taken to effect arrangements between debtors and creditors, in the interests of both, would recur. If the debt position is to be retrieved and if creditors are to obtain payment of sums found by Courts to be due to them a maximum period of twenty years must be accepted. Payments must be based chiefly on the average annual receipts from plantations which change according to the clove crop variations. The amount of debt having been settled the Courts should be able to decide whether by annual payments a debtor could redeem his debt. If not, disposal of assets should be ordered. If annual payments are ordered Courts should arrange that they are within the capacity of the debtor to pay and equitable to both parties and decide whether they should be secured by the appointment of Receivers or other approved method. The creditor will thus know exactly what sum he will recover and by what method of instalments and the debtor will be liable for payment, failure to pay rendering his assets subject to sale. Creditors who wish to do so should find little difficulty in disposing of a settled and, as far as is possible, a secured asset.

The Commission recommends that failure to comply with an order of a Court should render security liable to immediate sale together with property movable or immovable of the debtor and that, where sale is ordered, the creditor should have the right to bid for and purchase the property but that the principle should be applied so as to ensure that no community or individual acquires an entirely disproportionate number of plantations.

Subject to the reservation of movable property exempt from attachment under the Civil Procedure Rules and possibly to a discretion in the Courts, the Government agrees but, where sale is ordered in such circumstances, it considers that the sale should be in the open market without any restrictions on alienation.

The Commission recommends that the Government should be free at all times to intervene on behalf of a debtor in order to assist him in such manner as it may see fit.

This is a somewhat indefinite recommendation but, if circumstances justify interference and it is possible to do so without prejudice to the creditor, there would obviously be no objection.

The Commission recommends that Courts should have powers conferred by Section 18 of the Alienation of Land Decree in respect of what are known as "Fictitious Sales" but that where such a sale is held to be a mortgage it should be an ordinary and not a "usufructuary" mortgage.

The Government concurs.

The Commission recommends that where valuations of securities are necessary they should be done by approved Brokers attached to the Courts and that Brokers should be instructed that their valuations should reflect the price that would be paid by a willing purchaser to a willing vendor in an open market.

The Government, while agreeing in principle, considers that Courts should find little difficulty in ascertaining the value of securities and that they may safely be left to arrange for valuations, calling evidence or obtaining assistance of Brokers as they deem advisable.

In paragraphs 7 - 9 of its report the Commission reviews the indebtedness position; in paragraphs 10 - 14 it deals with the estimated number of clove trees; and in paragraphs 15 - 22 with the extent of holdings by Indians.

The Government, after a careful and exhaustive examination of the grounds on which the Commission based certain conclusions to which it came on these matters, has found it necessary to inform the Secretary of State that it is impossible for it either to accept the reasons given by the Commission for its conclusions or to agree with the conclusions themselves. Government is satisfied that the restriction upon alienation of land is absolutely essential in the interests of the agricultural classes and that without such restriction the rapid transfer of land away from such classes will continue.

Mr. K. P. S. Menon, I.C.S., in his report to the Government of India of the 10th September last said "The Land Alienation Decree is unobjectionable provided—

"(i) the racial distinction at present drawn between African and Arabs on the one hand and persons who are not Africans and Arabs on the other is replaced by the more rational distinction between agriculturists and non-agriculturists, and

"(ii) the Decree is not allowed to affect the rights arising from past transactions relating to land. As already stated a Commission has been appointed to enquire into this problem; and action may be deferred pending the receipt of its recommendations."

It will be seen that if the recommendations of the Government above referred to are approved (ii) of Mr. Menon's objections will be met to the fullest extent possible. In regard to (i) it is considered that there is some justification for this criticism and it is hoped that a definition of "agriculturist" suitable to the conditions of Zanzibar will be drafted for inclusion in amendments to the Land Alienation Decree which, if approved, will meet the objection expressed by Mr. Menon.

While in this memorandum the views expressed by the Government of Zanzibar on the report of the Indebtedness Commission are briefly summarized, the Secretary of State for the Colonies has not yet had time to consider the despatch in which they were submitted to him.

ZANZIBAR PROTECTORATE

Report of a Sub-Committee of Zanzibar
Advisory Council on Education
on Grants-in-aid and on the
Reorganization of Indian
Education, November,
1935.

PRICE: Re. 1

1935

**REPORT OF A SUB-COMMITTEE OF ZANZIBAR ADVISORY
COUNCIL ON EDUCATION ON GRANTS-IN-AID AND ON
THE REORGANIZATION OF INDIAN EDUCATION,
NOVEMBER 1935.**

1. The Sub-Committee has carefully considered the principles set forth in the Memorandum on Educational Grants-in-Aid of the Advisory Committee on Education in the Colonies, dated April 1933 (Colonial No. 84).

2. Summarized, these principles are:—

- (1) The amount set apart for grants-in-aid should be decided locally with reference to the needs and circumstances of the Protectorate (p. 4).
- (2) Government should welcome and encourage all voluntary effort which conforms to the general policy (p. 4).
- (3) To deserve Government encouragement the schools aided should reach (p. 4), or give promise of reaching (p. 6), a standard of educational efficiency comparable with that reached by Government schools.
- (4) Aided schools must submit to the general supervision of Government (p. 4), not necessarily a close or detailed control, but sufficient to secure that the general policy of Government is carried out.
- (5) The conditions of salary and the general status of staff which aided schools should be encouraged to aim at is that which is accepted as suitable for Government officers.
- (6) Grants should be considered under the heads (a) recurrent (b) non-recurrent.
- (7) Recurrent grants should if possible be given for a definite period of three or more years to give a sense of financial stability.
- (8) Grants based on salaries of staff (including expenditure on board, lodging, clothing, medical attendance, etc.) are preferable to capitation or result grants (pp. 9, 10, 11).
- (9) Provision must be made for pension or superannuation funds, and in the case of European staff for furlough allowance, passage money, and leave reserve (such expenditure to be included in the staff expenditure on which grant is calculated).
- (10) Efficiency grants may be given in addition to salary grants, but are of doubtful value owing to difficulty of assessment (p. 9).
- (11) When fees are charged grants may be based on the difference between salary expenditure and the school's fees. The fees should be calculated at rates to be approved by Government (p. 12).

3. The Sub-Committee sees no reason why these principles should not be applied to Zanzibar. Detailed comments and recommendations are made in succeeding paragraphs.

should not be decreased but might be increased to some small extent if the revenue of the Protectorate increases.

(h) The distribution of this total grant should be considered from time to time: suggestions in this regard are made in paragraphs 13 and 15.

5. *Re para 2 (2).*

(a) The general Government policy is to provide directly for Arab and African education and by aids to encourage Indian education. The various heads of educational activities included in this policy are detailed in Part I, para 9, of the Annual Report for 1934.

(b) The main point in the policy is to foster rural education to the limit that Government funds will allow and to endeavour to educate the rural people to the stage when they themselves will take a part in the burden of that education, through rural Native Councils, as suggested in Section 186 of Sir Alan Pim's report.

(c) In regard to secondary education, the Government policy is to provide for all nationalities and sects on a fee-paying basis and to limit numbers to the needs of the Protectorate.

(d) To conform with this latter point of policy, grant-aided middle schools must have curricula which will enable the best boys to enter the Government Secondary School.

(e) In respect of African education no grant is given to Missions. There appears to be little or no prospect of Missions rendering effective help in the education of the rural masses. Where, however, Missions are able to run rural schools on lines acceptable to the people in accordance with Government requirements, the Sub-Committee recommend grant-in-aid. In regard to Mission urban education for Africans, the Sub-Committee agree that there should be no objection in principle (provided schools accord with Government requirements for the class of school concerned, and fill a recognized place in the general scheme of education), to such schools receiving grant-in-aid on the same footing as community Indian schools. The restriction or non-restriction of admission to Christian pupils would in such cases depend on the size of the classes. If non-Christian pupils are admitted there should be an adequate conscience clause.

6. *Re para 2 (3).*

This should be rigidly adhered to in future. Such schools as do not after five years' enjoyment of grant attain a satisfactory standard should cease to enjoy grants.

7. *Re para 2 (4).*

This should be rigidly adhered to. In particular the following points should be insisted on:

- (a) Syllabuses suiting the general scheme of education.
- (b) Admission of pupils limited to races and sects which are not provided for by other Government or grant-aided schools.
- (c) Admission of pupils limited to early part of school year.

8. *Re para 2 (5).*

(a) The interpretation of this principle in Zanzibar is one of some difficulty and it should be made clear that the staffing of Government elementary and middle schools is one which consists entirely (apart from the Heads of the Rural Middle School and the Girls' School) of local staff.

(b) For Indian schools, therefore, the comparison is with the salaries of Government teachers who teach in the town schools. In practically all our urban Indian schools the staff must consist of (a) trained teachers engaged from India (b) local teachers (generally untrained) engaged in Zanzibar, and the salary scales recommended are reasonably close to the Government scales of salary for teachers in town schools. In the special case of the Convent School, European Sisters form the bulk of the staff, and it is hard, so far as grant is concerned, to justify European staffing for the teaching of the communities catered for. It is not possible to include this school under para 2 (5).

(c) Were grant to be paid to the Convent School on European scales of salary it would constitute an injustice to the schools which cater for other communities. In making this comment the Sub-Committee have in mind its view that there is no place in the general system for a large Convent School open to all nationalities and that, in order to fit in with the general scheme, the Convent School should be limited to Goans, Parsees, Seychellois and such other nationalities or sects as are not provided for by grant-aided schools.

(d) New grants-in-aid conditions should make it incumbent on all managers to adopt a satisfactory system of staff service agreements or letters of appointment.

9. *Re para 2 (6).*

In order to obtain non-recurrent grants, managers of schools should make early application so that a reply from the Government may be obtained before they commit themselves to expenditure. Such grants can only be given if Government finances allow.

10. *Re para (2) (7), (8), (9), and (11).*

The Sub-Committee agrees.

11. *Re para 10.*

The Sub-Committee does not recommend efficiency grants in Zanzibar. To administer such grants properly would necessitate an increase of administrative staff which cannot at present at least be contemplated.

12. Before considering the general distribution of the funds available for grant-in-aid, the Sub-Committee consider it appropriate to deal with the second item of their terms of reference, the question of Indian education.

13. *Indian Education.—Boys.*

(a) In 1933 a meeting was convened at the instance of His Excellency the British Resident to discuss the reorganization of Indian education.

(b) This meeting was attended by prominent Indian representatives of all important communities except the Goan community (whose education is catered for by the Roman Catholic Mission and is in the English medium) and the Ismaili community, the Council of which took objection to individuals being invited to represent their community.

(c) The policy recommended, and on which there was general agreement, was:—

- (i) That middle education (apart from the middle classes of the Ismaili School, as the community was not likely to agree) should be centralized in the Sir Euan Smith Madressa.
- (ii) That the elementary classes managed by communities should continue to be so managed in order that adequate religious instruction should be given in the early stages.
- (iii) Combined with the above, it was suggested that secondary education should be developed in connexion with the centralized middle school.

(d) The position in regard to secondary education has changed owing to the decision of Government to undertake direct the provision of secondary classes.

(e) The Sub-Committee considered the question of the suggested centralization in the light of the educational needs of the various communities concerned.

- (i) The Ismailis have a splendid school building and receive grant-in-aid in respect of their elementary and middle classes.

It does not appear likely that this community will join in a centralized scheme. The Sub-Committee therefore recommend that the community should continue to manage its own elementary and middle classes, and continue to receive grant-in-aid therefor.

- (ii) The Bohora community should continue to manage its own elementary classes, but should send its boys to the Sir Euan Smith Madressa for middle education.
- (iii) The Parsee community; the Ithnasheri community; the Hindoo communities and the Memon community. None of these communities appears to be able to run elementary classes such as would give promise of satisfying grant requirements.

Elementary education for them should, therefore, continue to be provided by the Sir Euan Smith Madressa, but the parents should pay somewhat increased fees, so as to bring them more into line with the parents of communities which supply their own elementary schools.

The religious side of the education of the pupils of these communities should be catered for by the communities themselves, either out of school hours or at specified times within the school hours. Facilities for such instruction could be given in the school.

- (iv) The Goan community.

This community should continue to be catered for by the Mission, and the Mission should be encouraged to provide adequate middle classes for boys. Owing to the language medium, it is not possible to cater for Goan boys at the middle stage in the Sir Euan Smith Madressa.

SUMMARY OF RECOMMENDATIONS.

(f) The Sub-Committee recommend that Government should encourage the centralization of Indian middle education to the extent specified in the previous paragraph: that special aid should continue to be given to the Sir Euan Smith Madressa (see paragraph 14): and that grants should continue to be paid, under a revised general system, to the elementary and middle classes of the Ismailia School, to the elementary classes of the Bohora School and to the middle classes of the Bohora School until absorbed in the centralized institution.

(g) Special recommendations for the Convent School are made in paragraph 16.

14. *Indian Education. —Boys (continued).—The Sir Euan Smith Madressa.*

(a) This is the school in which it is proposed that Indian Middle education should be centralized, and which the Sub-Committee recommends should continue to receive special aid outside the general grant-in-aid system. The reasons for this recommendation will become apparent in the succeeding sub-paragraphs of this section.

