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DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

RESOLUTION.

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No. F.-206/34-L. & O.—The undermentioned papers are published for general information :—

- I. Report by Mr. K. P. S. Menon, I. C. S., on the effect on Indian interests of certain Decrees passed by the Government of Zanzibar.
- II. Comments of the Government of Zanzibar on Mr. Menon's Report.
- III. Decrees of the Government of Zanzibar referred to in Mr. Menon's Report.

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Secretary to the Government of India.

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Report by Mr. K. P. S. Menon, I.C.S., on the effect on Indian interests of certain Decrees passed by the Government of Zanzibar.

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 Résidency 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. (Not printed).

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 cocoanuts. 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 multi-

plicity 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 communi-

ties. 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 moneylender 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 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 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 underseil 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 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 6½. 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.

ZANZIBAR,

10th September 1934.

APPENDIX I.
(Not printed.)

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	62
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

Season.	Cloves.			Zanzibar average prices per frasila.			
	Zanzibar.	Pemba.	Total.	Zanzibar.		Pemba.	
	Fras.	Fras.	Fras.	Rs.	cts.	Rs.	cts.
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
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	781	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*.

Comments of the Government of Zanzibar on Mr. K. P. S. Menon's Report.

Paragraphs 1 and 2: No comments.

Paragraph 3: Mr. Menon considers that Indians in Zanzibar have just ground for complaint that the legislation was sprung upon them and that they were practically confronted with a *fait accompli*. In the circumstances it was not possible to give long notice else the objects of the legislation would have been defeated. In the case of the Land Alienation Decree the giving of longer notice would have been likely to precipitate action by mortgagees for obtaining possession of mortgaged land, thereby aggravating the evil which the legislation was designed to remedy. In the case of the Clove legislation, it was necessary to bring the new law into effect from the 1st of July in order to deal with the new season's crop, or else to postpone action for another year. The position of the clove industry had become so precarious and the indebtedness of the agriculturists had become so serious that the placing of the industry on a sound basis was, and is, regarded by the Government as an essential first step in restoring prosperity to the Protectorate. Agricultural indebtedness would be greatly alleviated by a general appreciation in the values of cloves and therefore of clove estates and many estates hitherto insolvent would thereby be restored to solvency, while for others the margin of insolvency would be reduced. The situation, therefore, demanded early action and postponement of the clove legislation would have been contrary to the public interest.

There was a further particular consideration. A longer interval between the publication of the draft legislation and its being passed into law would have given opportunities for speculation in stocks, which would have increased the difficulties and dangers inseparable from any attempts to place the clove industry on a proper basis. In both cases, therefore, it appeared to Government that it was essential in the interests of the protectorate, that action should follow close on the announcement of intention.

Paragraph 4: No comments.

Paragraph 5: No comments.

Paragraph 6: Mr. Menon's statements regarding the agricultural activities of Indians in Zanzibar require comment if a misleading conclusion is to be avoided as to the failure of the Government to adhere to the proposal to restrict alienation simply as between agriculturalist and non-agriculturalist or as to the position of the Indian community in Zanzibar.

However anxious former Sultans may have been to induce Indian agriculturalists—and such are admittedly most capable and hard-working tillers of the soil—to settle in Zanzibar, the position today is that with a very few exceptions there is not resident on, or employed as tiller of, the soil any Indian agriculturalist at all. A certain number of Indians have acquired agricultural holdings which are highly developed and well managed but, in very few cases are they primarily agriculturalists. They employ Arabs and Swahilis to do the actual work. A good many Indians have come into possession of agricultural holdings by having advanced money to the original owners which has not been repaid. In most cases these estates are supervised by Arabs and Swahilis and the actual work on them is done by Arabs and Swahilis. The Indians are the traders and shopkeepers. The Arabs and Swahilis are the agriculturalists.

There may be exceptions, such as the octogenarian to whom Mr. Menon refers; but the number of Indians whose sole or main occupation is agriculture and who are not primarily shop-keepers, moneylenders, or engaged in other businesses, must be very small, if indeed they exist at all.

Mr. Menon comments on the apparent unfairness of placing restrictions on Indians when newly-arrived Muscat Arabs are subject to no such restrictions.

The justification for different treatment is well stated by Mr. Strickland in the course of a report on the Land and its Mortgage Debt which he made to Government in May 1931 as follows:—

“A distinction must be made between two classes of person into whose hands the plantations are passing. The Manga or immigrant Arab, whom I was at first disposed to regard with suspicion, proves after examination to be a good settler. On first arrival he is a shopkeeper, dealer in produce, and moneylender, and no more merciful than moneylenders of other races in Zanzibar. When he acquires one or two small estates, he settles on them and manages them, while continuing his commercial business. As his property grows, he gives it more and more of his attention, and in many instances I am informed that he becomes, in the evening of his life, an agriculturist in temper and in practice, and either he himself remains in this country to die, or if he returns to Arabia, his son is a good Zanzibari, and joins the ranks of the active and managing plantation-owners. If an estate passes from a resident agriculturist to such an immigrant, any inconvenience which results is not permanent. On the contrary, the new agriculturist family is better than the old. It is businesslike, energetic, and free from debt. Help, so far as possible, should be granted to the resident Arabs and the Swahili to save them from undeserved misfortune, but if in the end they give place to Mangas, the strength of the country is not impaired.

“A Comorian also is likely to make a progressive landowner with an agricultural outlook.

“The same cannot be said of the Indian. He is a good man of business and an orderly citizen. He is able to spend money on his estates, but my observations and inquiries do not suggest that he habitually does so. To the Zanzibar Indian a plantation is primarily a milch-cow and a source of income. He is not by instinct or habit an agriculturist, and though I have traced one example of a prosperous Indian family which lives on a plantation and has no other visible means of support, the general Indian custom is to remain in the towns and to rent out the plantations to agriculturist tenants. A society constructed in this way will not be a healthy society. The transfer of land into Indian hands is proceeding steadily, and with the growing embarrassment of the agriculturists is likely to become more rapid. It is clear that neither the agriculturist communities nor the Government can view with equanimity the prospect of an urban Indian oligarchy monopolizing the plantations and managing them through a dependent, indebted and spiritless tenantry of Arabs and Swahilis.”

The Report of the Indian Statutory Commission, 1930. states (Vol. I, paragraph 27) “The typical agriculturalist is still the man who possesses a pair of bullocks and cultivates a few acres with the assistance of his family and of occasional hired labour.” This type has its counterpart in Zanzibar in the small holder, generally African; but the terms “agriculturist” and “non-agriculturist” are not appropriate to the conditions of Zanzibar, so far at least as the management of the larger clove estates is concerned, clove estates being analogous to orchards or gardens than to ordinary agricultural cultivation. Even in India it is understood that the distinction between agriculturists and non-agriculturists is not always easy to maintain. Thus in paragraph 355 of the Report of the Royal Commission on Agriculture in India “the feasibility of defining with reasonable precision those agricultural tribes or classes whose interests it is sought to protect” is mentioned as one of the difficulties of extending to other districts the principle of statutory restriction on the alienation of land. In India the test of actual work on the land as a traditional occupation is presumably generally applicable; whereas in the management of clove estates in this Protectorate it cannot be

suggested that the owner should necessarily clean his own estate or pick his own cloves, or that if he fails to do so personally he should be regarded as a non-agriculturist.

The reason why the previous suggestions, to which Mr. Menon refers, for dealing with the problem in the Protectorate proved abortive may well have been failure to recognize that the terms "agriculturist" and "non-agriculturist" adopted from Indian legislation were not applicable to the circumstances of Zanzibar. It is futile to attempt to disguise the fact that the Protectorate's problem is essentially a racial one; to ignore or attempt to conceal that fact is merely to evade the issue. Arabs and Africans are notably irresponsible in matters of finance and it is necessary if their interests are to be safeguarded to protect them against themselves.

The necessity to take account of racial characteristics of Africans is generally recognized in land legislation throughout Africa. The reasons for limiting freedom to alienate land apply with as great force in the case of most of the Arabs, who in Zanzibar form a large proportion of the owners of land, and who are no more competent in these matters than are Africans.

There is another difficulty regarding the distinction between agriculturist and non-agriculturist which Mr. Menon appears to have overlooked. For, if his proposals were adopted, no Indian who could be regarded as an agriculturist would be free to sell or mortgage his land without the special sanction of the British Resident. This, in the view of the Government, would be an entirely unjustifiable restriction on Indian ownership of land and an unwarrantable interference with the liberty of people who, generally speaking, are entirely competent to manage their own affairs. Thus, again is brought to light the fundamental consideration that the protection required is necessitated by the racial characteristics of the Arabs and Africans.

Paragraph 7: In this paragraph Mr. Menon comments that the Decree should not act as a bar to the acquisition of land by *bona fide* Indian agriculturists and secondly that it should not have retrospective effect such as will occasion loss to Indians who have already invested considerable sums of money in the existing mortgages. These points are dealt with separately in succeeding paragraphs.