(b) The school was started in 1890 by public subscription collected at the instance of Sir Euan Smith, then First Consul, to supply a general demand for education evinced by the Indian communities in common.

(c) From the beginning it has been an undenominational school managed by a representative committee of Indians.

(d) Through the energy of successive secretaries and headmasters, it has developed a very high tone, which has been heightened in recent years by scouting and other activities.

(e) Despite the rise of community schools [the Ismaili School (1907) and the Bohora School (1909)], and the admission till 1923 of a quota of Indian boys to the Government Central School, the school continued and continues to supply the very definite needs of the communities which for various reasons are not able to run schools for themselves.

(f) Before the introduction of a general scheme of grants-in-aid (in 1924), the Madressa, after obtaining unconditional grants from the year 1916, was, by a working agreement made with the Committee, taken under financial and general control by Government.

(g) One of the reasons for this agreement was the desire of Government to implement the policy of the simplification of language difficulties in the curriculum of the Government Central School. The diverting of the Indian pupils who formerly had been admitted to the Central School to the Sir Euan Smith Madressa had the result of making the latter into a quasi-Government school.

(h) The original working agreement, made with the Committee, was incorporated into a more formal agreement with the heirs and representatives of the original subscribers in 1931; and the latter was revised in 1935, with full provision for a lasting constitution of the Committee, and the financial control of the Madressa, including the presentation of estimates annually and the payment by Government of the approved deficit figure or the actual deficit, whichever shall be the lesser.

In amplification of the recommendations made regarding the Sir Euan Smith Madressa, the Sub Committee recommends:—

1. That the elementary section of the Madressa should, as at present, continue to be carried on in a separate building.

2. That a new and more commodious building should be provided, through the efforts of the Committee and the Indian communities generally, for the centralization of Indian middle education to the extent indicated in paragraph 13.

3. That, if the Ismaili community later evinces a desire to join in the scheme of centralization of middle classes, that community should be encouraged to do so, provided it releases a portion of the present Ismaili Boys' School for the accommodation of the extra classes involved.

In making these recommendations the Sub-Committee have taken into consideration the information laid before its members that a site adjacent to the Government Central School and the Ismaili Boys' School has been earmarked by Government for the new Sir Euan Smith Madressa building, that Government is willing to allow the fund called the "Surplus Fund" of the Madressa to be utilized towards the erection of the new building and that practical proposals for the provision of the extra funds required are being considered by the Committee of the Madressa and are likely to receive the approval of the Government.

15 *Indian Education.—Boys (continued).*

The Sub-Committee has taken into consideration that communities as detailed in para 13 (e) (iii) appear to benefit from the Government aid which is given to the Sir Euan Smith Madressa to a greater extent than the communities which run their own community schools benefit from the general scheme of grants, whether as at present or as in the revision which is proposed.

It recommends, therefore, that somewhat higher fees than at present be charged in the elementary classes of the Madressa, and that the money which will thus be released be devoted towards the development of the middle classes of the Madressa.

It further recommends that for the financing of the middle classes a slight rise in fees should be considered so that monies thus set free may be devoted to other schools, including such schools for Africans as may come under the grant system in future.

It further recommends that consideration be given to the continuation, after the new building has been paid off in full, of the lottery scheme in order to build up endowment funds for the Madressa. The interest accruing from such funds would set free further funds for the extension of the grant-in-aid scheme or for general educational purposes.

16. *The Convent School and the Middle Classes for Boys.*

(a) The Sub-Committee has carefully considered the place of the Convent School in the general scheme of education in Zanzibar.

(b) The school correspondent advocated that in the sphere of girls' education this school should be regarded as on a par with the Sir Euan Smith Madressa in the boys' sphere, that is to say (a) that it should be an undenominational school open to girls of all nationalities, and (b) that it should receive grant-in-aid which, together with fees, should equal recurrent expenditure.

(c) Examining the first portion of this contention, the Sub-Committee note that community education for girls is provided in two girls' schools for Hindus (one grant-aided), one girls' school for Ismailis (grant-aided), one school for Bohora girls (grant-aided) and two schools for Ithnasheri girls, one of which has applied for grant-in-aid.

This part of the contention does not, therefore, bear the light of examination, and the Sub-Committee is definitely of opinion that if the Convent School is to continue to receive grant admissions should be limited, so far as the girls are concerned, to Goans, Parsees, Seychellois, and such other girls as may be admitted on special approval by the Director of Education, provided that the admission of these latter girls does not overcrowd the classes; and so far as the boys are concerned, to Goans and Seychellois only.

(d) In considering the second part of the contention, the Sub-Committee perforce bore in mind what is brought out in its discussion of the first part, namely, that the part of this school in the general scheme of education is to cater practically entirely for Goan girls and boys and Parsee girls. The limitation of available funds has already been referred to and there appears to be no justification for according to these schools a much larger grant than is accorded to similar schools for other communities. In a Convent School, however, it is necessary that a large proportion of the staff should be European Sisters. This does not constitute an argument for an increased or special grant for Goan and Parsee education, but in view of the difficulties experienced by the Mission and of the fact that a Convent School is the natural kind of school for Goan children, the Sub-Committee makes a special recommendation [*vide (f) (iii)* of this paragraph].

(e) The Sub-Committee notes the attitude of the Bishop in the question of the curriculum and of external examinations, and would call attention to the salient principle of grant-in-aid which is stated in Section 2 of para 2 of this report. If the Mission does not desire to have Government control it should not ask for grant. Regulations 7, 8, 10, and 13 (c) and (k) should be strictly adhered to.

(f) From the financial point of view it appears to be the case that the Mission is not able to carry on without extra funds. In this regard we would suggest:

(i) That the staff be limited to the numbers required for the purpose of carrying on the following activities:—

A. Convent School with nine classes, Kindergarten, Sub-standards I and II and Standards I to III for boys and girls (six classes); and Standards IV to VI for girls, Standards V and VI to be combined (two classes). Total Staff, 9.

B. Small separate classes for boys: Standards IV to VI (V and VI to be a combined class). Staff, 2.

To these should be added one European relief. Grand Total, 12.

(ii) That not more than five European Sisters plus one relief be engaged.

(iii) That as a special concession grant be calculated on the same basis as in Schedule I of the proposed regulations (i.e., as for local Indian teachers), but in respect of the European staff assumed salaries equal to the maxima of the appropriate grades

be adopted for the calculation. This would work out as under:—

	Rs.
Headmistresses: Salary Rs. 320 p.m. ...	3,840
Assistant Headmistresses: Salary Rs. 270 p.m. ...	3,240
Four mistresses @ 195 = Salary Rs. 780 p.m. ...	9,860
Four lay mistresses if trained or recognized as equivalent to trained at actual salaries in Grade III @ say 90, 80, 75 and 75 = Rs. 320 p.m. ...	3,810
Two lay masters if trained or recognized as equivalent to trained at actual salaries say Rs. 150 each = Rs. 300 p.m. ...	3,600
	23,880
Staff Salary Bill:—Rs.	23,880
Grant @ 33½% = Rs.	7,960

In the case of this school no allowance for passages should be made.

(g) In respect of Regulations 3 and 13 (d) special arrangements could be made in the case of Mission schools to suit the Mission organization.

17. Indian Education—Girls.

Indian education for girls has already been discussed in para 16 (c).

The Sub-Committee recommends that grant-in-aid should be given to such schools as are able to comply with the proposed regulations. There is great difficulty in obtaining trained teachers, and the Schedule (Schedule II) is so constructed as to allow grant for teachers of very low qualifications. The Schedule should be subject to revision every three years.

18. African Education.

If and when applications for grants, in the case of schools which accord with para 2 (3) are made, Schedules should be drawn up with salary grades similar to those contemplated by Government for its future teachers.

Subjects of a vocational nature should be encouraged in the syllabus.

In view of the fact that it is not the policy of Government to provide urban boarding accommodation for Africans, no grants should be paid in respect of boarding.

19. Estimate of Total Salary Grant Liabilities under New Conditions, if 33½% be adopted as the percentage.

(i) List of schools which (a) are already in receipt of grant-in-aid, (b) might apply with the hope of acceptance.

(a) Ismaili Boys'.

Ismaili Girls'.

Bohora Boys' and Girls' Elementary. Girls' Lower Middle.

The St. Joseph's Convent School (with Middle Boys' Classes attached).

The Hindoo Free Girls' School.

(b) The Ithnasheri Girls' School (Lower Middle).—N.B.—This school has applied for grant.

The Aryan Free Girls' School.

St. Paul's School, Kiungani.

Roman Catholic Mission Boys' and Girls' Elementary School for Africans with vocational training classes attached.

(ii) The estimates in columns C. and D. are based on the idea of each school having a full complement of trained teachers as described in the schedules to Appendix A, salaries being taken at (a) minimum (b) third last step on the scales.

Passages are allowed for all Indian teachers, the staff being so fixed as to do away with necessity for reliefs. The headings show:—

- A. Actual grant for 1934.
- B. What the grant would have been in 1934 had the new conditions been in force.
- C. Grant based on minimum of approved scales, supposing all teachers eligible.
- D. Grant based on third step from top of approved scales, supposing all teachers eligible.

(iii) From the table the conclusions are:—

- (i) That if the new proposals had been in force in 1934 grant would have been less than that actually paid in that year.
- (ii) That the grants for the five schools at present in receipt of grant would be liable in course of time to go up to a sum between Rs. 23,600 and Rs. 29,000, and if the two other Indian schools come in, these sums would be increased to Rs. 29,000 and Rs. 36,000 respectively.
- (iii) That Mission urban education might qualify for grants up to Rs. 4,500.

(iv) We are informed that the provision for 1936 for grants-in-aid to Indian schools, apart from the Sir Euan Smith Madressa grant (Rs. 30,000), is Rs. 20,666.

The present proposals would appear to involve (a) in respect of Indian schools at first a decrease in this sum and later a gradual increase, as larger numbers of trained staff are engaged, up to a probable maximum of about Rs. 32,000 or Rs. 33,000 (b) in respect of Mission schools for Africans new grants amounting to about Rs. 4,500. Some of this extra appropriation may be covered by the proposals of para 15.

TABLE.

INDIAN EDUCATION.		Estimate of Salary Bills for Columns C. & D.			A.	B.	C. . D.	
Name of School.	Salary Bill		Passages.	Actual Grant 1934.	Estimate of 1934 on proposed conditions.	Total grant as described in § 19 (ii)		
	Minimum.	High.				Minimum.	High.	
	Rs.	Rs.				Rs.	Rs.	
1. Ismaili Boys' School ...	15,561	20,161	557	4,496	4,829	5,273	6,906	
2. Ismaili Girls' School ...	9,072	14,175	515	2,589	2,170	3,196	4,897	
3. Bohora School (Boys and Girls) ...	12,474	15,422	491	3,595	2,860	4,325	5,308 ¹	
4. St. Joseph's Convent School (and Boys' Middle Classes)	23,880	23,880	Nil	4,660	5,060	7,960	7,960 ²	
5. Hindoo Free Girls' School...	7,308	10,770	411	1,209	1,040	2,910	3,730	
6. Aryan Free Girls' School ...	7,308	10,770	411	—	—	2,910	3,730 ³	
7. Ithnasheri Girls' School ...	7,308	10,770	411	—	—	2,910	3,730 ³	
				16,549	15,859	29,484	36,261	
AFRICAN URBAN EDUCATION.								
1. St. Paul's School, Kiungani							2,774 ⁴	
2. Mixed Elementary Mission School							1,760	
							Rs. 4,534	

Notes:—¹ Presuming middle boys sent to Euan Smith Madressa.

² Special Grant as suggested in Report.

³ Presuming development as Lower Middle Schools.

⁴ Figure supplied by Canon Broomfield.

20. In Appendix A the Sub-Committee submit Regulations, modelled partly on the Tanganyika Grant-in-Aid Regulations for Indian schools, and partly on Colonial No. 84.

Appendix B is the Schedule suggested for Indian Girls' Schools.

Appendix D is the Schedule suggested for African Urban Schools.

21. Reverting to para 12. the Sub-Committee's recommendations as to distribution of grant are :—

- (a) The special grant to the Sir Euan Smith Madressa should be continued. It should not exceed Rs. 30,000, but should be reduced if possible by the means suggested in para 15.
- (b) The other funds available for grants, at present about Rs. 20,000, should be distributed, according to the proposed regulations to the schools detailed in paragraph 19. (i), (a) and the Ithnasheri Girls' School.
- (c) The claims of the other schools mentioned in paragraph 19. (i). (b) should be considered as soon as funds are available.
- (d) The percentage of salary grant should not be lower than $33\frac{1}{3}$, but should be higher if general finances allow, with appropriate increase of the total appropriation earmarked for grants-in-aid.
- (e) If and when additional funds over and above the present approximate sum of Rs. 50,000 become necessary, it is suggested that the method of obtaining such additional funds, whether by increased grant from central funds, or by special rate or otherwise, should be referred to the Advisory Council for its recommendations.

Wm. HENDRY.

G. W. BROOMFIELD,

A. A. M. LAKHA,

APPENDIX "A".