Paragraph 8: Mr. Menon states that Indians in Zanzibar demand that section 4(2) of the Decree should be so amended as to make it obligatory on the part of the Resident to give his sanction to the alienation of land to those Indians who are able and prepared to develop it in a husbandly manner. This demand appears to overlook the fact that the Resident's sanction to a particular transaction must have regard to the circumstances of the alienor and to the general equity of the contract as well as to the likelihood of the alienee developing the property adequately. So far as the alienee is concerned ability and intention to develop the land would no doubt, as a rule, be the chief consideration. In the interests of the alienor, however, it might be necessary to refuse sanction to a sale or mortgage otherwise unobjectionable, in order to protect him against his own improvidence; while contracts which were obviously inequitable would not be sanctioned whatever the agricultural qualifications of the purchaser or money-lender.

Nor does it appear that an amendment of the law in the sense suggested would in any way improve the position of a person desiring to purchase land or lend money on mortgage. A decision as to whether a particular transaction could be allowed must ultimately rest on the opinion of the Resident as to the *bona fides* of the alienee among other considerations; and to provide in the law that the Resident must exercise his discretion reasonably and having due regard to all relevant considerations would not seem to have any advantage over a public assurance that he will do so.

Paragraph 9: No comments.

Paragraph 10: This question of rights of mortgagees in respect of transactions which took place before the date of passing of the Decree is

being considered by the Commission, and pending the Report of the Commission comment by the Government is undesirable.

Paragraph 11: Mr. Menon quotes figures regarding the ownership in 1922 of plantations, and goes on to say "in any case the figures quoted in this paragraph really indicate that *so far* Indians have not shown any desire to grab the lands of Arabs and Africans". It is not clear whether by the words "so far" Mr. Menon is referring to the position in 1922 or whether he refers to the time at which he made his investigations.

The statistics given in tables A, B and C in the Appendix have been compiled from the register of land transactions for the eight years 1926—1933. They relate to sales and not to mortgages, except in so far as certain "fictitious sales" in Pemba are in reality mortgages.

The statistics have been compiled on a different basis for Zanzibar and Pemba in that for the former note has been taken of the sale prices only, whereas in the latter the actual numbers of trees and not sale prices have been cited.

The figures are significant in that they disclose that on balance in Zanzibar Island over 19 lacs worth of property passed into Indian hands during the eight years under review; while in Pemba there was a net gain to Indians of nearly a quarter of a million of clove trees and some 35,000 coconut trees. If the estimate of 3 million clove trees in the Protectorate, quoted by Mr. Menon, is approximately correct; and if it is assumed that 2 million of these are in Pemba, the net transfer by sale of $\frac{1}{4}$ million trees in Pemba alone represents an increase in Indian ownership of $12\frac{1}{2}$ per cent. of the total, and would increase the figure of 5 per cent. given by Mr. Menon to about $17\frac{1}{2}$ per cent. in these eight years.

The evidence of a rapid change towards Indian ownership of the land of the Protectorate is therefore conclusive.

There is no doubt that the volume of debts secured and unsecured owed by the Arab and African to the Indian has increased over the same period; but as the registration of the redemption of mortgages was only recently made compulsory no statistics of mortgage debt outstanding at any time can be obtained from the official register, while the amount of unsecured debt is not on record.

In this connexion there is a further important consideration. In so far as indebtedness is leading to a state of affairs in which the actual or virtual ownership of estates is becoming divorced from their management, the Government cannot but view the position with grave concern. Thus, if the legal or virtual ownership is in the hands of persons not actually looking after the estate, with the tenants or nominal owners, as the case may be, doing all the work, a position will arise in which all the profits of the estate above a mere subsistence allowance will be appropriated by the landlord. A system of rack-renting will thus be established under which the cultivator will be little better than a slave and will have no incentive to improve the estate, knowing well that any incremental value will automatically go to some one else. When it so happens that the distinction between landlord and tenant tends to follow racial lines the danger of the position is obviously increased.

Mr. Menon commenting on the fact that Arabs and Africans are less in a position to buy land than hitherto, states, "but so are the Indians". The Indian is however generally speaking already the creditor and he has not to produce fresh money in order to acquire property; while there is the further fact that the restriction now imposed on Arabs and Africans in the matter of obtaining credit has reduced their capacity to buy land as compared with the Indian who is subject to no such restriction.

Paragraph 12: Mr. Menon points out in this paragraph the effect of the Decree on past transactions. The Commission's Report must be awaited.

Paragraph 13: Mr. Menon is not opposed to the moratorium nor to the action taken to deal with "fictitious sales". He agrees that oral evidence should be permitted that the so-called sale was in fact a mortgage; but he suggests that to convert it into a usufructuary mortgage on the terms permitted by the Decree would be to whittle down rights which have already accrued to the creditor. There is, however, the distinction that the creditor in this case has been a party to a false document. It does not, therefore, follow that he should necessarily be accorded the same terms as a mortgagor would possess under a deed not so tainted.

Paragraph 14: The position is being carefully watched.

Paragraph 15: No comments.

Paragraph 16: No comments.

Paragraph 17: No comments.

Paragraph 18: No comments.

Paragraph 19: No comments.

Paragraph 20: No comments.

Paragraph 21: In the marketing of agricultural produce under modern conditions the necessity for grading under centralised control is becoming increasingly recognised, and Mr. Menon recites the arguments in favour of a grading system for clove produce, which appear to the Government to be conclusive. Opposition from those who are accustomed to existing methods is to be expected to any change in system. The actual grading must be to some extent experimental at first, but it can be modified in the light of experience.

Paragraph 22: The establishment of a monopoly is, in the view of the Government, the only way in which the industry can be placed on a safe economic basis. What are the Indian interests in the Protectorate which will be damaged by such a monopoly? In general the interests of the Indian merchants, whatever their particular business, are dependent on a satisfactory market being obtained for the Protectorate's clove harvest. The Indian owner of plantations stands directly to profit by any improvement in the price obtained by the producer. It is true that the operations of exporters of cloves will be regulated, but these are a very limited number. Of the thirty-six firms engaged in export business for the seasonal year before the introduction of licensing, fourteen operated under 100 bales each, thirteen between 100 and 5,000 bales, and nine over 5,000. Of the latter one man handled one-third of the total crop of 55,511 bales. For the period 1st October—31st December 1934, only seven firms have taken out exporter's licences. Of these five are Indian. The unregulated dealings of these firms cannot be allowed to outweigh the general good of the Protectorate.

Paragraph 23: In view of the personal reference to Mr. C. A. Bartlett, it may be explained that Mr. Bartlett was previously a member of a Zanzibar firm concerned with the clove industry as agents for oil distillers abroad. With the rise in prices of cloves and the substitution of synthetic vanillin for vanillin derived from cloves, this business had to be abandoned. It is now the endeavour of the Government to recapture some at least of this market, and Mr. Bartlett's previous experience is proving of great value in this as in other respects.

No properly conducted business could be successful in face of the competition from irresponsible persons speculating in cloves, who, whether they made fortunes or went bankrupt, were a danger to the industry to such an extent that business firms who valued their good name and refused to take gamblers' risks have been steadily forced out of the trade. The firms and individuals taking part in the clove export business have for these reasons been continually changing.

Paragraph 24: Mr. C. F. Strickland in his Report, written in May 1931, on co-operation and certain aspects of the economic conditions of Agriculture in Zanzibar said, *inter alia* :

“The Association is nevertheless still in being and its future has to be decided. The plain co-operative course would be to abandon all the financial and commercial side of its work, leaving the C. G. A. as a propaganda platform from which the Agricultural Department could address the clove growers and invite them to improve their cultivation and their methods of marketing. The Registrar of Co-operative Societies would then slowly form local societies for joint sale, which would finally federate themselves under a single head. *The disadvantage of this plan is that a long time, perhaps thirty years, will elapse before the whole edifice is built. Meanwhile the dealers will command the market and pay the producers the price which suits themselves.** The moral effect of abandoning entirely a scheme which the agriculturists identify with Government would also be regrettable.” (Chapter. III, paragraph 2.)

“The alternative is to register the C. G. A. as a co-operative society, so to finance it that a vigorous propaganda can be carried on, and to appoint a competent and independent Manager and staff. No half measures will be effective.” (Paragraph 3.)

“The C. G. A. will be a unique and formidable body.”

“It will call for special attention and supervision from Government.” (Paragraph 13.)

“I propose therefore that a Board of Control be constituted by Decree, of which the Treasurer, the Comptroller of Customs, the Director of Agriculture and the Registrar of Co-operative Societies should be members. The Board is official and the addition of unofficial members is not advisable, though it will be open to the Board to co-opt by name from year to year any official or non-official whose knowledge of plantations lends value to his opinion.” (Paragraph 13.)

It has been the hope of Government that the Clove Growers' Association would be from the beginning a co-operative society but, as is well-known, the beginning made by the appointment of a Registrar of Co-operative Societies to induce agriculturists and others to form societies has had to be abandoned as it was quite obvious that for a considerable time to come success is not possible. It is still hoped that as agriculturists are freed from debt and as the advantages to be gained by co-operation are realised, local co-operative societies will be formed and that those societies will federate themselves under a single head, *viz.*, the Clove Growers' Association.

For the present it is essential that the C. G. A., although not in name a co-operative society, should perform on behalf of the producers the functions of such a society. Otherwise, as Mr. Strickland pointed out, dealers will command the market and pay the producers the prices which suit themselves, while there would not, and could not, be any rationalisation of the industry which is of such great importance to the whole community. The only effective method of safeguarding the industry is by placing the Association in a monopolistic position.

Paragraph 25: It is usual for all marketing associations to take wide powers. In practice many of these powers are merely held in reserve in case of necessity, but are not normally used.

Paragraph 26: The distinction between the operations of the Association and those of individuals or firms, and the justification for special treatment, rest on the fact that the former is seeking only the public benefit, while

* The italics have been added.

the latter are naturally looking for profits for themselves, at the expense of the producers. As regards the interests of the Indian residents of the Protectorate, those who own plantations benefit equally with the Arabs and Africans from the free marketing services provided by the Association, from the ready money which they receive in return for their produce, and from the financial assistance in the way of harvesting loans, which are made available by the Association. That Indian growers have been quick to appreciate the value of the Association is clear from the fact that 40 per cent. of that fraction of the 1933-34 crop which was brought to the Association came from them. In addition many Indian lessees of crops elected to market their produce through the Association.

Mr. Menon speaks of the freedom of trade which has been enjoyed for generations. Of the five Indian firms that have taken out exporter's licences at a fee of Rs. 450 for the quarter 1st October—31st December 1934, only one was in the trade before the War, and that one has practically ceased for some time active export business, on account, it would appear, of the irresponsible methods of its competitors.

Paragraph 27: An examination of that part of Sir Alan Pim's Report, presented in May 1932, which deals with the Clove Growers' Association will make clear his views as to the necessity for such an Association. He says, *inter alia*, dealing with reduction of costs of production:

"If the Association did not exist Government would probably have to take steps in the same direction in the general interests of an industry faced with competition of a character previously unknown". (Paragraph 362.)

"The necessity for an Association is, however, much more pressing in connection with the organisation of the export market for cloves." (Paragraph 363.)

"As a result of competition a considerable reduction has also taken place in the number of exporting firms, of which there are now only seven or eight requiring consideration, organised into two rather fluid groups. The chief exporters are a group of Indian firms who enjoy definite advantages from their control of rice imports and their very small overhead charges. *Between the exporters and actual growers there is, however, a whole series of middlemen and, in the case of the small growers in Pemba, there may be as many as five intermediaries between them and the consumer, each of them taking his commission.** (Paragraph 364.)

"The best method of dealing with the situation is on the general lines proposed by Mr. Strickland, by giving a proper status and constitution to an organisation genuinely representing the interests of the growers themselves." (Paragraph 367.)

"While the ultimate aim should be the formation of a co-operative society and an elected committee, I think that in the early stages it will be necessary to maintain a close connection with Government by concentrating general control in the hands of a small committee corresponding to the present Advisory Board." (Paragraph 368.)

Sir Alan Pim went on to say that after discussing the whole subject with the Advisory Board he did not consider that the proposal of Mr. Strickland to charge a brokerage commission on all cloves should be adopted. The Board and the Government took this view at the time but have since been convinced that Mr. Strickland's original proposal was sound.

So far as rationalisation is concerned the cases which Mr. Strickland quoted, *viz.*, Malaya (Rubber), Brazil (Coffee), Egypt (Cotton), and North

* The italics have been added.

America (Wheat), are entirely different from that of Zanzibar, which produces 82 per cent. of the world's cloves. There appears to this Government to be no adequate reason why an attempt should not be made to obtain reasonable prices for Zanzibar cloves. With a crop which has such large seasonal fluctuations it is obviously thoroughly unsound policy to offer for sale during a heavy crop cloves greatly in excess of demand. The alternative, which is being adopted, is to spread sales to meet demands. There have always been in Zanzibar stocks of cloves varying according to output, but there has been no properly regulated export.

Paragraph 28: No comments.

Paragraph 29: Mr. Menon refers to individuals who have lost fortunes in the clove business and are now destitute, as if it were a matter of concern to themselves alone. He overlooks the fact that these speculators do great injury to legitimate business locally and overseas by rendering properly conducted business on sound lines impossible. The difficulties occasioned by the depression furnish an additional reason for the adoption of measures for stabilisation of prices. As the Protectorate produces more than 80 per cent. of the world's cloves, it is in a uniquely favourable position to effect stabilisation. The concluding statement that cloves, even at the lowest prices, fetched more than the cost of production, cannot be accepted by Government as correct.

Sir Alan Pim in his Report (paragraph 273) gives a figure of Rs. 8 per frasila of cloves as being "ordinarily accepted as the economic cost of growing and marketing, including an allowance for interest." Yet the price during the whole of this year has been on the average well below this figure and would certainly have remained lower still had not the Clove Growers' Association taken steps to control prices.

Paragraph 30: The production and consumption of cloves over a period of years roughly correspond, as there is no great accumulation of stocks, and it has never been necessary to destroy surplus stocks. The fact, however, that the clove crop is very variable in quantity from one year to another is bound to lead to violent fluctuations in price unless there is some organisation in a position to carry stocks and to distribute produce evenly as consumption demands.

Paragraph 31: As stated above, seasonal surpluses and deficiencies can be smoothed out, but only under a system of centralised control. The release of supplies in accordance with demand must be organised, if stability is to be secured.

So far, markets have been found for all the Madagascar cloves harvested in addition to the produce of Zanzibar, and there is no reason to suppose that the world's markets will not continue to absorb the produce of both countries.

Paragraph 32: The activities of the Association to which Mr. Menon refers with approval cannot, in the view of the Government, bring substantial benefit, unless the Association achieves control. Control of a fraction of the produce only would not enable the Association to stabilise prices or secure adequate control of markets. The freedom left to private speculators would be a source of danger to the finances of the Association and consequently to the funds of the Protectorate.

Paragraph 33: It was after the breakdown of shippers' efforts to organise themselves that the Government was forced to take action independently. Mr. Menon's reference to an "*ex post facto* excuse" is not therefore understood.

Paragraph 34: The business of the village shopkeeper combines money-lending, barter, credit, etc., and, as in India, it is attended by many abuses. Whether the shopkeeper makes a large profit or not is immaterial to the issue of the producer getting value for his produce. It would be impossible to extricate from the medley of transactions conducted by the

village shopkeeper the exact amount of middleman's profit on the purchase and sale of cloves. In this connection, reference to paragraphs 326 and 327 of the Report of the Royal Commission on Agriculture in India is pertinent. It is there stated of the cultivator—

“that it must often be his indebtedness which compels him to resort to the village trader and to accept the terms dictated by the latter”,

and again :

“the cultivator obtains a much better price for his produce when he disposes of it in a market than when he sells it in his village Unless the cultivator can be certain of securing adequate value for the quality and purity of his produce, the effort required for an improvement in these will not be forthcoming”.

In this connection reference is also invited to Sir Alan Pim's remarks quoted under paragraph 27, and Mr. Strickland's remarks under paragraph 24 above.

Mr. Menon, in his concluding sentence, in which he makes a comparison between middlemen's charges and the amount of the levy, omits to observe that the levy covers many other charges, such as storage, transport, marketing, etc., in addition to the so-called “middlemen's charges”.

Paragraph 35: In paragraphs 34 and 35 Mr. Menon is considering the position of the shopkeeper-middleman. The legitimate business of shopkeepers is to sell goods, and their individual survival will depend on their enterprise and business capacity in this direction. They will benefit equally with other classes of the community by the producers receiving ready money and better prices for clove produce. There is no justification, however, for depriving producers of their right to market their produce direct and without the unnecessary intervention of middlemen.

Paragraph 36: The Indian community of Zanzibar was filled with alarm and anxiety on the passage of the Decree now under consideration. At the time when Mr. Menon was in the Protectorate feeling was still running high, and no doubt individuals did ascribe to Mr. Bartlett a large measure of responsibility for the course which events had taken. But in the opinion of Government Mr. Menon has greatly exaggerated the extent of any personal bitterness against Mr. Bartlett. The suggestion that the C. G. A. is a “one man's show” is incorrect. The Board of Management, of which Mr. Bartlett is one member, is primarily responsible for controlling the operations of the Association. Mr. Bartlett, as Secretary-Manager, acts on instructions received from the Board. There is a close liaison between the Board and the Government, and all important matters of policy are referred to the Government.

The Government gladly admits, however, that without the energy and knowledge and whole-hearted devotion of Mr. Bartlett to the interests of the Association the reorganisation of the clove industry would have been rendered even more difficult.