**REGULATIONS GOVERNING THE AWARD OF GRANTS-IN-AID TO
ELEMENTARY AND MIDDLE SCHOOLS IN ZANZIBAR.****1. Provision.**

With the object of encouraging private enterprise in education amongst the various communities in the Protectorate, the Government will set aside a sum of money annually from the Public Revenue for the purpose of providing grants-in-aid for schools under the conditions hereinafter provided.

2. Advisory Council.

It will be part of the duties of the Advisory Council on Education to advise the British Resident on policy in matters relating to grants-in-aid when referred to it.

3. Managing Committee.

For each assisted school or group of schools there shall be a duly constituted Committee of Management which shall include as a member with or without the right to vote the Headmaster (or Headmistress) of the school.

The Committee shall elect one of their number to act as Secretary, who shall be the sole and responsible correspondent with the Director of Education on all school matters except those connected with the internal management of the school and who shall be responsible for the proper accounting of all monies granted from Government funds.

(N.B.—The internal management of the school shall be as defined in an Education Department Circular drawn up on the advice of the Advisory Council on Education and approved by Government). See Appendix C.

In Mission schools the place of the Managing Committee may be taken by the authority in charge of the Mission and the place of the Secretary by the person deputed by that authority with the responsibilities detailed above.

4. Assisted Schools.

The Director of Education shall keep a list of all assisted schools in the Protectorate

5. Register of Teachers.

The Director of Education shall keep, or cause to be kept, a register of all teachers employed in any assisted schools in the Protectorate.

6. Records.

At every assisted school the following records shall be kept and shall be open to inspection when required by the persons mentioned in Section 11 of these regulations.

(a) Admission register and attendance registers in such form as the Director of Education may require.

(b) Description and rough plan of the school buildings, giving number of rooms, dimensions of rooms, and for each room the maximum approved accommodation.

(c) A log book in which shall be recorded events such as visits of Education Officers and others, receipt of new equipment, instructions in regard to curriculum, absence or illness of any member of the staff, and any special circumstances affecting the school a record of which may be of value for future reference.

No reflections or opinions of a general or personal character shall be entered in the log book.

(d) An inspection book in which the persons mentioned in Section 11 of these regulations may record such remarks as they may wish as a result of inspection.

(e) A visitors' book for the signature and remarks of visitors other than those mentioned in Section 11.

(f) A file to contain education regulations for the time being in force, official education circulars and syllabuses of instruction.

(g) A file to contain official letters, inspection reports and school returns.

(h) A file to contain monthly and terminal schemes of work.

(i) A copy of the time-table of each class, to be kept in a prominent place in the classroom, and a copy of the syllabus of instruction of each class to be readily available.

7. *Transfers.*

In the event of a pupil from a Government or Assisted School seeking admission to another Government or Assisted School, the teacher-in-charge of the former shall, on application from the teacher-in-charge of the latter, issue a leaving certificate in a form approved by the Director of Education.

This certificate shall contain a record of the school career of the pupil.

In the case of a pupil leaving an Assisted School with the intention of leaving the Protectorate to study elsewhere, the Headmaster shall, if so requested, furnish a leaving certificate to the parent or guardian.

8. *Admissions.*

Admissions will normally be confined to the opening three weeks of the school-year.

Any exceptions to this rule must be referred for the approval of the Director of Education.

9. *Attendance.*

Attendance for the purpose of these regulations means attendance at secular instruction.

Separate attendance registers shall be kept for each class, and entries shall be made once per day if the school has morning hours only, twice if morning and afternoon hours.

Pupils who arrive more than 20 minutes late for the first secular lesson shall be marked absent.

To qualify for grant the time devoted to secular instruction must be at least 15 clock hours per week in the Sub-Standard classes and at least 20 clock hours per week in the Standards.

There shall be an interval for recreation during any morning session of at least 15 minutes.

If a pupil fails to complete the full period of attendance at secular classes during any session he shall be marked absent.

In afternoon sessions, the time occupied in teaching shall not exceed 1½ clock hours, except by special approval of the Director of Education.

10. *Subjects of Instruction.*

All instruction in an Assisted School shall be according to a syllabus approved by the Director of Education.

Any subject of a vocational nature may be taught provided that a graduated scheme of instruction be submitted to and approved by the Director of Education.

In Assisted Girls' Schools the syllabus shall include needlework, and where such schools contain middle classes instruction in cookery and in child-welfare shall be provided.

11. *Inspection*

The Director of Education or person authorized by him may at any time enter the school premises for the purpose of inspection, and may record in the inspection book of the school at the time of his inspection such remarks as he may wish to make, or he may send a written report to the Secretary of the school, who shall cause a copy thereof to be inserted in the inspection report file. Remarks of members of the Managing Committee and other visitors should be recorded in the visitors' book and should be confined to comments on attendance, punctuality, truancy, cleanliness, condition of buildings and the like.

Classification of pupils shall be made at the beginning of the school-year by the Headmaster or Headmistress, who shall be guided when circumstances permit by the Director of Education or his representative.

Except with the consent of the Director of Education or his representative, no pupil shall be promoted to a higher class in Standards 3 to 6 unless he has been a full school year in the class from which he is to be promoted, and has proved himself efficient in the standard of that class.

12. *Staff.*

(a) No teacher shall teach in an Assisted School unless registered in the register of teachers as provided in Section 5 of these regulations, provided that this rule shall not apply to teachers specially engaged for the teaching of religion.

(b) No teacher shall be registered unless he or she has been employed under an agreement or letter of appointment approved by the Director of Education.

(c) A teacher to be eligible for registration must be certified by a duly qualified medical officer as being free from any disability likely to detract from his or her efficiency as a teacher, and must either have qualifications such as are described in the schedules to these regulations or have such special qualifications for teaching special subjects as may be approved by the Director of Education.

(d) Registered teachers shall be classified in appropriate grades according to qualifications on the advice of the Advisory Council on Education, and for the purpose of calculation of salary grants scales of salary appropriate to these grades will be fixed from time to time by the Government on the advice of the Advisory Council on Education.

(e) Application for registration shall be addressed to the Director of Education by the Secretary of the Managing Committee, and shall be in such form as the Director of Education may require.

(f) Notice of resignation of any teacher shall be sent without delay by the Secretary to the Director of Education.

(g) No teacher who has resigned or been dismissed from a Government or Assisted School shall be engaged by any Government or Assisted School without the approval previously obtained in writing of the Director of Education.

13. *Grants-in-Aid: Conditions.*

A school may, by the approval of the British Resident, be placed on the list of Assisted Schools entitled to receive grant-in-aid if the Director of Education is satisfied that the following conditions have been fulfilled, provided that the British Resident, on the advice of the Advisory Council on Education, may modify or waive any of these conditions.

(a) That the school is not conducted for private profit.

(b) That the school provides, or shows promise of providing within a stated period, at least a full elementary course.

(c) That the school admits and caters for the educational needs of pupils who are not in the opinion of the Advisory Council on Education adequately provided for in the same locality by other schools, and that admissions are limited to such pupils as the Advisory Council on Education may in each case advise.

(d) That the Managing Committee shall have the power, subject to the approval of the Director of Education to appoint and to dismiss the teachers.

(e) That no pupil, except in schools in which admission is limited to pupils of a single religious community, shall be compelled to attend at periods of religious instruction except with the written consent of the parent or guardian.

(f) That the Director of Education or person authorized by him, and members of the Advisory Council on Education shall have the right of entering into any classroom in which secular education is in progress, but shall not, except with the consent of the Headmaster or Headmistress, enter any classroom at other times.

(g) That the school buildings are maintained in a satisfactory state of repair and in good sanitary condition.

(h) That sufficient and suitable furniture and apparatus for the instruction of the pupils is provided.

(i) That the requirements of the Director of Education as regards the construction or use of the buildings, floor space, lighting, ventilation and sanitation are fulfilled and that space and arrangements for games and recreation are adequate.

(j) That the numerical strength of the staff is at least equal to the minimum laid down in the Schedule applicable to each school.

(k) That the income of the school including any Government grant shall be used exclusively for the purpose of education in that school.

(l) That records of admission and attendance are duly and accurately kept under the supervision of the Headmaster or Headmistress in accordance with the requirement of Sections 6 and 7.

(m) That all returns called for by the Director of Education are submitted as required.

(n) That no teacher is permitted to undertake any duties unconnected with his school work which can in any way interfere with the internal or external activities of the school.

(o) That the Director of Education, with the advice of the Advisory Council on Education, may forbid the use in any Assisted School of any text-book or other material intended for secular instruction which in his opinion is unsuitable by reason of inferior academic standard, provided that the British Resident may by order in writing prohibit the use of any book or material in any school.

(p) That the system of discipline in force, hours of instruction and recreation, and school holidays must conform to Government educational requirements as intimated by the Director of Education.

(q) That the School Medical Officer shall have the right to visit the school at any time during school hours.

Medical inspection of the pupils may be carried out at the discretion of the School Medical Officer, and the Managers will keep such records as he directs.

All pupils must be vaccinated or re-vaccinated, if so required by the School Medical Officer. Pupils who fail to satisfy the School Medical Officer in this respect may be excluded from the school.

(r) That a school may with the approval of the British Resident be deleted, on notice of one year having been given in writing, from the list of schools entitled to receive grant-in-aid if any one of the above conditions ceases to be fulfilled.

14. *Provident Schemes.*

All grant-aided schools must within five years of commencing to receive grant-in-aid under these regulations frame and adopt a satisfactory pension or provident scheme for their staffs. Such schemes must be submitted to the Director of Education for the approval of the Government.

15 *Grants-in-Aid: Method of Payment.*

Grants will become due and will be paid on the authority of the Director of Education as follows:—

- (a) Salary grants. In arrear as soon after the end of the quarter for which they are due as may be practicable.
- (b) Building and equipment grants at any time subject to the fulfilment of the conditions prescribed by these regulations.

16. *Salary Grant.*

(a) The salary grant payable by Government shall be a percentage, fixed from time to time by Government to extend unchanged over a period of three years, of the total salary bill of teachers of secular subjects who are

eligible for grant, such salary bill to be calculated in the way laid down in the schedule appropriate to each particular class of school.

If any change in the percentage is contemplated by Government notice will be given at least one year before the end of each triennial period.

(b) The percentage may differ for different types of schools.

(c) In order to qualify for salary grant the minimum staff requirements detailed in the schedules must be fulfilled.

(d) Salary grant shall not be paid in respect of the teaching of religion.

(e) In cases in which a teacher is employed partly in religious and partly in secular teaching, the salary grant to be paid in respect of the latter will be in the ratio of the total of hours spent in secular teaching to the total of teaching hours on the weekly time-table of the teacher, provided that when religious instruction is confined to one teaching period per day a teacher will be regarded for the purpose of salary grant as a full-time secular teacher, unless employed specifically as a part-time teacher.

17 *Fees and their Relation to Salary Grants:*

In schools in which fees are charged, the fees shall be at rates approved by the Government.

18. *Building and Equipment Grants.*

(a) *Equipment Grants.*

A grant in respect of equipment not exceeding half the amount spent on equipment may be paid to any Aided School provided that:

- (i) The total grant does not exceed £2 per pupil provided for or £200 in all.
- (ii) The list of equipment proposed is submitted to the Director of Education for the approval of Government on or before the 31st of May in the year prior to that in which the equipment is to be provided.
- (iii) Satisfactory security is given that the grant will be refunded if the school ceases to exist within three years of the payment of such grant.

(b) *Building Grants.*

Grants for new buildings or for extensions or alterations to existing buildings may be paid, subject to funds being available provided that:

- (i) The Government is satisfied that the school is required.
- (ii) The Government is satisfied that the school either is or is likely to become an Aided School.
- (iii) That prior to any building extension or alterations plans shall have been approved by the appropriate authorities.
- (iv) That specifications of the proposed programme of building or alterations are submitted to and approved by Government before the 31st of May in the year prior to that in which the building is to be completed.
- (v) That satisfactory security is given to complete the buildings or alterations in accordance with the specifications and within a stated time, and that the buildings shall not be used for other than educational purposes without the prior authority obtained in writing of the Director of Education and that the school will be conducted in accordance with these regulations.
- (vi) That in the event of failure to comply with any of these conditions the whole of the grant or such portion as the British Resident may deem equitable shall be repaid to Government.
- (vii) That the grant shall be paid on presentation of a certificate that the buildings have been completed, and that the grant with the money in hand will meet all claims. Provided:--
 - (a) that it shall be at the discretion of the British Resident to sanction the payment in advance of a sum not exceeding three-fifths of the maximum amount of the grant

which will be due under this regulation in respect of any part of the building which may have been completed at any particular time, and the value of which has been certified by an Engineer of the Public Works Department; and

- (b) that the British Resident may require a certificate by an Engineer of the Public Works Department to the effect that the building has been completed in accordance with the specifications before authorizing the final payment.
- (viii) That in estimating the total cost of any building for the purpose of a grant under this regulation, no allowance shall be made for the labour or services of any person in respect of whom a grant is paid or payable under any other of these regulations.

SCHEDULE I.

REGULATIONS FOR REGISTRATION OF TEACHERS AND FOR CALCULATION OF SALARY GRANTS.

Schools for Indian Boys.

Note:—In cases in which both men and women teachers are employed in the same school, Schedules I and II will be applicable *pro rata*.

RECOGNIZED QUALIFICATIONS AND GRADES OF REGISTRATION.

1. The recognized qualifications and corresponding grades of registration are:—

Grade I: Graduate with recognized training certificate.

Grade II: Non-graduate, with recognized training certificate, provided that such non-graduate has completed two years of study at a recognized institution of University standard.

Grade III: Certificate of three years' training as a vernacular teacher.

RECOGNIZED SCALES OF SALARY.

2. Grade I: Rs. 195 × 15 to 270.

Grade II: Rs. 100 × 5 to 145, with possible rises thereafter at three-yearly intervals by Rs. 10 to Rs. 195.

Grade III: Rs. 75 × 3 to 100, with possible rises thereafter at three-yearly intervals by Rs. 4 to Rs. 120.

Headmasters of full Middle Schools to have possible rises above Rs. 270 of Rs. 15 to Rs. 320, provided they are trained graduates.

In addition to the above, salaries for teachers of special subjects may be recognized by the Director of Education for the purpose of grant calculation.

3. *Equivalences.*

At his discretion and in accordance with the following table of equivalence, the Director of Education may register either permanently or temporarily teachers whose qualifications and experience appear to him to justify such registration. In cases in which such teachers are registered temporarily, the conditions under which such registration may be made permanent shall be communicated by letter to each teacher and to the Secretary. If the conditions imposed are fulfilled the teacher will be registered permanently

Equivalence Table.

Grade 1.—Graduate, untrained, with teaching experience of at least five years, whose teaching is recognized as equivalent to that of a good trained teacher by the Director as the result of inspection reports and Headmasters' reports.

Grade 2. Graduate, untrained, whose teaching is regarded as satisfactory by the Director as the result of inspection reports and Headmasters' reports.

Untrained non-graduate (as defined in Section 1) whose teaching is recognized as equivalent to that of a good trained teacher by the Director as the result of inspection reports and Headmasters' reports.

Locally trained Teachers' Training School men appointed previous to 1934, after they have reached Rs. 100 on the scale to which they were originally appointed, provided they are reported to be satisfactory teachers.

Grade 3.—One or two-year trained Gujarati teachers, whose teaching is recognized as satisfactory by the Director as the result of inspection reports and Headmasters' reports.

Teachers appointed previous to 1935 who are not included in any of the above categories may be allotted to Grades at the discretion of the Director after due enquiry.

REGISTRATION OF TEACHERS.

4. Registration of teachers shall be of the following classes:—

Class A: Permanent registration of teachers fully qualified as in Section 1.

Class B: Permanent registration of teachers qualified according to the equivalence table in Section 3.
Permanent registration of teachers of special subjects.

Class C: Temporary registration of teachers qualified according to the equivalence table of Section 3.
Temporary registration of teachers of special subjects.

Class D: Temporary registration of teachers whose qualifications are not adjudged by the Director of Education to justify registration under A, B, or C.

Temporary registration shall be for a period not exceeding five years and shall not be renewable.

SALARY GRANTS: REGULATIONS AND METHOD OF CALCULATION.

5. (i) Salary grants shall be payable only in respect of teachers registered in the A, B, and C classes.

(ii) Managing Committees shall be free to fix the salary or salary scale of each member of their staff with reference to the needs and circumstances of the holder of the post and to make such financial arrangements for their staff as may be consistent with their method of recruitment, provided that the conditions of general regulations 12, 13 and 14 are complied with.

(iii) For the purposes of calculation, teachers registered in the A, B, and C classes shall be regarded as being in receipt of salaries on the scales corresponding to their grades of registration. If the actual salary falls within the appropriate scale, it will be included in the total of staff expenditure subject to grant. If the actual salary falls below the appropriate scale, salary at the minimum of the scale will be included. If the actual salary is greater than the maximum of the scale, salary at the maximum of the scale shall be included.

(iv) Contributions paid by the Managing Committee, in respect of teachers registered in the A, B, and C classes, to an approved pension or provident scheme will be included in the total staff expenditure subject to grant.

(v) Expenditure on board, lodging, clothing, passages in approved cases, and medical attendance of members of staff registered in the A, B, and C classes, where such expenditure is provided free of charge by the Managing Committee in addition to or in lieu of salaries, may be included in the total of staff expenditure subject to grant, provided such perquisites form part of the staff agreement [General Reg. No. 12 (b)] approved by the Director of Education, or are separately agreed to by him.

(vi) Bonuses and special allowances paid to teachers with the prior approval of the Director shall be included in the total of staff expenditure subject to grant.

(vii) The payment of salary grants shall be subject to the following provisos:—

(a) That the Government is satisfied that all the grant paid as above is being devoted to educational purposes.

(b) That the Government reserves the right to reduce the grant in respect of the salaries of other than full-time teachers of secular subjects.

(c) That the Government reserves the right to refuse or reduce or withdraw the grant in respect of staff which, in the opinion of the Director of Education, are in excess of the requirements of the school.

(d) That the Government reserves the right to withdraw the grant altogether, on notice of one year being given in writing, if the qualifications of the staff as a whole are not such as to justify the continuation of the inclusion of the school in the grant-in-aid system.

(e) That, if the Managing Committee is unable within a reasonable period to be specified by the Director of Education, to supply a teacher possessing the necessary qualifications for a vacant post, the Director may require the Managing Committee to endeavour to fill the post by offering a salary not less than the minimum of the scale recognized for the post.

(f) That the Government reserves the right to withdraw the grant altogether, on written notice of six months, if the minimum staffing requirements of Section 6 of this Schedule are not fulfilled.

MINIMUM STAFF OF TEACHERS REQUIRED UNDER GENERAL REG. No. 16.

6. (i) For a full Elementary School (Sub-Standards I and II and Standards I and II), four teachers of whom at least three must be registered in classes A, B, or C and have qualifications of or equivalent to Grade III.

(ii) For a full Middle School, ten teachers.

Of the ten teachers five will be regarded as elementary school teachers, and of these at least three must be registered in classes A, B, or C and have qualifications of or equivalent to Grade III; and five will be regarded as middle school teachers, and of these three must be registered as having qualifications at least equivalent to Grade II and two must be registered as having qualifications at least equivalent to Grade I.

(iii) For schools intermediate between full Elementary and Middle, and for schools in which one or more of the classes are duplicated or amalgamated, the minimum staff required by Government shall be as prescribed by the Director of Education, who shall prescribe such minimum staff and registration and qualification requirements in approximate proportion to the requirements laid down in Sub-Sections (i) and (ii) above.

(iv) In schools in which teachers are employed solely for the purpose of religious instruction, the numbers of teachers above specified may be reduced at the discretion of the Director of Education, provided that he must be satisfied that adequate provision is made for the teaching of secular subjects.

APPENDIX B.

SCHEDULE II.

Schools for Indian Girls.

Note:—In cases in which both men and women teachers are employed in the same school. Schedules I and II will be applicable *pro rata*.

RECOGNIZED QUALIFICATIONS AND GRADES OF REGISTRATION.

1. The recognized qualifications and corresponding grades of registration are:—

Grade I: Graduate with approved training certificate.

Grade II: Three-year trained vernacular Teacher.

Grade III: One or two-year trained vernacular Teacher.

RECOGNIZED SCALES OF SALARY (INTERIM).

2. Grade I: Rs. 150 × 10 – 200 × 10 – 250.

Grade II: Range of Rs. 60 to 100.

Grade III: Range of Rs. 40 to 60.

Headmistresses of full Middle Schools to have possible rises to Rs. 300 provided they are trained graduates.

Headmistresses of full Elementary Schools if in Grade II to have possible rises to Rs. 150.

In addition to the above, salaries for teachers of special subjects may be recognized by the Director of Education for the purpose of grant calculation.

Equivalences.

3. At his discretion and in accordance with the following table of equivalence, the Director of Education may register either permanently or temporarily teachers whose qualifications and experience appear to him to justify such registration. In cases in which such teachers are registered temporarily, the conditions under which such registration may be made permanent shall be communicated by letter to each teacher and to the Secretary. If the conditions imposed are fulfilled the teacher will be registered permanently.

Equivalence Table.

Grade 1.—Graduate, untrained, with teaching experience of at least five years, whose teaching is recognized as equivalent to that of a good trained teacher by the Director as the result of inspection reports and Headmistresses' reports.

Grade 2.—One or two-year trained Gujarati teachers, whose teaching is recognized as satisfactory by the Director as the result of inspection reports and Headmistresses' reports.

Untrained Teachers of at least five years' experience who have had special local training under a scheme approved by the Director of Education, and whose teaching is recognized as equivalent to that of a three-year trained teacher by the Director of Education as a result of inspection reports and Headmistresses' reports.

Grade 3.—Untrained teachers whose teaching is recognized as satisfactory by the Director as a result of inspection reports and Headmistresses' reports.

Teachers appointed previous to 1935 who are not included in any of the above categories may be allotted to grades at the discretion of the Director after due enquiry.

REGISTRATION OF TEACHERS.

4. Registration of teachers shall be of the following Classes:—

Class A: Permanent registration of teachers fully qualified as in Section 1.

Class B: Permanent registration of teachers qualified according to the equivalence table in Section 3 of this schedule.
Permanent registration of teachers of special subjects.

Class C: Temporary registration of teachers qualified according to the equivalence table in Section 3.
Temporary registration of teachers of special subjects.

Class D: Temporary registration of teachers not qualified as in A, B or C above, and of teachers of special subjects.

Temporary registration shall be for a period not exceeding five years, and shall not be renewable except in the case of teachers of special subjects.

N.B.—Special subjects for the purpose of this section shall be needle-work, cookery and child-welfare and such other subjects as may be approved in special cases by the Director of Education.

5. As in Schedule I.

6. As in Schedule I.

APPENDIX C.

INTERNAL CONDUCT.

(Headmaster's Functions).

1. Time-tables.
2. Organization of classes including examinations and promotions.
3. Methods of applying syllabus.
4. Minor discipline of staff.
5. Discipline of pupils. (Headmaster should refer cases in which dismissal is required to the Committee. Cases in which Committee and Headmaster disagree should be referred to Director of Education for decision).
6. Methods of teaching.
7. Disposition of staff.
8. Admission of pupils.

In above matters the Director of Education reserves the right to approve or refuse, but will not interfere unless it is unavoidable.

FUNCTIONS OF MANAGING COMMITTEE.

Functions.

- (a) Engagement and dismissal of teachers. (Subject to approval of Director of Education).
- (b) Provision and maintenance of buildings.
- (c) Provision and maintenance of equipment.
- (d) Preparation of School Calendar for submission to Director of Education.
- (e) *Syllabus and Text-books.*
Where these are not definitely prescribed by the Education Department, the Managers may frame syllabuses and prepare lists of text-books for the consideration and approval of the Director of Education.
- (f) Discipline of staff limited to serious action such as fines and dismissal. No action to be taken by Committee except on application of Headmaster, or appeal against Headmaster by member of staff.
- (g) Arrangements for medical attendance. (Subject to Grant-in-Aid conditions).
- (h) School finance. (Ordering of stores, payment of salaries, keeping of accounts, etc.)

APPENDIX D.

SUGGESTED SCHEDULE III.

Urban Schools for Africans, Male.

Note:—For a full Middle School the sum of £300, and for a full Elementary School the sum of £200 may be included in the total of the salary bill in respect of full-time European headmastership, provided the qualifications of such headmaster are accepted by the Director of Education as sufficient.

RECOGNIZED QUALIFICATIONS AND GRADES OF REGISTRATION OF AFRICAN TEACHERS.

1. Grade I: Teacher with certificate equivalent to Grade I in Tanganyika Territory, viz. Education to Standard VIII plus two years' training course.
- Grade II: Teacher with certificate equivalent to Grade II in Tanganyika Territory, viz. Education to Standard IV plus two years' training course.

RECOGNIZED SCALES OF SALARY.

2. Grade I: Shs. $70 \times 2 - 120$.
- Grade II: Shs. $60 \times 2 - 90$.

Equivalences.

3. At his discretion and in accordance with the following table of equivalence, the Director of Education may register either permanently or temporarily teachers whose qualifications and experience appear to him to justify such registration. In cases in which such teachers are registered temporarily, the conditions under which such registration may be made permanent shall be communicated by letter to each teacher and to the Secretary. If the conditions imposed are fulfilled the teacher will be registered permanently.

Equivalence Table.

Grade 1.—Experienced teachers whose teaching is recognized by the Director of Education as a result of inspection reports and headmasters' reports to be equivalent to that of a trained Grade I teacher.

Grade 2.—Experienced teachers whose teaching is recognized by the Director of Education as a result of inspection reports and headmasters' reports to be equivalent to that of a trained Grade II teacher.

REGISTRATION OF TEACHERS.

4. As in Schedule I.

SALARY GRANTS: REGULATIONS AND METHOD OF CALCULATION.

5. (i) Salary grants, with the exception described in the note at the head of this Schedule, will be payable only in respect of teachers registered in the A, B and C classes.

(ii) to (vii). As in Schedule I.

6. As in Schedule I.

CONFIDENTIAL.

REPORT

BY

— Mr. K. P. S. MENON, I.C.S.,
on the effect of the recent legislation passed
by the Government of Zanzibar
on Indian interests.

APPENDIX D.

SUGGESTED SCHEDULE III.

Urban Schools for Africans, Male.