Paragraph 37: Mr. Menon's view that this legislation means the “squeezing out of the native of India from regions in which he has established himself under every security of public faith” is strongly contested by Government. The measures taken are designed to place the clove industry on a proper footing and promote the general good of the public, including the Indians, whose prosperity is inseparably bound up with the general prosperity of the Protectorate. Even at this early stage, the provision of ready money in return for cloves has led to an increase in the purchasing power of the community, and the benefit to Indian traders is becoming apparent.

Paragraph 38: The Government refuses to admit that the two Decrees referred to in paragraph 38 (d) will cause damage to Indian interests, generally, or will oust the Indian traders from Zanzibar. On the contrary, it asserts that the Indian traders and agriculturists will derive great benefit from the successful establishment of a monopoly for the marketing of cloves. To remove these Decrees from the Statute Book would inflict irreparable injury on the Protectorate.

Zanzibar, 12th December, 1934.

APPENDIX.

A

Zanzibar—Value of property in Rupees.

	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.
Arabs and Swahilis to Indians	1,29,108	7,27,141	7,62,232	2,70,580	1,29,809	1,58,191	4,26,264	2,03,349
Indians to Arabs and Swahilis	80,959	75,408	62,680	2,37,814	1,76,123	1,21,493	73,263	44,111
	48,149	6,51,733	6,99,552	32,766	..	36,698	3,53,001	1,59,238
Indians gain	48,149	6,51,733	6,99,552	32,766	..	36,698	3,53,001	1,59,238
Indians lose	..	..	..	..	46,314	..	..	..
							Rs.	
Arabs and Swahilis to Indians for the period of 8 years							28,06,674	
Indians to Arabs and Swahilis for the period of 8 years							8,71,851	
Indians net gains for the period of 8 years							19,34,823	

For the period of eight years, Indians in Zanzibar have acquired from Arabs and Africans estates valued at Rs. 19,34,823 in excess of estates sold to Arabs and Africans.

B

Pemba—Value of property in Clove Trees.

	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.
Arabs and Swahilis to Indians	39,496	29,875	46,806	26,721	43,060	30,990	47,562	22,050
Indians to Arabs and Swahilis	4,355	1,453	2,531	3,740	8,529	5,145	7,557	15,875
Difference	35,141	28,422	44,275	22,981	34,531	25,845	40,005	6,175
Indians gain	35,141	28,422	44,275	22,981	34,531	25,845	40,005	6,175
Indians lose	..	..	..	Nil	..	..	..	..
							Trees (Clove).	
Arabs and Swahilis to Indians for the period of 8 years							2,86,560	
Indians to Arabs and Swahilis for the period of 8 years							49,185	
Indians net gains for the period of 8 years							2,37,375	

For the eight years in Pemba the Indians gained from the Arabs and Swahilis a net total of 2,37,375 clove trees.

C

Pemba—Value of property in Coconut Trees.

	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.
Arabs and Swahilis to Indians	7,387	6,367	8,468	5,429	4,042	3,601	7,231	2,835
Indians to Arabs and Swahilis	895	895	650	1,324	1,678	689	1,271	2,876
	6,492	5,468	7,818	4,105	2,364	2,912	5,960	..
Indians gain	6,492	5,468	7,818	4,105	2,364	2,912	5,960	..
Indians lose	..	..	..	..	..	..	..	141
							Trees (Coconut).	
Arabs and Swahilis to Indians for the period of 8 years							45,360	
Indians to Arabs and Swahilis for the period of 8 years							10,378	
Indians net gains for the period of 8 years							34,982	

For the eight years in Pemba the Indians gained from the Arabs and Swahilis a net total of 34,982 coconut trees.

III.

Decrees of the Government of Zanzibar referred to in
Mr. Menon's Report.

ZANZIBAR PROTECTORATE.

WE ASSENT.

KHALIFA BIN HARUB,
Sultan of Zanzibar.

5TH JULY, 1934.

IN THE NAME OF THE MOST MERCIFUL GOD.

**A DECREE TO RESTRICT ALIENATION OF LAND IN CERTAIN
CASES AND TO MAKE SPECIAL PROVISION FOR EVIDENCE
AND PROCEDURE IN SUCH CASES.**

No. 1 of 1934.

Enacted by His Highness the Sultan of Zanzibar by and with the advice
and consent of the Legislative Council thereof.

1. This Decree may be cited as "The Alienation of Land (Restriction and Evidence) Decree, 1934", and shall come into operation on such date as the British Resident shall notify in the *Gazette*. Short title
and com-
mencement.

2. In this Decree, unless the context otherwise requires—

(i) "Authorized Officer" means any officer authorized by the British Resident by notice in the *Gazette* to do any act or to hold any inquiry under the provisions of this Decree. Interpreta-
tion.

(ii) "Land Appeal Board" means the Board appointed by the British Resident to hear appeals from the decisions of an authorized officer.

(iii) "Land" means all land in the Protectorate outside the limits of towns declared as such by notice under the Towns Decree, 1929, and includes—

- (1) the sites of buildings or other structures on such land;
- (2) a share in the profits of an estate or holding;
- (3) a right to receive rent;
- (4) any right to water enjoyed by the owner or occupier of land as such;
- (5) any right of permanent tenancy;
- (6) all trees growing on the land.

(iv) the expression "permanent alienation" includes sales (whether by act of the parties or by decree or order of a Court) exchanges, gifts, dispositions by will, and grants of permanent tenancy rights;

(v) the expression "usufructuary mortgage" means a mortgage by which the mortgagor delivers possession of the land to the mortgagee and authorizes him to retain such possession until payment of the mortgage-money, and to receive the rents and

profits of the land and to appropriate them in lieu of interest or in payment of the mortgage-money or partly in lieu of interest and partly in payment of the mortgage-money.

Certain transactions in land to be by registered instrument.

3. Notwithstanding the provisions of the Transfer of Property Decree, 1917, every transaction (other than a lease of land for a year or less or a disposition by will) affecting the land of an Arab or an African and granting or purporting to grant to any person any right in or over such land entered into after the coming into operation of this Decree shall be by registered instrument signed by the vendor, mortgagor, lessor, or other alienor, as the case may be, and attested by at least two witnesses.

Sanction of British Resident for permanent alienation required in certain cases.

4. (1) Any person may make a permanent alienation of his land where—

- (a) the alienor is not an Arab or an African; or
- (b) the alienor and the alienee are Arabs or Africans.

(2) Except in the cases provided for in sub-section (1) a permanent alienation of land shall be of no effect unless and until sanction is given thereto by the British Resident :

Provided that

- (a) it shall be sufficient if the approval required by this section is endorsed on the instrument effecting the disposition, whether before or after execution, or on a draft or copy thereof, and, in the case of a will or codicil, whether before or after the death of the testator;
- (b) sanction shall not be necessary in the case of a gift made in good faith for a religious or charitable purpose whether *inter vivos* or by will.

Provided further that a permanent alienation of wakf property, dedicated by an Arab or an African and alienated by the Wakf Commissioners under the Wakf Property Decree in favour of a person not being an Arab or an African, shall not take effect as such unless and until sanction is given thereto by the British Resident.

Effect of sanction.

5. When the British Resident sanctions a permanent alienation of land, his order shall not be taken to decide or affect any question of title or any question relating to any reversionary right.

Forms of mortgage in certain cases.

6. (1) If an Arab or an African mortgages his land, the mortgage shall be made in one of the following forms :—

- (a) In the form of a usufructuary mortgage, by which the mortgagor delivers possession of the land to the mortgagee and authorizes him to retain such possession and to receive the rents and profits of the land in lieu of interest and towards payment of the principal, on condition that after the expiry of the term agreed on, or (if no term is agreed on, or if the term agreed on exceeds twenty years) after the expiry of twenty years, the land shall be re-delivered to the mortgagor; or
- (b) in the form of a mortgage without possession, subject to the condition that, if the mortgagor fails to pay principal or interest according to his contract, the mortgagee may apply to an authorized officer to place him in possession for such term not exceeding twenty years as the authorized officer may consider to be equitable, the mortgage to be treated as a usufructuary mortgage for the term of the mortgagee's possession and for such sum as may be due to the mortgagee on account of the balance of principal due and of interest due not exceeding the amount claimable as simple interest at such rate and for such period as the authorized officer

thinks reasonable together with such further amount for interest on the principal found to be due as the authorized officer may consider to be equitable in respect of the period of the mortgagee's possession; or

- (c) in any form which the British Resident may by general or special order permit to be used.

(2) An authorized officer, if he accepts the application of a mortgagee under sub-section (1) (b) shall have power to eject the mortgagor, and as against the mortgagor, to place the mortgagee in possession.

7. In the case of mortgages made under section 6—

- (i) no interest shall accrue during the period for which the mortgagee is in possession of the land or in receipt of rent other than the amount fixed for interest by an authorized officer under sub-section (1) (b) of that section;
- (ii) at the end of the period for which the mortgagee is in possession the debt shall be extinguished;
- (iii) the mortgagor may redeem his land at any time during the currency of the mortgage on payment of the mortgage debt or of such proportion of the mortgage debt as an authorized officer finds to be due and payable;
- (iv) in the case of a usufructuary mortgage the mortgagor shall not be deemed to bind himself personally to re-pay the mortgage-money; and
- (v) if a mortgagor who has applied to an authorized officer under paragraph (iii) proves to the satisfaction of the authorized officer that he has paid the mortgage debt or such proportion of the mortgage debt as the authorized officer has found to be due and payable, or deposits with the authorized officer the amount of such mortgage debt or of such proportion thereof, the redemption of the land shall be deemed to have taken place, and the authorized officer shall have power to eject the mortgagee if in possession and as against the mortgagee, to place the mortgagor in possession.

Conditions applicable to mortgages made under the Decree.

8. (1) In a mortgage made under section 6, the following conditions may be added by agreement between the parties:—

- (a) a condition fixing the time of the agricultural year at which a mortgagor redeeming his land may resume possession thereof;
- (b) conditions limiting the right (if any) of a mortgagor or mortgagee in possession to cut, sell or mortgage trees or to do any act affecting the permanent value of the land; and
- (c) any condition which the British Resident by general or special order may declare to be admissible.

Conditions which may be added by agreement.

(2) In mortgages made under section 6 any condition not permitted by or under this Decree shall be null and void.

9. An Arab or an African may make a lease of his land for any term not exceeding twenty years, and any lease made by an Arab or an African for a longer term than twenty years shall be deemed to be a lease for the term permitted by this section.

Maximum term of lease

10. (1) During the currency of a mortgage made under section 6 in form (a) or form (b) or of a lease under this Decree, the owner shall be at liberty to make a further mortgage or lease of the same land for such term as together with the current mortgage or lease will make up a term not exceeding the full term of twenty years.

Further mortgage or lease.

(2) Any such further mortgage or lease if made for a term which, taken together with the current mortgage or lease, exceeds the term permitted by this section, shall be deemed to be a mortgage or lease for the term permitted by this section.

Mortgagee, etc., remaining in possession after expiry of term may be ejected.

11. If a mortgagee or lessee holding possession under a mortgage made under section 6 or under a lease made under section 9 or under a mortgage or lease made under section 10 remains in possession after the expiry of the term for which he is entitled to hold under his mortgage or lease, an authorized officer may, of his own motion or on the application of the person entitled to possession, eject such mortgagee or lessee and place the person so entitled in possession.

Status of Administrator-General, Public Trustee, etc.

12. For the purposes of this Decree, the Administrator-General, the Public Trustee or any trustee, executor or administrator while administering or managing the estate of an Arab or an African, shall be deemed to be an Arab or an African and while administering or managing the estate of a person not being an Arab or an African shall be deemed not to be an Arab or an African.

Appeals.

13. (1) There shall be no appeal from the decision of an authorized officer in any proceeding under this Decree where the value of the property in respect of which the proceedings are held does not exceed Rs. 1,500 where the value of the property exceeds Rs. 1,500, any party aggrieved by a decision of an authorized officer may appeal to the Land Appeal Board, whose decision shall be final.

(2) The value of the property shall be determined by the authorized officer and his decision thereon shall be final.

Appearance of legal practitioners

14. No legal practitioner shall appear, save with the consent of an authorized officer, in proceedings before an authorized officer under this Decree where the value of the property in respect of which the proceedings are held does not in the opinion of the authorized officer exceed Rs. 1,500.

Variations in terms of a registered document how effected.

15. (1) When an authorized officer by any decision in a proceeding before him orders under section 6 of this Decree that the terms of any registered document shall be varied, he shall cause such variation to be endorsed on the document and shall give notice of such variation in writing under his hand to the Registrar or the Deputy Registrar in whose registry the document has been registered and the Registrar or the Deputy Registrar as the case may be shall cause such variation to be endorsed on the copy of such document in his registry.

(2) When the Land Appeal Board varies any decision of an authorized officer by which a registered instrument has been varied, it shall cause such further variation to be endorsed on the registered instrument and shall give notice of such further variation in writing under the hand of the Chairman of such Board to the Registrar or the Deputy Registrar in whose registry the document has been registered and the Registrar or the Deputy Registrar as the case may be shall cause such further variation to be endorsed on the copy of such document in his registry.

Powers of authorized officer and Land Appeal Board.

16. An authorized officer and the Land Appeal Board shall for the purposes of this Decree have the powers of a Court in respect of the summoning and attendance of witnesses, the production of documents and the carrying out of the duties imposed upon them by this Decree.

Registration.

17. Notwithstanding the provisions of the Registration of Documents Decree or any rule made thereunder, neither the Registrar of Documents nor any Deputy Registrar shall register any document which contravenes any provision of this Decree or any document requiring for its effectiveness the sanction of the British Resident until such sanction has been obtained and if the sanction of the British Resident is not endorsed upon the document effecting the disposition the person submitting a document for registration shall produce for the inspection of the Registrar or the Deputy Registrar as the case may be the endorsement of the sanction of the British Resident and the Registrar or the Deputy Registrar shall cause the endorsement to be copied upon the instrument tendered for registration and shall certify the same under his hand to be a true copy of such endorsement.

18. Notwithstanding the provisions of the Evidence Decree, 1917, where an Arab or an African, having been prior to the coming into operation of this Decree a party as vendor to a conveyance of immovable property has remained in occupation of the property conveyed after the execution of the conveyance and has made or agreed to make to the purchaser periodical payments in respect of such occupation, oral evidence may be admitted to prove the existence of an oral agreement that the transaction should amount to a mortgage and not to a conveyance of the property; and the Court on being satisfied of the existence of such agreement shall impound the conveyance and declare it to be of no effect. A Court making such declaration may order the vendor to execute a mortgage to the purchaser in one of the forms prescribed in section 6 of this Decree for such amount as principal and interest and for such term not exceeding twenty years as to the Court shall seem fit.

Special rules of evidence in certain cases.

Any Court making such declaration or order shall give notice to the Registrar or Deputy Registrar of Documents of the Registry in which such conveyance has been registered of the cancellation thereof and of the terms of the mortgage (if any) which it has ordered the vendor to give to the purchaser.

19. Notwithstanding the provisions of any law to the contrary, no decree or order of a Court for the sale of the land of an Arab or an African in respect of a mortgage entered into or a debt incurred prior to the coming into operation of this Decree shall be executed within one year after the coming into operation of this Decree; provided that time shall not run against any person during this period in respect of any decree or order of Court passed or made in his favour during this period or before the date of the coming into operation of this Decree.

Suspension of execution of decree or orders for sale in certain cases.

20. The provisions of this Decree (other than the provisions of sections 18 and 19 hereof) shall not affect any transaction relating to land entered into prior to the coming into operation of this Decree.

Prior transactions not affected.

21. Save in so far as they are not expressly varied by the provisions of this Decree, the provisions of the Transfer of Property Decree, 1917, shall apply to transactions entered into under the provisions of this Decree.

Saving.

22. (1) His Highness the Sultan in Executive Council may make rules for carrying into effect the purposes of this Decree.

Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power His Highness the Sultan in Executive Council may make rules prescribing the practice and procedure to be followed in proceedings before an authorized officer under this Decree, in appeals from such authorized officer and the fees (if any) to be charged thereon.

Passed in the Legislative Council on the thirtieth day of June, 1934.

G. H. SHELSWELL-WHITE,
Clerk of the Legislative Council.

Countersigned under the provisions of article 42 of the Zanzibar Order in Council, 1924.

S. B. B. McELDERRY,
Acting British Resident.

6TH JULY, 1934.

ZANZIBAR PROTECTORATE.

WE ASSENT,

KHALIFA BIN HARUB,

Sultan of Zanzibar.

5TH JULY, 1934.

IN THE NAME OF THE MOST MERCIFUL GOD.

A DECREE TO ESTABLISH AND TO REGULATE THE CLOVE GROWERS' ASSOCIATION.

No. 2 of 1934.

[6TH JULY, 1934.]

Enacted by His Highness the Sultan of Zanzibar by and with the advice and consent of the Legislative Council thereof.

Short title.

1. This Decree may be cited as "The Clove Growers' Association Decree, 1934".

Interpretation.

2. In this Decree—

"Agricultural produce" means the produce of any kind of husbandry, inclusive of the growth of cloves, coconuts, fruit, vegetables and the like and the keeping or breeding of live stock or poultry.

"Agricultural Producer" means any tenant or owner of land or any person having the management of land as trustee or legal representative of any person, who cultivates that land for profit and includes the purchaser of any growing crop of cloves or coconuts, the purchaser or lessee of any clove or coconut trees and any co-operative society which may in the future be registered under any law of the Protectorate, the objects of which include the obtaining or granting of credit for agricultural purposes.

"Cloves" means the dried flower-buds of the clove-tree.

PART I.