Note:—For a full Middle School the sum of £300, and for a full Elementary School the sum of £200 may be included in the total of the salary bill in respect of full-time European headmastership, provided the qualifications of such headmaster are accepted by the Director of Education as sufficient.

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1. Grade I: Teacher with certificate equivalent to Grade I in Tanganyika Territory, viz. Education to Standard VIII plus two years' training course.
- Grade II: Teacher with certificate equivalent to Grade II in Tanganyika Territory, viz. Education to Standard IV plus two years' training course.

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Equivalences.

3. At his discretion and in accordance with the following table of equivalence, the Director of Education may register either permanently or temporarily teachers whose qualifications and experience appear to him to justify such registration. In cases in which such teachers are registered temporarily, the conditions under which such registration may be made permanent shall be communicated by letter to each teacher and to the Secretary. If the conditions imposed are fulfilled the teacher will be registered permanently.

Equivalence Table.

Grade 1.—Experienced teachers whose teaching is recognized by the Director of Education as a result of inspection reports and headmasters' reports to be equivalent to that of a trained Grade I teacher.

Grade 2.—Experienced teachers whose teaching is recognized by the Director of Education as a result of inspection reports and headmasters' reports to be equivalent to that of a trained Grade II teacher.

REGISTRATION OF TEACHERS.

4. As in Schedule I.

SALARY GRANTS: REGULATIONS AND METHOD OF CALCULATION.

5. (i) Salary grants, with the exception described in the note at the head of this Schedule, will be payable only in respect of teachers registered in the A, B and C classes.

(ii) to (vii). As in Schedule I.

6. As in Schedule I.

CONFIDENTIAL.

REPORT

BY

Mr. K. P. S. MENON, I.C.S.,
on the effect of the recent legislation passed
by the Government of Zanzibar
on Indian interests.

CONFIDENTIAL

FROM

K. P. S. MENON, Esq., I.C.S.,

TO

THE SECRETARY TO THE GOVERNMENT OF INDIA,
Department of Education, Health and Lands.

Zanzibar, the 10th September 1934.

*Report on the effect of the recent legislation passed by the Government of
Zanzibar on Indian interests.*

SIR,

With reference to your letter no. F. 206-1|34-L. & O., dated the 6th August 1934, I have the honour to enclose my Report on the subject mentioned above.

I have the honour to be,

SIR,

Your most obedient servant,

K. P. S. MENON.

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I.—INTRODUCTORY.

Instructions and Itinerary.—I was instructed by the Government of India in their letter no. F. 206-1/34-L. & O., dated the 6th August 1934, to proceed to Zanzibar and enquire into and report upon the effect on Indian interests of the following Decrees passed by the Zanzibar Government :—

- (1) The Alienation of Land (Restriction and Evidence) Decree, 1934.
- (2) The Moneylenders' (Amendment) Decree, 1934.
- (3) The Clove Growers' Association Decree, 1934.
- (4) The Clove Exporters' Decree, 1934.
- (5) The Adulteration of Produce Decree, 1934.
- (6) The Agricultural Produce Export Decree, 1934.

Having received instructions, I left Simla on the 6th August. At Bombay I met the Committee of the Imperial Citizenship Association. I sailed from Bombay on the 8th August. I halted at Mombasa on the 18th and 19th August, and, thanks to the Hon'ble Mr. J. B. Pandya, I was able to meet many of the leading Indians there and Sir Joseph Byrne, the Governor of Kenya. I reached Zanzibar on the 20th August and stayed at the Residency for just over a week. Thereafter I stayed in quarters placed at my disposal by the Indian National Association. I also spent three days in the Island of Pemba included in the Zanzibar Protectorate. I left for Dar-es-Salaam on the 10th September. A more detailed diary is given in Appendix I.

2. *Area, population, etc.*—It is necessary to note the following facts and figures in order to appreciate the situation in Zanzibar. The Zanzibar Protectorate comprises the Islands of Zanzibar and Pemba. Zanzibar has an area of 640 square miles and Pemba 380 square miles. According to the Census of 1931 the total population was 235,428, of whom 186,471 were Africans. Arabs numbered 33,396 and British Indians 14,242. The overwhelming majority of Indians are permanent settlers, born and brought up in the Island; and many of them have lost touch with India altogether. Europeans number but 278. The exportable agricultural produce consists almost entirely of cloves and coconuts. Zanzibar produces over 80 per cent. of the world's supply of cloves. There is an Executive Council, presided over by His Highness the Sultan and consisting of His Excellency the British Resident and 6 other officials. There is also a Legislative Council consisting of 15 members, of whom 9 are officials. There are 3 Arab members, 2 Indian members and 1 un-official European member. The two Indian members are Mr. Khimji Khatau Sualy, M.B.E. and Mr. Tayabali. H. A. Karimjee. When the legislation under consideration was passed, however, Mr. Ahmad A. M. Lakha, who is now President of the Indian National Association, was member in place of Mr. Karimjee.

3. *How legislation was introduced.*—When I arrived in Zanzibar I found the Indian community in a state of panic. This was at least partly due to the manner in which the legislation was carried out. On the 16th June 1934 the Bills were published for general information; by the end of the month they were no longer Bills: they had, despite vehement opposition, become Decrees. Both the Indian members of the Legislative Council commented on the precipitancy which characterized the passage of this legislation. "The Government", said the Hon'ble Mr. Ahmad A. M. Lakha in the Legislative Council, "had a couple of years to think it over and did not allow the public more than 12 days to consider them." "No hint", said the Hon'ble Mr. Khimji Khatau Sualy, "was given to the un-official members that such legislation was contemplated." Even the un-official European representative complained of the Government "having put forward this legislation and rushing it through without having given any of the un-official members of Council or members of the Indian community an opportunity of putting forward their views and without even asking for their assistance and co-operation in solving this very serious problem." Indians in Zanzibar have just grounds for the complaint that the legislation was sprung upon them and that they were practically confronted with a *fait accompli*. Within less than a fortnight they found themselves within the coils of a multiplicity of Decrees restricting their rights, their present activities and their future prospects.

II.—THE LAND ALIENATION DECREE.

4. *The Land Alienation Decree : its provisions.*—The panic among the Indian community was also due to what the Attorney-General himself called the “drastic” and “almost revolutionary” character of the legislation. These epithets were applied by him to the Alienation of Land Decree. In my opinion they are even more applicable to the regulation regarding the clove industry. I will, however, take the Land Alienation Decree first. Its main provisions may be summarized as follows :—

It provides that every transaction (other than a lease of land for a year or less) affecting the land of an Arab or an African shall be by a registered instrument (clause 3). The alienation of land belonging to an Arab or an African to a person who is not an Arab or an African will be of no effect unless it is sanctioned by the British Resident (clause 4). By clause 6 the forms in which an Arab or an African may mortgage his land are restricted to three :—

- (a) a usufructuary mortgage with possession given to the mortgagee for a term not exceeding 20 years after which the mortgage debt is extinguished and the property returns to its owner ;
- (b) a mortgage without possession with a condition that, on the mortgagor's failure to observe the terms of the mortgage, the mortgagee may apply to an authorized officer to be put in possession on such terms as to the period of possession (provided that it does not exceed 20 years) and the amount of principal and interest as the authorized officer deems fit ; and
- (c) in any other form approved by the British Resident. Under a usufructuary mortgage the mortgagor does not bind himself personally to repay the mortgage money (clause 7). The period for which an Arab or an African may lease his land is limited to 20 years (clause 9). If the value of the property does not exceed Rs. 1,500, there is no appeal from the decision of an authorized officer (clause 13), nor are legal practitioners entitled to appear (clause 14). The registration of any document which contravenes the provisions of this Decree is prohibited (clause 17). In the case of what may be called “fictitious sales” oral evidence may be tendered to vary the forms of the document and to show the real nature of the transaction (clause 18). A moratorium is provided for for a period of one year during which no decree or order of a Court for the sale of the land of an Arab or African can be executed (clause 19).

5. *Indian criticisms.*—The main objections of the Indian community may be summarized as follows :—

Over 80 per cent. of the Indians in Zanzibar are permanent residents, many having been born of parents settled in Zanzibar for generations and are Zanzibarians in every sense of the word. They have therefore as much right to acquire land as Arabs and Africans. There is no necessity for this legislation ; and the statement of Government that land has been passing out of the hands of Arabs and Africans at an alarming rate is not borne out by the facts. Such legislation imports that racial virus into this Island from which it has been happily free. The Decree is retrospective in its effect and seriously affects vested interests. Indians have invested no less than eight million rupees in land ; and if they are to be prohibited from bidding for and purchasing the properties mortgaged to them the properties will fetch next to nothing and Indians will lose a considerable portion of their capital. The proviso that the Resident may sanction alienation to non-Arabs and non-Africans is illusory. The burden of agricultural indebtedness is not so heavy as has been made out ; and there is no justification for a moratorium.

6. *Is the Decree racial ?*—I cannot help thinking that the criticisms of the Indian community rest, to some extent, on a basic misconception. Unfortunately the wording of the most vital section of the Decree, namely section 4, lends colour to the impression of the Indian community that it is a racial measure. It draws a distinction not, as the Punjab Land Alienation Act does, between agricultural classes and non-agricultural classes, but between Arabs and Africans on the one hand and persons who are not Arabs or Africans on the other. With the exception of a handful of Europeans, the latter are almost exclusively Indians. In Zanzibar abortive suggestions have been made from time to time for the

restriction of the alienation of land, but the distinction suggested has always been between agriculturists and non-agriculturists and not between the different races. For instance, the report of the Commission of Agriculture, 1923, recommended a Land Alienation Decree which "will define 'agricultural classes' and will prevent land passing (without the special consent of the Resident) to the hands of a non-agricultural class". Again, in 1933 the "Report on the Indebtedness of the Agricultural Classes" recommended that "agricultural property may be rendered inalienable to non-agriculturists, and not liable to attachment and sale for debt." As the Decree stands, however, Indians can legitimately complain, as they have done in a memorandum presented to me, that "an Arab coming from Muscat or elsewhere, however recent may be his arrival in the Protectorate and however ignorant he may be of agriculture, is allowed to buy and sell land belonging to any one, but an Indian settled in the country for generations and thoroughly well conversant with the art of agriculture is prohibited from acquiring Arabs' and Africans' land outside towns even for residential purposes without the sanction of the British Resident." There are plantations in Zanzibar, some of which it was a pleasure to visit, which are excellently managed by Indians. Indeed, in the past, the Sultans of Zanzibar appear to have encouraged some Indians to settle down as agriculturists in his territory by offering concessions in the shape of remission or reduction of duty. I met one of them in Pemba, an octogenarian who told me that the last occasion on which he was in India was when he underwent the ceremony of circumcision!

7. *Land Alienation Act : an economic measure.*—Despite the wording of section 4, however, and certain remarks of the Attorney-General in the Legislative Council regarding the "political necessity" for this Decree, I am satisfied that its object is primarily economic. The intention is to relieve the indebtedness of agriculturists and to prevent mortgages which may lead to their expropriation. India cannot logically object to such legislation, as the Alienation of Land Decree in Zanzibar is modelled on the Punjab Land Alienation Act; and many of its sections are taken word for word from the latter. In two respects, however, Indian interests have to be safeguarded. Firstly, the Decree should not act as a bar to the acquisition of land by *bona fide* Indian agriculturists; and secondly it should not have retrospective effect such as will occasion loss to Indians who have already invested considerable sums of money in existing mortgages.

8. *Resident's sanction.*—As regards the first point mentioned above, it may be noticed that under section 4 (2) of the Decree the British Resident is competent to give sanction to the alienation of an Arab's or African's land to a person who is neither an Arab nor an African. In the course of the debate on the Alienation of Land Bill in the Legislative Council, the Attorney-General gave an assurance that the provision with regard to the Resident's sanction "is not meant to be a dead letter". "It is a sanction" he said "which will be given in proper cases". This somewhat vague assurance was amplified by the Resident himself in the course of an important statement which he made in the Legislative Council on the 28th June 1934. "The Government", said the Resident, "is aware that there are many instances in the Protectorate of good estate management by persons other than Arabs or Africans; and I would here state that it is not the desire or intention of the Government to prevent suitable persons of other nationalities who are likely to develop estates in a proper manner from obtaining landed property in the Protectorate. Further I have the authority of the Secretary of State for giving a public assurance that the Decree will not be applied in such a manner as to afford artificial protection to inefficient landlords or to prevent estates from passing out of the hands of persons who cannot or will not maintain them in a proper manner". And, as if to demonstrate that these were no empty words, the Government, in notifying the sale of certain Government clove plantations on the 24th August 1934, announced that "the right of purchase will be open to persons irrespective of race who satisfy the Government that they are able and prepared to maintain and develop the property in a husbandly manner". So far as Mr. McElderry, the Acting Resident, himself is concerned, Indians are satisfied that his power of sanction will not be refused in proper cases. Indeed, one of the most pleasing features which I observed during my visit to Zanzibar was that His Excellency commands to an almost unique extent the esteem and confidence of all communities. Indians in Zanzibar, however, appear to have suffered in the past from the less sympathetic attitude of other administrators; and they feel that owing

to linguistic and other difficulties the average District Officer, whose recommendation will necessarily be the basis of the Resident's sanction, comes less into contact with them than with Arabs and Swahilis and are therefore less disposed to appreciate their point of view. They therefore demand that section 4 (2) of the Decree should be so amended as to make it obligatory on the part of the Resident to accord his sanction to the alienation of land to those Indians who are able and prepared to develop it "in a husbandly manner". I have little doubt that this suggestion will receive consideration at the hands of the Commission which has been appointed to consider measures for the relief of indebtedness.