ESTABLISHMENT AND MANAGEMENT OF THE CLOVE GROWERS ASSOCIATION.

Establishment of the Clove Growers' Association.

3. (1) There is hereby established an Association under the name of "The Clove Growers' Association", hereinafter referred to as "the Association", which shall be administered and managed as in this Decree is provided.

(2) The Association shall be a body corporate and shall, under the said name, be capable of suing and of being sued, and of purchasing or otherwise acquiring, holding and alienating property, movable or immovable, and of doing or performing such acts and things as bodies corporate may by law do and perform, subject to the provisions of this Decree.

Control of operations of Association by Board.

4. (1) The operations of the Association shall be controlled by a board of management, hereinafter referred to as "the Board", consisting of not more than seven members to be appointed by the British Resident.

(2) The Chairman of the Board shall be appointed by the British Resident.

(3) The name of every member of the Board shall, as soon as practicable after his appointment, be published in the *Gazette*.

(4) If any member of the Board be at any time prevented from attending the meetings of the Board through absence from the Protectorate with the permission of the British Resident or through illness, or from any other cause, the British Resident may appoint some other person to replace such member until he shall return to the Protectorate or be able to resume his functions.

(5) If any unofficial member shall absent himself from three consecutive meetings of the Board duly called for the transaction of business, without leave previously sought and obtained from the British Resident, such member shall be deemed to have vacated his appointment as a member of the Board.

(6) No member of the Board shall be personally liable for any act or omission if such act or omission occurs in the *bona fide* discharge of his functions as a member of the Board, but if the funds of the Association are not sufficient to satisfy any decree of a Court which may be passed against it, the Government shall be liable to make good all sums required to discharge such liability.

5. (1) The British Resident shall at such salary and upon such conditions of service as he may determine appoint a Secretary-Manager of the Association and may in like manner appoint assistants to the Secretary-Manager. Appointment of Secretary-Manager.

(2) The Secretary-Manager shall be the chief executive officer of the Association and shall, whether appointed a member or not, be present at all meetings of the Board, unless he has obtained leave of absence from the British Resident, or is incapacitated by sickness or other cause.

(3) In the event of the absence of the Secretary-Manager, the British Resident may, on such terms as he may determine, by order in writing appoint any person to act as Secretary-Manager during the period of such absence, and the person so appointed may exercise all the powers and perform all the duties by this Decree exercisable or to be performed by the Secretary-Manager or as many of such powers and duties as may be specified in such order.

(4) Assistants to the Secretary-Manager shall, subject to the provisions of this Decree, exercise the powers and perform the duties assigned to them by the Secretary-Manager.

6. (1) The Chairman shall preside at all meetings of the Board unless he has obtained leave of absence from the British Resident or is absent on duty or is incapacitated by sickness or other cause. Function of Chairman.

(2) In the event of the absence of the Chairman, the Board shall choose one of their number who shall, during the absence of the Chairman, act as Chairman and preside at all meetings of the Board.

7. (1) The Board may, upon such terms and conditions as it may think fit, appoint such clerks and other staff as may be deemed necessary for conducting the business of the Association. Appointment and conditions of service of the staff of the Association.

(2) Such clerks and other staff shall not be subject to Government Regulations as to employment.

(3) Every clerk and other member of the staff shall, subject to the provisions of this Decree, exercise the powers and perform the duties assigned to him by the Secretary-Manager.

(4) The Board may require any clerk or other member of the staff to give security for the proper performance of his duties.

8. The salary and allowances of the Secretary-Manager, of his assistants and of the clerks and other staff employed by the Association and all other expenditure incurred by the Association shall be paid out of its funds. Expenses of administration.

9. Notwithstanding the provisions of any law providing for the registration of documents or the payment of stamp duties, no certificate, instrument or other document issued by or in favour of the Association acting Exemption from stamp duty and other charges.

within the powers conferred upon it by this Decree, shall be subject to stamp duty, registration fee or any charge of a similar nature; nor shall the Association be liable for the payment of any search or inspection fee in any registration office.

Execution of documents and signing of cheques.

10. All deeds, instruments, contracts, cheques and other documents shall be deemed to be duly executed by, or on behalf of, the Association if signed by the Chairman or the Secretary-Manager or other member of the Board duly authorized in that behalf.

Quorum and proceedings of the Board

11. (1) Four members of the Board shall constitute a quorum at any meeting of the Board, but if at any time the Board consists of not more than five members in all, three members of the Board shall constitute a quorum.

(2) All acts, matters and things authorized and required to be done by the Board shall be decided by resolution of any meeting at which a quorum is present; and the Chairman at any meeting shall, in addition to his deliberative vote as a member of the Board, have a casting vote.

Members of Board not precluded from taking advances.

12. A member of the Board who is otherwise eligible to receive an advance from the funds of the Association shall not thereby be precluded from receiving an advance, but no member of the Board shall at any meeting take part in the discussion of or vote upon any application by himself for an advance.

PART II.

THE OBJECTS, BUSINESS AND FUNDS OF THE ASSOCIATION.

Objects and business of Association.

13. Subject to the provisions of this Decree, the objects and business of the Association shall be—

- (a) to take over the functions of the institution heretofore known as the Clove Growers Association together with all the assets and liabilities thereof;
- (b) to provide for, foster and encourage the production and marketing of the agricultural produce of the Protectorate and to encourage among agricultural producers the spirit and practice of thrift, co-operation and self-help and in furtherance of those objects:—
 - (i) either on its own behalf or as agents, to deal generally in and export agricultural produce;
 - (ii) to seek out and exploit, whether by advertisement or otherwise, the most suitable markets for the agricultural produce of the Protectorate;
 - (iii) to collect and circulate statistics and other information relating to agriculture and the marketing of agricultural produce;
 - (iv) to purchase for the use of, or for sale to, agricultural producers implements, packing materials and other agricultural requisites;
 - (v) to carry on the business of land agent, auctioneer and valuer, and to act as manager, receiver or trustee of agricultural and other property;
 - (vi) subject to the provisions of this Decree, to lend money;
 - (vii) to undertake the storage of agricultural produce;

(viii) to purchase or otherwise acquire any movable or immovable property;

(ix) to promote, establish and manage subsidiary associations; and

(x) to purchase, lease or erect any building, plant or machinery :

Provided that the carrying on of any undertaking specified above shall not render the Association liable to pay any fee required by any law in respect of such undertaking.

14. The funds of the Association shall consist of—

Funds of the Association.

(a) such sums as may be payable to the Association in accordance with the provisions of section 15 of this Decree;

(b) such charges as may be levied by the Association in accordance with the provisions of section 16 of this Decree;

(c) such overdraft as may be obtained from a Bank in accordance with the provisions of section 17 of this Decree;

(d) the proceeds of sales effected by the Association;

(e) the sums repaid by the debtors of the Association in respect of capital and interest; and

(f) other miscellaneous income.

15. (1) It shall be lawful for His Highness the Sultan in Executive Council from time to time by order in the *Gazette* to impose a levy on all cloves produced in and exported from the Protectorate.

Levy on Cloves.

(2) No levy shall become operative until the expiration of not less than two months after the date of the order imposing it.

(3) As from the date on which a levy becomes operative under sub-section (1) of this section, no cloves produced in the Protectorate shall be exported from the Protectorate unless the levy has been paid to the Comptroller of Customs in respect of such cloves and any person who exports or attempts to export any such cloves from the Protectorate without paying such levy thereon shall be guilty of a contravention of the provisions of this Decree.

(4) The sums received in respect of the levy shall be in the custody of the Treasurer, who as soon as possible after the last day of each month shall pay such sums into an account opened in the name of the Association with a bank approved by the British Resident and the receipt of such bank shall be a full and effectual discharge to the Treasurer.

16. The Board shall have the power to levy such charges for services rendered, other than services in respect of cloves, as may by rule be prescribed.

Power to levy charges.

17. (1) The Board shall, upon such terms and conditions as His Highness the Sultan in Executive Council may determine, have power to raise funds by obtaining from a Bank an overdraft guaranteed by the Government both as to principal and interest.

Power to obtain overdraft from a bank.

(2) Any funds raised under the authority of sub-section (1) of this section shall be chargeable upon and payable out of the revenues and assets of the Association.

PART III.

ADVANCES AND SECURITIES.

18. Advances of money from the funds of the Association may be made only for the following purposes and subject to such general or special directions as may from time to time be given by the British Resident :—

Purposes for which advances may be made.

(a) the harvesting of agricultural produce;

- (b) the grant of temporary financial assistance to agricultural producers;
- (c) the payment of the unsecured debts of agricultural producers;
- (d) the discharge of an existing mortgage or charge subject to the proviso to sub-section (2) of section 19 of this Decree;
- (e) the maintenance or improvement of agricultural land;
- (f) the establishment and promotion of agricultural and rural industries; or
- (g) the purchase of land required for the general improvement of any agricultural property.

Security for advances.