9. *Is the Decree retrospective?*—It was repeatedly affirmed by Government in the course of the debates in the Legislative Council that the Land Alienation Decree does not affect existing debts. "This Bill", said the Attorney-General, "does not touch upon the present indebtedness of landowners." "I reiterate", said the Attorney-General while replying to criticisms on the Bill, "that the vested rights of persons are not taken away by this Bill This Bill is in essence no more than a delaying measure so far as indebtedness is concerned". The Resident himself stated in the Legislative Council that "the Bill provides no solution for the difficult problem of what should be done about outstanding debts". He has therefore appointed a Commission of which the Chief Justice of Zanzibar is the Chairman and on which the Indian community is represented by Mr. Tayabali, Bar.-at-Law, "to inquire into and report upon the problem of agricultural indebtedness in the Protectorate; and having due regard to the interests of creditors to make recommendations for the relief of debtors where such relief appears necessary on grounds of public policy."

10. *Proposed amendment to section 20.*—It may be noted, however, that despite the soothing assurances quoted above the Decree, as it stands, does make encroachments on vested rights. This, indeed, is the most disquieting feature of the Decree. Section 20, it is true, exempts past transactions (except in two respects referred to in paragraph 13 of this report) from the scope of this Decree. But since section 4 generally prevents Indians from bidding for or buying the mortgaged property, except with the Resident's sanction, the Decree will affect past transactions to an appreciable extent, as explained in greater detail in paragraph 12 below. That is the reason which led the Hon'ble Mr. Khimji Khatau Sualy to suggest that section 20 be amended by inserting the words "any rights in respect of" between the words "affect" and "any transaction". Such an amendment would have done no more than implement the assurances given by Government; and it is a matter for regret that Government could not see their way to accept it.

11. *Proportion of Indian land-owners.*—The question of outstanding debts is the most difficult problem with which the Government and the people of this Island are faced. Merely to arrest the future alienation of land belonging to Arabs and Africans would, in the view of the Government, be to lock up the stable after the horse had bolted. It must, however, be said that so far the horse has shown no tendency to bolt. Indebtedness undoubtedly exists and cries out for solution; but Indians have not shown any inclination to dispossess the Arabs or the natives of their lands. I have not been able to obtain any accurate figures of the numbers of plantations owned by the various communities at present. The position, however, may be gauged from the following facts to which the Hon'ble Mr. Ahmad A. M. Lakha's attention was drawn by Government on the 28th June 1934, in answer to a question put by him as to the proportion of Indian-owned plantations. In 1922, the plantations in the Protectorate were owned by the different communities in the following proportion:—

	Indians.	Arabs.	Africans.	Miscellaneous	Total.
Owners	323	4,191	13,557	249	18,320
Plantations	1,300	8,688	22,187	304	32,479
Clove trees	152,490	1,623,803	1,133,197	91,463	3,000,953

The percentage of Indian owners works out at 1.72 per cent.; and of plantations and trees owned by Indians at 4 per cent. and 5.08 per cent. respectively. It

may be that at present the Arabs and Africans are less in a position to buy land than hitherto; but so are the Indians. Moreover, a moratorium has been provided for in section 19 for the benefit of the debtors. In any case, the figures quoted in this paragraph clearly indicate that so far Indians have not shown any desire to grab the lands of the Arabs and Africans with whom they have for generations maintained the most cordial relations.

12. *Effect of the Decree on past transactions.*—The practical effect of section 4 of the Decree on the amounts invested by Indians in land remains to be considered. It is a fact well known to judicial officers that if the mortgage decree-holder is not given leave to bid at the auction, the mortgage property may not realize a price sufficient to pay off the decretal amount, even though in fact it may be worth more. This will be particularly the case in Zanzibar, because as the Attorney-General maintained in the Legislative Council "there are now virtually no Arabs or Africans who can produce ready money or obtain credit sufficient to buy new land." Therefore, deprived of the right to bid or buy at an auction, the Indian decree-holder stands to lose a very substantial amount of his just claims decreed by the Court. The seriousness of the situation will be apparent when it is remembered that Indians estimate that they have invested some eight million rupees in land. If, therefore, the Decree is allowed to have retrospective effect in the manner described above, its provisions will in many cases amount to confiscation of capital. It is to consider this problem of existing indebtedness that a Commission has been appointed as stated in paragraph 9 above; and its solution will be awaited with the utmost anxiety.

13. *Moratorium and "Fictitious Sales"*.—There are two more matters to be considered in connection with the Land Alienation Decree. Section 19 provides for a partial moratorium for a period of one year. In view of the prevailing depression I, differing from the Indian National Association, am of opinion that this provision is justified. Section 18 provides for a special rule of evidence in case of what may be called "fictitious sales". The Indian National Association of Zanzibar is strongly opposed to this provision. I am unable to support their objection in its entirety, for I am satisfied that cases do occur in which the mortgagor and mortgagee join together to register a document of sale while the intention of both parties is that the transaction should be a mortgage. In such cases there is no reason why oral evidence should not be permitted to be adduced to prove the real nature of the transaction and the so-called sale converted into a mortgage. To convert it into a usufructuary mortgage, however, would be to whittle down the rights which have already accrued to the creditor.

14. *Trespass by Arabs and Africans.*—While I was in the Island of Pemba numerous complaints were made to me of the acts of criminal trespass committed by natives on lands belonging or mortgaged to Indians. With the Land Alienation Decree the impression seems to have gone abroad among the Africans that the millennium has arrived; that their indebtedness has been wiped out by a stroke of the pen even as slavery was; and that the properties which had already been sold would be restored to them. I was informed of a case in which natives forcibly attempted to take possession of land which had been in an Indian's hands for 22 years. The District Officer, Pemba is fully alive to the situation; and it is to be hoped that this tendency on the part of natives to take the law into their own hands would be nipped in the bud lest anarchy should ensue.

III.—THE MONEYLENDERS DECREE.

15. *The Moneylenders (Amendment) Decree, 1934.*—The Amendment to the Moneylenders Decree enables the Court to reopen transactions in which goods are sold on credit to an Arab or an African and, if the Court considers them harsh and unreasonable, to give relief on grounds of equity and fair dealing. The reason for this amendment is stated to be that many cases have occurred in which shopkeepers have been combining the sale of goods on credit with the advance of money to customers; and it is a matter of great difficulty for an ordinary and possibly ignorant defendant to prove that such a person is a money-lender under the principal Decree.

16. The relevant section of the Bill, together with the amendment proposed by Government, originally read as follows:—

"Any transaction entered into whereby any person for a consideration, other than the payment of money payable at the time of or subse-

sequent to the expiration of the period fixed for delivery, binds himself to deliver to another at any future time cloves, coconuts or other agricultural produce and any transaction whereby goods are sold on credit to an Arab or an African, whether money is lent in addition thereto or not, shall be deemed to be a money-lending transaction within the meaning and for the purposes of this Decree, and the powers conferred upon the Court by sub-section (1) of section fifteen hereof, shall be applicable to and exercisable in respect of any such transaction."

This section certainly lent itself to misconstruction, as it subjected the shop-keeper who sold goods on credit, to all the sections of the principal Decree, including the taking out of a money-lending license. This, however, was not the intention of the Government. The section has accordingly been recast and now reads as follows :—

"The powers conferred upon the Court by sub-section (1) of section 15 hereof shall be applicable to and exercisable in respect of the following transactions :—

- (a) any transaction entered into whereby any person for a consideration, other than the payment of money payable at the time of or subsequent to the expiration of the period fixed for delivery, binds himself to deliver to another at any future time, cloves, coconuts or other agricultural produce ; and
- (b) any transaction whereby goods are sold on credit to an Arab or an African whether money is lent in addition thereto or not."

This section does not make it obligatory on the part of a merchant who sells goods on credit to an Arab or an African to take out a moneylenders' license, nor does it subject him to any of the provisions of the principal Decree other than section 15 which enables the Court to reopen such transactions and give equitable relief. In my opinion the Moneylenders (Amendment) Decree is unobjectionable.

IV.—CLOVE LEGISLATION.

17. *The Clove Growers' Association Decree : its provisions.*—The most contentious legislation passed by the Zanzibar Government consists of the following Decrees :—

- The Clove Growers' Association Decree, 1934 ;
- The Clove Exporters' Decree, 1934 ;
- The Agricultural Produce Export Decree, 1934 ; and
- The Adulteration of Produce Decree, 1934.

The first of these Decrees establishes an Association under the name of the "Clove Growers' Association" and provides for the management of its affairs by a Board consisting of not more than 7 members appointed by the British Resident and a Secretary-Manager who will be the Chief Executive Officer. Clause 13 sets out "the objects and business of the Association", the most noteworthy of which is that the Association is entitled "to deal generally in and export agricultural produce". The operations of the Association are to be financed chiefly by a levy on all cloves exported from the Protectorate (clause 15). The Association, however, is exempt from any fee required by law in respect of any of its undertakings (proviso to clause 13), nor is it liable to pay stamp duty and registration fees in respect of documents passing between itself and its clients (clause 9). Moreover, Government undertake liability in the last instance for the losses incurred by the Association [clause 4 (6)].

18. *Clove Exporters' Decree : its provisions.*—Under the Clove Exporters' Decree no persons may export cloves from the Protectorate unless he has obtained a license to do so from the Licensing Authority which is the Board of the Clove Growers' Association (clause 3). The fee for such a license may amount to Rs. 5,000 per annum [clause 7 (1)]. No exporter's license may be assigned or transferred without the written consent of the Board of the Clove Growers' Association (clause 6). Provision is also made for the British Resident to restrict the number of exporter's licenses, if necessary (clause 9). Further, the Decree requires godowns for the storage of cloves to be licensed (clause 4). Under clause 14 exporters are required to keep books of account showing certain particulars of their transactions ; and the Board of the Clove Growers' Association

is empowered to enter godowns, call for registers and take copies and extracts therefrom (clause 13).

19. *The Agricultural Produce Export Decree : its provisions.*—The object of the Agricultural Produce Export Decree is to enable a system of grading for export to be introduced. Clause 3 prohibits the export of produce until it has been passed either by inspection or by inspection, grading and branding. For the present copra is subject merely to inspection, but cloves are subject to grading and branding. Power is given to Inspectors to enter premises at all reasonable times for the purpose of examining produce and, if necessary, to order the removal of produce from the place of inspection. There are also penal clauses which specify offences and provide for their punishment.

20. *The Adulteration of Produce Decree : its provisions.*—The Adulteration of Produce Decree at present includes only cloves and copra and is intended to ensure that the exports from the Protectorate are of good and marketable quality. Power is taken for Inspectors and Examiners to search for, seize and detain adulterated produce, and the procedure to be adopted by them is detailed. It is also provided that the sale of produce will carry with it an implied warranty of purity unless there be an agreement in writing to the contrary.

21. *Comments on the Agricultural Produce Export Decree and Adulteration of Produce Decree.*—The Agricultural Produce Export Decree, as already stated, provides for a system of grading of cloves for export. The view of the Government is that such grading is necessary in view of the differing requirements of the markets to which cloves are exported. The spice markets of India require cloves of the highest quality, while a medium quality would suffice for the Dutch East Indies where cloves are used for consumption in cigarettes. As for the industrial markets of Europe and America where cloves are used for the manufacture of vanillin, oil content, and not quality, is the primary consideration ; and a low grade clove would satisfy their demands. The grading of cloves proceeds on the assumption that India can and will pay more for them than Europe and America. The Indian National Association has not raised any objection to grading on principle, but contends that cloves are generally automatically graded in accordance with the requirements of the markets and that nothing more is required than the prohibition, which had already been in existence, of the export of cloves containing more than 16 per cent. moisture or 5 per cent. foreign matter. The Association relies on the view expressed by Mr. Kirkham, until recently Director of Agriculture, who, after an exhaustive discussion of the *pros* and *cons* for grading, wrote as follows in the Report of the Agricultural Department of 1929 :—

“ Is grading therefore really required ? For the present at any rate the consumers must rely upon their agents or shippers to select for them the quality which they require. The best cloves are bought for the best price. If the consumer pays that price but gets ‘ Khoker ’ he should change his agent. There are many firms in Zanzibar with long experience in shipping cloves to all the markets of the world and the Chamber of Commerce would always provide a list of such merchants on application.”

It is understood that some of the principal clove importing firms in Great Britain are also opposed to grading. I shall not rush in where experts fear to tread and express any opinion on the necessity for grading ; but I would point out that the real objection of Indian traders to the Agricultural Produce Export Decree and Adulteration of Produce Decree is that they too are “ links in a chain to be used as weapons of oppression against Indian merchants through the medium of the Clove Growers’ Association.” And, as explained in the paragraphs below, so long as the Clove Growers’ Association which is a semi-Government organisation is allowed to dominate the clove trade the fears of the Indian merchants that the Decrees mentioned above will be used to their detriment and for their elimination will persist.