19. (1) No advances of money shall be made from the funds of the Association except upon the security of—

- (a) agricultural produce pledged with the Association;
- (b) an instrument fulfilling the requirements of the Transfer of Agricultural Produce Decree, 1931, or
- (c) a mortgage of immovable property situated within the Protectorate.

(2) No advances of money shall be made from the funds of the Association on any property which is already encumbered by any mortgage or charge other than a mortgage or charge under this Decree or under the Transfer of Agricultural Produce Decree, 1931, provided that advances of money may be made from the funds of the Association for the purpose of discharging a mortgage or charge of prior date if the conditions or terms of such mortgage or charge are in the opinion of the Board onerous or likely to become onerous, and the amount thereof together with all interest and charges due thereon does not exceed fifty thousand rupees; but no advance exceeding thirty thousand rupees may be made for any such purpose without the consent of His Highness the Sultan in Executive Council.

Conditions to be fulfilled before advances made.

20. (1) No advance shall be made from the funds of the Association to any person except—

- (a) upon his written application on a form to be prescribed by the Board;
- (b) with the approval of the Board; and
- (c) until the deed, instrument or other security which it is proposed should be given to secure the advance has been registered (if by law required to be registered) and otherwise completed; or, in the case of agricultural produce pledged, the produce pledged has been duly handed over to the Association and an agreement form, in such terms as may be determined by the Board, has been completed.

(2) Every application for an advance shall state the purpose for which the money is required.

21. His Highness the Sultan in Executive Council may from time to time fix:—

- (a) the amount of the advances made under the provisions of section 18 of this Decree which may be outstanding at any one time; and
- (b) a percentage of the value of movable and immovable property respectively above which advances under the provisions of section 18 of this Decree may not be made by the Board on the security of such property. The value of any property offered as security for such an advance shall be determined by the Board.

Limit of advances and of percentage of value up to which advances may be made.

22. (1) Subject to the provisions of this Decree and of any rules which may be made thereunder, the Board may make advances on such terms as it may deem fit: Provided that, all such advances together with interest and other charges shall be repayable within a period not exceeding fifteen years. Terms and forms of agreements.

(2) The form of agreement in each case shall, subject to the law applicable, be determined by the Board.

23. No advance shall be made to

(a) any minor or person otherwise disqualified from contracting by any law to which he is subject; or

(b) any person who is not an agricultural producer.

Persons to whom advances may not be made.

PART IV.

ACCOUNTS.

24. (1) The Secretary-Manager shall, within three months after the 30th day of June in each year transmit to the Treasurer a statement of accounts duly audited and certified showing— Publication of accounts of the Association.

(a) the assets and liabilities of the Association as on the said date; and

(b) the income and expenditure account for the preceding year.

(2) The statement of accounts shall be signed by the Secretary-Manager and also by at least two members of the Board.

(3) The statement of accounts shall be laid before His Highness the Sultan in Executive Council and be published in the *Gazette*.

25. The accounts of the Association shall be audited in such manner as the British Resident may direct. Audit of accounts of the Association.

26. (1) As soon as may be after this Decree comes into force, the Board shall create a Reserve Fund to which shall be credited any net surplus income of the Association. Creation of Reserve Fund and distribution of credit balance.

(2) Such Reserve Fund shall be applied by the Board to make good any loss, or deficiency which may occur as the result of any transaction of the Association.

(3) As soon as such Reserve Fund together with the other funds of the Association total such amount as is, in the opinion of the Board, adequate to enable the Association to carry out its objects, the balance shall, as soon as possible after the close of each year, be applied by the Board—

(a) to the repayment of any sums paid by the Government on behalf of the Association under the provisions of section 4 (6) of this Decree;

(b) to the repayment of any sums paid by the Government either as principal or interest in respect of the guarantee given under section 17 of this Decree;

(c) to the repayment of overdrafts obtained by the Association; and

(d) then to a bonus distribution amongst the agricultural producers who have marketed and sold produce through the Association during such year in proportion to the extent of such business:

Provided that

(i) the Reserve Fund shall not be reduced below twenty per centum of the amount of advances made by the Association; and

(ii) the Board shall have absolute discretion as to the manner in which such bonus is paid.

(4) The Reserve Fund may be invested in such manner as may be approved by the Board and sanctioned by the British Resident.

PART V.

MISCELLANEOUS.

Power to
make rules.

27. (1) Subject to the approval of His Highness the Sultan in Executive Council, the Board may make rules as to any or all of the following matters:—

- (a) the meetings and proceedings of the Board;
- (b) the rights, privileges and duties of the clerks and other staff appointed by the Board;
- (c) the establishment of subsidiary associations;
- (d) the forms to be used and the books, accounts and records to be kept;
- (e) the levy of charges for services performed by the Association; and
- (f) generally for carrying out and giving effect to the provisions of this Decree.

(2) All rules made under this section shall be signed by the Chairman of the Board, countersigned by the Clerk to the Executive Council, and be published in the *Gazette*.

Penalties.

28. Any applicant for an advance under Part III of this Decree who knowingly fails to disclose any information material to his application, or who knowingly makes any statement so material, which he either knows to be false or does not believe to be true, or any person who acts in contravention of any provision of this Decree or any rule made thereunder shall be punished, on conviction by a Subordinate Court of the First Class, with imprisonment of either description for a term which may extend to six months or with fine not exceeding one thousand rupees or with both.

Passed in the Legislative Council on the thirtieth day of June, 1934.

G. H. SHELSWELL-WHITE

Clerk of the Legislative Council.

Countersigned under the provisions
of Article 42 of the Zanzibar Order in
Council, 1924. -

S. B. B. McELDERRY,

Acting British Resident.

6TH JULY, 1934.

ZANZIBAR PROTECTORATE.

WE ASSENT,

KHALIFA BIN HARUB,
Sultan of Zanzibar.

5TH JULY, 1934.

IN THE NAME OF THE MOST MERCIFUL GOD.

A DECREE TO PROVIDE FOR THE INSPECTION AND GRADING OF AGRICULTURAL PRODUCE TO BE EXPORTED FROM THE PROTECTORATE.

No. 3 of 1934.

[6TH JULY, 1934.]

Enacted by His Highness the Sultan of Zanzibar by and with the advice and consent of the Legislative Council thereof.

1. This Decree may be cited as "The Agricultural Produce Export Decree, 1934". Short title.

2. In this Decree unless the context otherwise requires:—

"Agricultural Produce" or "Produce" means cloves and copra, and any other produce whether raw or wholly or partly manufactured which the British Resident may from time to time by notice in the *Gazette* declare to be agricultural produce for the purposes of this Decree. Interpretation.

"Brand" when used as a verb means to stamp, mark, label, or in any other manner distinguish by visible sign and when used as a noun has a corresponding meaning.

"Cloves" means the dried flower-buds of the clove tree.

"Copra" means the dried meat or kernel of the coconut.

"Export" when used as a noun means conveyance beyond the limits of the Protectorate for sale and when used as a verb has a corresponding meaning.

"Director" means the Director of Agriculture and shall include any Agricultural Officer authorized by the Director to act on his behalf.

"Examiner" means any person appointed as such by the Director to inspect or grade or both to inspect and grade agricultural produce under this Decree.

"Inspector" includes all Agricultural Officers and the Inspector of Produce.

3. No person shall export or cause or permit to be exported any produce made the subject of rules under this Decree unless and until such produce has been inspected or inspected, graded and branded in manner prescribed by such rules. Prohibition of export without inspection, etc.

4. For the purposes of this Decree every Inspector, and every Examiner, when authorized in writing by an Inspector in that behalf, may at all reasonable times enter any premises in which he has good reason to believe any produce is kept which is intended for export, and may examine any part of such premises or any receptacle or package therein. Powers of entry on premises and inspection, etc.

Power to
make rules.

5. His Highness the Sultan in Executive Council may make rules to provide for the following matters:—

- (a) the specific designation under which any particular kind of produce may be exported and the definition of each such kind of produce;
- (b) the percentage of impurity and the maximum amount of moisture which may be present in different kinds of produce intended for export;
- (c) the prohibition of the export of produce which has been so treated as to give it the appearance of an article of different commercial value;
- (d) the time and place at which, and the manner in which notice of intention to export shall be given, the manner of packing, the size, description, quality and material of the receptacles to be used, the weight of the contents and the marking of such weight and of the receptacles;
- (e) the place and manner of storage, the conveyance and the treatment of any produce;
- (f) the inspection of produce, the fixing of grades, the times, places and manner of inspection and of grading and branding of any produce and the manner in which different designations or grades of produce shall be branded or indicated whether on the receptacle or on a certificate or otherwise;
- (g) the abstraction or removal of samples for examination, inspection or analysis and the maximum weight and disposal of such samples;
- (h) the circumstances in which different kinds of produce may be accepted, rejected, degraded, regraded or re-branded after examination and inspection;
- (i) the disposal of produce which does not comply with the prescribed standards;
- (j) the circumstances in which and the conditions on which produce inspected and graded may be withdrawn from shipment;
- (k) the forms of notices, certificates and other documents to be used or issued for the purposes of this Decree;
- (l) the fees which shall be paid for the inspection, grading and branding of produce;
- (m) generally for the better carrying out of the objects and purposes of this Decree.