22. *Two objectionable Decrees.*—I now proceed to consider the Clove Growers’ Association Decree and the Clove Exporters’ Decree. They aim at nothing short of the establishment of a monopoly in the clove trade. They are calculated to cause such damage to Indian interests in this Protectorate that it is not a matter for surprise that even the allied and seemingly innocuous Decrees relating to the grading and adulteration of cloves have filled the minds of the Indian community with alarm.

23. *“ The Clove Growers’ Association ”—a misnomer.*—The first point that strikes an observer is that the Clove Growers’ Association is not an association

of clove-growers. It is hardly even an association in the ordinary sense of the word ; for, apart from the Board of management, it has no members. At present the Board is composed of 3 officials, the Manager of the National Bank of India and the Secretary-Manager, Mr. C. A. Bartlett, formerly a partner of Messrs. Grazebrook-Bartlett & Co., which used to compete, not too successfully, with Indian exporters in the clove trade. There is not a single clove grower in the Clove Growers' Association, nor is the body of clove-growers directly or indirectly represented on the Board of management. It is, however, claimed that its name is justified, because it genuinely represents the interests of the clove-growers. The Zanzibar Government might as well call themselves the Zanzibar People's Association !

24. *The History of the Clove Growers' Association.*—Yet prior to the passing of the present Decrees, the Clove Growers' Association was not without potentialities for becoming a real association of clove-growers. Founded in 1927 on the initiative of the Agricultural Department it could boast of as many as 9,000 members before the end of the year. The number, however, fell off before long. The objects of the Clove Growers' Association were to unite the plantation owners for control of the costs of production, especially of labour rates ; for marketing the produce ; and for financing the needs of the growers by loans before the harvest and by advances against the value of cloves stored in the Association's godowns. The Association, however, never really became a living institution, because as Mr. Strickland remarks in his "Report on co-operation and certain aspects of the economic condition of agriculture in Zanzibar", it was "a function of Government without the authority of Government"; and the proper task of Government was "to create but not to conduct the Association." He therefore proposed that the Association should be reconstructed on a co-operative basis. The Clove Growers' Association, as established by the Decree under consideration, is very different from the Clove Growers' Association, as envisaged by Mr. Strickland. The co-operative ideal has receded to the background ; and the monopolistic idea holds the field.

25. *Objects of the Clove Growers' Association.*—The objects and business of the Association are truly formidable. On the one hand it is expected to perform such laudable functions as fostering production ; encouragement amongst agriculturists of the spirit and practice of thrift, co-operation and self-help ; seeking out the most suitable markets for cloves ; the collection and circulation of statistics ; and the grant of advances to producers. These are activities which the Clove Growers' Association can undertake with advantage to producers and exporters alike. Section 13 of Decree no. 2 of 1934 also empowers it to carry on the business of land agent, auctioneer and valuer ; to store agricultural produce ; to purchase and otherwise acquire movable and immovable property ; to purchase agricultural implements, packing and other requisite materials ; and to lease or erect any building, plant or machinery. Above all the Association, backed by the resources of the State, enters the field of trade in direct competition with and—as will be seen from the paragraph below—in suppression of existing traders in order "to deal generally in and export agricultural produce."

26. *The Clove Growers' Association versus Indian traders.*—The Clove Growers' Association has armed itself with the most powerful weapons for the purpose of eliminating Indian traders from the clove business. It enjoys exemptions and immunities which place it in a unique position of vantage as compared with its competitors. For instance, it is provided that in discharging any of the numerous functions, mentioned in paragraph 25, the Association shall not be liable to pay any fee required by any law in respect of such undertaking. The Association has also been granted exemption from stamp duty and other charges. A still more remarkable provision is that all exporters are required to pay a levy of seven annas per frasila (i.e., 35 lbs.) of cloves exported from the Protectorate ; and this amount, which is distinct from and is in addition to the export duty, goes to the funds of the Clove Growers' Association. The total amount which this levy will yield may be calculated from the fact that the average exports from the Protectorate come to 6 lakhs of frasilas. The imposition of this levy practically means that the Indian exporters have to make substantial contributions to a rival body, the Clove Growers' Association. It also means that the Clove Growers' Association is in a position to undersell Indian exporters by seven annas on every frasila of cloves. Moreover, if the Clove Growers' Association is unable to make good from its Reserve Funds any loss or deficiency which may occur as the result of its transactions, the Government have undertaken to discharge such liabilities. As if the above provisions were not sufficient to secure a monopoly for the Clove Growers' Association, the Clove

Exporters' Decree empowers the British Resident to restrict the number of exporter's licenses. Under this Decree, the fee for an exporter's license may amount to any sum up to Rs. 5,000 per annum, and the licensing authority, strangely enough, is the Board of management of the Clove Growers' Association. This Board has also been given power to grant or refuse licenses for the storage of cloves, to enter and inspect godowns and to call for certain registers kept by the traders. Legislative ingenuity can go no further than the measures which have been devised for the elimination of Indian traders from the clove industry. Armed with such powers, privileges and immunities as those noted above, the Clove Growers' Association strikes Indian traders as a Leviathan, brushing them aside, casting them adrift and trampling upon that freedom of trade which they have enjoyed for generations.

27. *Disregard of the views of Mr. Strickland and Sir Alan Pim.*—It has already been noted that the role which the Clove Growers' Association has assumed by the recent legislation is very different from that which Mr. Strickland sought to give to it. It is true that the levy on the export of cloves is based on Mr. Strickland's recommendation; but Sir Alan Pim who was appointed by the Secretary of State for the Colonies to consider and report on the financial position of the Zanzibar Government in relation to its economic resources, protested against the imposition of such a levy. "After discussing the whole subject with the Advisory Board", wrote Sir Alan Pim in his Report, "I do not consider that any such general rate should be imposed. The Association will, in any case, meet with criticism and opposition from strong local vested interests; and it is not advisable to supply them with very legitimate grounds for criticism and antagonism. Such a measure is not even advisable in the interests of the Association itself. It will enjoy substantial advantages in being placed in a position to make free advances for harvesting and on the security of stored cloves, and should depend on its own ability to convince the growers of its usefulness for extending its operations". Sir Alan Pim, at any rate, believed in progressive persuasion and not legislative coercion. There is not a word in the report of Mr. Strickland or Sir Alan Pim that either of them desired or expected the Clove Growers' Association to secure a monopoly in the clove trade. Indeed, Mr. Strickland has uttered a word of warning against rationalization. "Rationalization", he wrote, "in the sense of an attempt to raise prices by holding up cloves on the market, is a dangerous policy; and will bring loss on every person and institution in Zanzibar who touches it".

28. *Government's reasons for clove legislation.*—What, then, it may be asked, are the reasons which have prompted the Government of Zanzibar to rationalize the clove industry? The two main reasons adduced by them are the necessity for the stabilization of prices and for the reduction of middlemen. I will consider these separately.

29. *Indian merchants' alleged responsibility for fall in prices.*—As for the immediate necessity for stabilizing prices, the view of the Government is that the recent fall in clove prices, shown in Appendix II attached to this report, is mainly due to the methods adopted by Indian exporters. In introducing the Clove Exporters' Bill the acting Treasurer made the following remarks:—

"The industry has suffered severely in the past from the activities of a number of exporters who have dealt with the trade from an entirely speculative point of view; and in order to eliminate such speculative elements the imposition of export control through the licensing of exporters is considered to be essential".

Speculation there has undoubtedly been; but the statement that "the industry has suffered severely in the past" on account of the speculating tendencies of exporters is not borne out by the facts. One has merely to glance at the average prices secured by cloves during the last thirty years in order to realize how, on the whole, the industry has prospered and how recent is the decline in prices. (The fluctuation in the prices will be discussed in the next paragraph). It is true that there have been speculators. I myself came across one who is said to have been a millionaire in rupees twenty years ago and is now living from hand to mouth. The path of progress in every industry is unfortunately strewn with the broken fortunes of.

"Vaulting ambition which o'erleaps itself
And falls on the other side".

But the industry thrives. It will be seen from Appendix II that it is only
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since the middle of 1930 that an appreciable decline has set in in the price of cloves. This is due not so much to speculation among Indian merchants as to world factors over which they had no control. Mr. Crofton, until recently Chief Secretary, hits the mark when he says in his annual Review on "Cloves" for 1932-33 in his "Statistics of the Zanzibar Protectorate" that "the total value, £487,000, reflects the world economic depression". It is this factor which is primarily and predominantly responsible for the fall in the prices of cloves. Indeed, compared with the fall which has taken place in other products the wonder is that the decrease in the price of cloves has not been greater. Even when the price was at its nadir cloves fetched much more than the cost of production.

30. *Relation between production and prices.*—In the year 1933-34 a further factor contributed to the fall in prices, namely, overproduction. The total production in 1933-34 was nearly double that of the previous year : 9,27,188 frasilas against 4,87,366 frasilas. This phenomenon was bound to affect prices. Appendix II clearly shows the relation between production and prices. One of the interesting features in clove production is that there is a sort of cycle in which a bumper crop is followed by a small crop and that by one or more medium or average crops ; and prices too generally move in sympathy with the periodical vagaries of production. For instance, in 1909-10 the total crop was approximately 4,10,000 frasilas ; and the price in Zanzibar was Rs. 9 cents 25 per frasila. In 1910-11 the crop was only 191,000 frasilas ; and prices rose to Rs. 14 cents 64. In 1911-12 the crop rose to 799,000 frasilas and prices fell to Rs. 10 cents 39 ; while in 1912-13 the crop fell to 139,000 frasilas and prices rose to Rs. 17 cents 12. This was followed by four years of medium or average crops when prices remained fairly steady. In subsequent years, prices were affected by war, inflation and depression. Even amidst these abnormal factors, the relation between production and prices can be traced. For instance, in 1918-19 there was a bumper crop of 825,000 frasilas ; and the price of cloves was Rs. 15 cents 98 per frasila. In 1919-20 there was a meagre crop of 263,000 frasilas and prices attained the peak of Rs. 30 cents 17 per frasila. In 1920-21 the crop was double that of the previous year, and the prices half. In accordance with this tendency it was only to be expected that the crop of 1933-34 would be considerably more than that of the previous year and would fetch less. And, as stated in the previous paragraph, world depression continued to affect prices. I have referred to these figures at length in order to show how unjust is the aspersion levelled against Indian traders that the clove industry has severely suffered or that the market has unduly wavered on account of speculation among them. On the contrary, the Government have lent themselves to the reproach that they have taken advantage of an abnormal year of depression and overproduction in order to establish a permanent monopoly in cloves.

31. *Proposed stabilization of prices.*—It may be said that the very fluctuations, noted above, are an argument for the stabilization of prices. But in so far these fluctuations result from the vagaries of production, stabilization cannot be effectively achieved without restricting or regulating production, and this is evidently not contemplated. Moreover, the scheme for stabilization leaves the *competition of Madagascar* out of account. How serious a competitor Madagascar may prove to be can be seen from the following extract from Mr. Findlay's report on the subject :—

" Various estimates have been given of the total area under cloves, e.g. 16,181 Hectares approximately 36,000 acres) in 1926, but there is not sufficient information available to allow of the framing of any estimate that could be regarded as nearly reliable. If there are about four million clove trees in the Soanierana area, then there are probably fully one million more trees. Taking this estimate as approximately correct and calculating on an average production of 2 kilos (4½ lbs.) per tree in a good crop year, Madagascar could produce about 6½ lakhs of frasilas or approximately 10,000 tons of cloves in a good year. My own estimate of the maximum crop is about 8,000 tons (fully 5 lakhs of frasilas) ; that is the crop as carried on the trees, but only half of that would be picked and sold, so that my estimate for maximum actual production is 4,000 tons (2½ lakhs of frasilas) "

32. *Sir Alan Pim's suggestion for regulating the market.*—If, then, an absolute stabilization of prices is, in the nature of things impracticable, such stabilization as is feasible can be secured without resort to the drastic expedient of

establishing a monopoly in cloves. This was the view of Sir Alan Pim. He was of the opinion that if by making advances for harvesting etc., on the security of stored cloves, the Clove Growers' Association can market one-quarter of the crop, it will be in a position to exert such weight in the local market as would be of substantial benefit to the growers. Indeed, the Association can gain command over a still greater proportion of the crop if the system of levying export duty in kind instead of in cash is reverted to. Regulating the market without crushing freedom of trade, helping producers to reduce their labour charges, establishing a clove intelligence bureau, supplying information regarding the exact requirements of overseas markets, discouraging banks from making inordinate advances to exporters, these, and not the establishment of a ruthless monopoly in cloves, are some of the measures whereby Government can assist the clove industry and reconcile the interests of producers and exporters.

33. *Co-operation with Indian exporters not attempted.*—In this connection I cannot refrain from remarking that before embarking on this legislation the Government of Zanzibar appear to have made no efforts to regulate prices by securing the co-operation of or amongst Indian merchants. They seem to have gratuitously assumed that such co-operation would not be forthcoming. In introducing the Clove Growers' Association Bill the acting Treasurer made the following observation :—

“ Attempts have been made during this season to secure co-operation between exporters for the purpose of maintaining a minimum export price, but the measure of success attending the attempt has been such as to convince Government that the only effective remedy is legislative control designed to restrict the number of exporters by eliminating, as far as possible, the speculative and unstable elements.”

I tried to ascertain from the Treasurer what these attempts were. He informed me that the attempts he referred to were made not by Government but by Mr. Bartlett, at present Secretary-Manager of the Clove Growers' Association. Mr. Bartlett himself told me that at his suggestion the leading Indian exporters formed themselves into a Board this year for the purpose of maintaining a minimum export price; but that one of them (whom Mr. Bartlett naturally would not name) did not play the game; and the Board ceased to function. The version of the Indian merchants, on the other hand, is that the Board had to be broken up on account of the tactics of the Clove Growers' Association itself. I need not dwell on this unsavoury interlude further, but one thing is clear. The abortive attempt to secure co-operation, which was referred to by the Treasurer, was made *after* the main lines of the present legislation had been settled and *through* the Clove Growers' Association which was already hoping to triumph over all its rivals. The failure of the short-lived Exporters' Board is therefore at best an *ex post facto* excuse for the present legislation.

34. *“Middlemen's charges”*.—A further argument raised in support of the establishment of centralized control is that the clove industry cannot support so many middlemen as it has done in the past. The Clove Growers' Association is therefore aiming at a substantial reduction, if not the total elimination, of middlemen. I went most carefully into this matter while I was in the Island of Pemba which is supposed to be particularly infested with middlemen. My inquiries have convinced me that the profits made by middlemen have been grossly exaggerated. In reality these so-called “middlemen” are petty shopkeepers to whom the neighbouring Arab or Swahili producers find it convenient to take their produce in the first instance; and they pass it on to some leading merchant who sends it to Zanzibar. The commission levied by them is extremely moderate; and in the majority of cases they are able to eke out little more than a bare living. I have no doubt that if the inevitable functions of these “middlemen” were to be discharged by some other agency in the future, the charges would be heavier. In any case “the middlemen's charges” come to less than the levy of seven annas which is proposed to be imposed on every *frasila* of cloves.

35. *Elimination of middlemen.*—If then middlemen make but paltry profits, not much harm, it may be argued, will be caused by eliminating them from the clove trade. The answer is that the proposed legislation will reduce them not from opulence to poverty but from poverty to starvation. Further, it will drive them from their homes into exile. The overwhelming majority of the Indians

in the Protectorate are permanent settlers; in many cases their fathers and fathers' fathers were born here. Repatriation of those who are thrown out of employment by the Clove Legislation is therefore no remedy and would be a poor advertisement for the treatment of Indians in a British Protectorate.

36. *Resentment of Indians.*—I should be failing in my duty if I did not bring clearly to the notice of the Government of India the bitterness of the feeling which exists among Indians against the Clove Growers' Association. This feeling is intensified by the belief that it is a "one man's show". Though called the Clove Growers' Association it is not an association of clove growers. Though predominantly composed of Government officials, it is not a Government Department. Government officials have neither the time nor the aptitude to run a commercial concern. As the British Resident stated in the Legislative Council "a Government Department has a reputation for safety and caution, but it is not well adapted for purposes of trading. When it has been tried, it has invariably failed." The commercial side of the Clove Growers' Association—and that is the side in which Indians are interested—will therefore be entirely in the hands of its Secretary-Manager, Mr. Bartlett. In other words, Mr. Bartlett who used to be the competitor of the Indian merchants will become their master. He makes no secret of it. His attitude is that in future he would "feed" the Indian traders, so long as they behaved themselves. In fact, he has furnished figures to show that he is already feeding some. But Indians whose forefathers opened up markets for and practically built up the clove trade and who as financiers and exporters are primarily responsible for the growth of the industry from parochial into world dimensions, bitterly feel the humiliation of having to live on the crumbs from Mr. Bartlett's table.

V.—CONCLUSION.

37. *Historical importance of the Indian community in Zanzibar.*—The interests of the Indian community in Zanzibar demand attention not merely because of their magnitude but their historical importance. There is reason to think that the first British Consulate was established in Zanzibar primarily to safeguard Indian trading interests. Professor Coupland, Beit Professor of Colonial History in the University of Oxford, writes as follows :—

"The appointment of Captain Hamerton to reside at Zanzibar in 1841 as Political Agent for the Government of India and as British Consul under the Foreign Office was not primarily or even largely for the sake of commercial interests—for many years British trade at Zanzibar was meagre and far less than American, French or German—but on the side of the Indian Government it was mainly to watch over the many British Indian subjects who migrated to Zanzibar to do business, and on the side of the British Government it was almost wholly to maintain its efforts for the suppression of the slave trade."

Sir John Kirk, the first Consul General for East Africa, giving evidence before the Sanderson Committee in 1910 categorically stated that—

"But for the Indians we would not be there now. It was entirely through gaining possession of these Indian merchants that we were enabled to build up the influence that eventually resulted in our position."

The following observation from Mr. Winston Churchill's book "My African Journey" also merits quotation :—

"It is the Indian Banker who supplied perhaps the larger part of the capital yet available for business and to whom even the white settlers have not hesitated to go for financial aid. The Indian was here long before the first British Officer. Is it possible for any Government with a scrap of respect for honest dealing between man and man to embark on a policy of deliberately squeezing out the native of India from regions in which he has established himself under every security of public faith ?"

I feel constrained to remark that the cumulative effect of the legislation discussed above is the "squeezing out of the native of India from regions in which he has established himself under every security of public faith".

38. *Summary of recommendations.*—My conclusions may be summarized as follows :—

(a) The Land Alienation Decree is unobjectionable provided—

- (i) the racial distinction at present drawn between Africans and Arabs on the one hand and persons who are not Africans or Arabs on the other is replaced by the more rational distinction between agriculturists and non-agriculturists, and
- (ii) the Decree is not allowed to affect the rights arising from past transactions relating to land. As already stated a Commission has been appointed to enquire into this problem ; and action may be deferred pending the receipt of its recommendations.

(b) “ The Moneylenders’ Amendment Decree ” which enables the Courts to reopen any transaction in which goods are sold on credit to an Arab or an African and to give relief on grounds of equity and fair dealing is, in my opinion, justified.

(c) “ The Agricultural Produce Export Decree ” and “ The Adulteration of Produce Decree ” need not be objected to, provided they will not be operated under the overshadowing influence of, and pressure from, the Clove Growers’ Association.

(d) “ The Clove Growers’ Association Decree, 1934 ” and “ The Clove Exporters’ Decree, 1934 ” are, in my opinion, calculated to cause irretrievable damage to Indian interests and will practically oust the Indian trader from Zanzibar. I would therefore urge that the strongest possible representations may be made for their removal from the statute book.

39. *Acknowledgments.*—I would like to place on record my grateful appreciation of the facilities afforded to me by the Government of Zanzibar for my enquiries. No Government could have been more considerate to a visitor or given him greater assistance. In particular, I owe a deep debt of gratitude to Mr. McElderry, the acting Resident, for the hospitality which he extended to me and for the patient and dispassionate manner in which he discussed the various Decrees with me and explained the Government point of view. I also received much assistance and hospitality from all communities, including Arabs, and in particular, from the Indian National Association of Zanzibar. Among the friends who assisted me it would be invidious to mention names ; but there are three whose assistance has been invaluable, namely, Mr. Yusufali Karimjee Jivanjee, the Hon’ble Mr. Khimji Khatau Sualy and Mr. Tayabali, Bar.-at-Law. Finally, I would commend to the notice of the Government of India the conspicuous zeal and ability with which Mr. K. G. Nair discharged his duties as my secretary, stenographer and typist.

K. P. S. MENON.

ZANZIBAR,

10th September 1934.

APPENDIX I

<i>August 1934.</i>		
4th to 6th	..	.. In Simla.
8th	..	.. 11 A.M. Met Committee of the Imperial Citizenship Association at Bombay. 3 P.M. Sailed by S. S. "Kenya."
18th	..	.. Attended lunch given by Federation of Indian Commerce, Kenya, at Mombasa. Attended Tea Party in honour of Sir Joseph Byrne, Governor of Kenya.
20th	..	.. Reached Zanzibar. 10-30 A.M. Met Indian members of the Legislative Council. 11-30 A.M. Paid respects to His Highness the Sultan of Zanzibar. Evening. Visited Arab shambas with Provincial Commissioner, Zanzibar, and District Officer, Pemba.
21st	..	.. Evening. Circular drive with Provincial Commissioner.
22nd	..	.. Interviews with Mr. Yusufali Karimjee Jivanjee, Mr. Tayabali, Bar-at-Law and Mr. Doctor, Advocate.
23rd	..	.. 9 A.M. to 12 Noon. Discussion with the Hon'ble Mr. Khimji Khatau Sualy, M.B.E.
24th	..	.. 9 A.M. to 11 A.M. Accompanied His Excellency the Resident and Director of Medical Services and Sanitation in bazaar inspection. 12 Noon. Met Mr. Parnell, Lands Officer and Mr. Bartlett, Secretary, Clove Growers' Association.
25th	..	.. 10 A.M. Arab Deputation. 4 P.M. to 6 P.M. Visited Chwake.
26th	..	.. 9 A.M. to 11 A.M. Went round Darjani in company with His Excellency the Resident and District Officer, Zanzibar. 4 P.M. to 6 P.M. Visited Mr. Shapurji's shamba.
27th	..	.. Left for Pemba.
28th	..	.. Visited Chake-Chake and met leading Indians.
29th at Wete	..	.. 9 A.M. Chake-Chake Deputation. 10 A.M. Wete Deputation. 11 A.M. Pemba Arab Deputation. 12 Noon. Visited Indian schools. 4 P.M. Attended Pemba Indian Association public meeting.
30th	..	.. Visited Chake-Chake Kengeja and Mkoani. Sailed back for Zanzibar.
<i>September.</i>		
1st	..	.. Evening. Indian National Association "At Home."
2nd	..	.. Drive to Mkokoteni, visiting shambas.
3rd	..	.. 9 A.M. Ismalia Khoja Deputation. 4-30 P.M. Visited Arya Samaj, Girl's School.
4th	..	.. 11 A.M. Indian Broker's Deputation. 12 Noon. Indian National Association Deputation.
5th	..	.. 5 P.M. "At Home" given by H. H. the Aga Khan's Club.
6th	..	.. 4 P.M. "At Home" given by Arab Association. 5 P.M. Indian Public Meeting.
7th	..	.. Evening. Visited H. H. the Aga Khan's School and the office of "Zanzibar Voice."
8th	..	.. Evening. Visited Hindu Gymkhana.
9th	..	.. Attended Dinner given by the Vice-President, Indian National Association.
10th	..	.. Left for Dar-es-Salaam.

APPENDIX II.

Production of cloves by season (1st July—30th June) in 1,000 Frasilas with average prices in Zanzibar.

Season.	Cloves.			Zanzibar average prices per frasila.			
	Zanzibar.	Pemba.	Total.	Zanzibar.		Pemba.	
	Fras.	Fras.	Fras.	Rs.	cts.	Rs.	cts.
1895-6	162	413	575	4	34	3	78
1896-7	86	224	311	3	90	3	65
1897-8	48	157	206	6	65	5	53
1898-9	145	466	611	5	35	5	91
1899-1900	64	221	285	6	37	5	78
1900-01	37	200	238	7	67	6	67
1901-02	44	323	367	6	92	6	45
1902-03	172	252	424	6	65	6	62
1903-04	27	99	126	9	20	11	07
1904-05	81	654	736	10	11	8	80
1905-06	178	131	309	11	30	10	80
1906-07	63	203	267	10	43	9	53
1907-08	214	542	756	10	25	9	56
1908-09	166	450	615	8	53	7	23
1909-10	110	300	410	9	25	8	59
1910-11	52	139	191	14	64	12	86
1911-12	217	582	799	10	39	9	65
1912-13	31	104	135	17	12	16	82
1913-14	146	639	785	11	82	10	09
1914-15	195	331	526	9	28	9	18
1915-16	142	655	797	9	98	9	09
1916-17	209	303	512	10	98	10	42
1917-18	64	234	298	19	86	18	66
1918-19	259	565	825	15	98	13	40
1919-20	94	169	263	30	17	25	86
1920-21	231	316	547	16	06	13	50
1921-22	66	201	267	27	90	25	13
1922-23	289	690	979	20	17	17	73
1923-24	75	237	312	27	09	23	96
1924-25	241	520	761	19	55	17	89
1925-26	219	393	612	17	72	16	97
1926-27	216	530	746	13	94	13	65
1927-28	190	500	691	12	85	12	77

Season.	Cloves.			Zanzibar average prices per fragila.			
	Zanzibar.	Pemba.	Total.	Zanzibar.		Pemba.	
	Fras.	Fras.	Fras.	Rs.	cts.	Rs.	cts.
1928-29	96	126	222	23	95*	23	78*
1929-30	383	607	990	15	08	14	36
1930-31	74	219	293	15	02	14	65
1931-32	175	761	936	9	65	9	10
1932-33	244	244	487	7	49	6	86
1933-34	146	761	927	6	18	5	66

The figures for production represent the quantities delivered at the Custom House and may be taken as approximating to the seasonal yield.

The Frasila, equivalent to 35 lbs, is the local measure of weight for cloves,

* This and subsequent quotations are *ex-duty*.