Different rules may be made under this section to apply to different kinds of agricultural produce.

Removal of
produce
from place
of inspection

6. It shall be lawful for the Director or any Inspector by notice in writing to require the owner of any produce to remove such produce from any place of inspection within such time as may be specified in such notice, and any person who fails within the time so specified to remove such produce shall be guilty of an offence and shall be liable on conviction to a fine not exceeding Rs. 50 for every day during which the offence continues.

Offences.

7. (1) Any person who forges or utters knowing it to be forged, any certificate, brand, seal, or any writing or signature required by or provided in this Decree shall be guilty of an offence and shall be liable on conviction to imprisonment of either description for a term not exceeding three years or to fine or to both imprisonment and fine.

(2) Any person who wilfully applies to produce intended for export a certificate, brand, seal, invoice or warranty given in relation to any other produce or who without lawful excuse, the proof of which shall rest on him, substitutes for any produce which has been inspected and passed and/or graded and/or branded in accordance with rules made under the provisions

of this Decree any other produce or adds extraneous matter to any produce so inspected and passed and/or graded and/or branded shall be guilty of an offence and shall be liable on conviction to imprisonment of either description for a term not exceeding twelve months or to fine or to both imprisonment and fine.

(3) Any person who with intent to deceive issues a written warranty, invoice, brand, seal, certificate or notification in respect of agricultural produce which has been inspected and/or graded and/or branded shall, if such written document falsely describes such produce or is false in any other material particular, be guilty of an offence and shall be liable on conviction to imprisonment of either description for a term not exceeding three years or to fine or to both imprisonment and fine.

(4) Any person who fails to take reasonable precautions to protect produce which has been inspected and passed and/or graded and/or branded in accordance with rules made under the provisions of this Decree from contact with water while such produce is in store or in transit shall be guilty of an offence and shall be liable to a fine not exceeding Rs. 500 or in default to simple imprisonment for a term not exceeding three months.

(5) The owner of any boat, canoe, lighter or other vessel used in the carriage or transit of produce, which is not provided with dunnage reasonably calculated to prevent contact of produce with water in such boat, canoe, lighter or other vessel and with coverings reasonably calculated to protect such produce from the weather shall be guilty of an offence and shall be liable to a fine not exceeding Rs. 250 or in default to simple imprisonment for a term not exceeding two months.

(6) Any person who, unless duly authorized by the Director or an Inspector in that behalf shall substitute, delete, remove or otherwise tamper with any brand or seal placed or affixed on any bale or package under the provisions of this Decree or of any rule made thereunder or shall have in his possession any such brand or seal shall be guilty of an offence and shall be liable to imprisonment for a term not exceeding six months or to a fine not exceeding Rs. 500 or to both.

(7) Any person who obstructs, resists or hinders the Director or any Inspector or Examiner or any person acting under the authority of the Director in the lawful exercise of his powers and duties under this Decree or who contravenes any provision of this Decree or of any rule made thereunder, or makes default in complying with any such provision with which it is his duty to comply shall be guilty of an offence and shall, if no penalty is specially provided for the contravention or default, be liable to a fine not exceeding Rs. 1,500 or in default to imprisonment of either description for a term not exceeding six months.

8. No prosecution for any offence against this Decree or against any rule made thereunder shall be commenced except with the consent of the Director nor after the expiration of one year after the commission of such offence.

Limitation on prosecutions.

9. No suit or other proceeding shall be brought against the Director or any Inspector, Examiner or other officer acting in good faith on account of any detention of agricultural produce or for any other act done in execution or intended execution of this Decree.

Immunity of Director, Inspector, and Examiner for acts done in good faith.

10. The Government shall not be liable to make compensation to any person in respect of any loss or damage to any agricultural produce while the same is upon Government premises or in the charge of the Government or under its control for any cause other than want of ordinary care on the part of the Government and no liability shall be imposed upon the Government by reason of the incorrectness or otherwise of any certificate, permit, seal, brand or other document which may be issued by or on behalf of the Government under this Decree.

Extent of liability of Government and compensation.

Appeals.

11. If any person is aggrieved by any decision of or action by an Inspector or an Examiner under this Decree, the Inspector or Examiner shall, if required by such person, state in writing the reasons for his decision or action and the matter shall thereupon be referred to the Director if the complaint is against the decision or action of an Inspector or to an Inspector if the complaint is against the decision or action of an Examiner.

The decision of the Director in an appeal from an Inspector shall be in writing and shall be final; the decision of an Inspector in an appeal from an Examiner shall be in writing, but a further appeal may be preferred to the Director in such a case.

Before an appeal is heard by the Director either in first or second appeal the person aggrieved shall pay to the Director a fee of twenty rupees and shall also deposit with the Director such amount as in the opinion of the Director will be sufficient to defray the expenses (if any) of the appeal; but both the fee and the amount (if any) so deposited shall be refunded to such person if his contention is upheld by the Director.

Repeal and saving.

12. The Agricultural Produce Export Decree, 1929, is hereby repealed :

Provided that any rules made under or by virtue of that Decree shall continue in force so far as the same may not be rendered inapplicable by this Decree, until fresh rules repealing or adding to the existing rules have been made under this Decree.

Passed in the Legislative Council on the thirtieth day of June, 1934.

G. H. SHELSWELL-WHITE,

Clerk of the Legislative Council.

Countersigned under the provisions of Article 42 of the Zanzibar Order in Council, 1924.

S. B. B. McELDERRY,
Acting British Resident,

6TH JULY, 1934.

ZANZIBAR PROTECTORATE.

WE ASSENT,

KHALIFA BIN HARUB.
Sultan of Zanzibar,

5TH JULY, 1934.

IN THE NAME OF THE MOST MERCIFUL GOD.

A DECREE TO REGULATE AND CONTROL EXPORTERS OF CLOVES.

No. 4 of 1934.

[6TH JULY, 1934.]

Enacted by His Highness the Sultan of Zanzibar by and with the advice and consent of the Legislative Council thereof.

Short title,

1. This Decree may be cited as "The Clove Exporters Decree, 1934".

2. For the purposes of this Decree—

Interpreta-
tion.

“Cloves” means the dried flower buds of the clove tree and includes mother of cloves and clove stems.

“Export” when used as a noun means the conveyance of cloves beyond the limits of the Protectorate and when used as a verb has a corresponding meaning.

“Exporter” means every person who ships cloves for export.

“Exporter’s Licence” means a licence to export cloves.

“Godown” means a warehouse, building or store-room.

“Godown Licence” means a licence for the use of a godown by an exporter for the storage of cloves intended for export.

“Licensing Authority” means the Board appointed under the provisions of the Clove Growers Association Decree, 1934.

3. (1) No person shall export cloves unless he is in possession of an exporter’s licence issued to him by the Licensing Authority. Licensing of
exporters.

(2) Every applicant for an exporter’s licence shall specify his principal place of business and the godown or godowns (if any) in which he proposes to store cloves intended for export.

4. Every godown used or intended to be used by an exporter for the storage of cloves for export shall be licensed by the Licensing Authority and no exporter shall store cloves in any godown in respect of which there is not subsisting a valid licence under the provisions of this Decree. G down to
be licensed.

5. Subject as hereinafter provided, the Licensing Authority may, in its discretion, refuse to issue:— Grounds for
refusal of
licence.

an exporter’s licence on the ground that—

(a) the applicant has been convicted of an offence against this Decree or one involving dishonesty or fraud; or

(b) the applicant is unable to make proper provision for keeping the register required by this Decree; or

(c) the applicant is a minor or an undischarged insolvent or is not the person who intends to carry on the business of export;

or a godown licence on the ground that—

(a) the godown in which the applicant proposes to store cloves is not, in the opinion of the Licensing Authority, suitable for the purpose; or

(b) the godown is not furnished with an adequate weighing machine.

6. (1) Every exporter’s licence shall be in the form prescribed in Schedule I hereto and every godown licence shall be in the form prescribed in Schedule II hereto. Every licence issued under the provisions of this Decree shall be signed by a member of the Licensing Authority. Form of
licences.

(2) No licence issued under the provisions of this Decree shall be assignable or transferable except with the consent in writing of the Licensing Authority.

7. (1) The fee to be paid in respect of an Exporter’s Licence shall be of such amount not exceeding Rs. 5,000 per annum, and the Licence shall be valid for such period, as His Highness in Executive Council may from time to time by Order in the *Gazette* prescribe. Licence fee.

(2) Godown Licences shall be issued free of charge.

8. In the event of any licence being lost or destroyed, the Licensing Authority may, on being satisfied of such loss or destruction, issue a copy of the licence to the licensee on payment of a fee of one Rupee. Lost or
destroyed
licence.

9. It shall be lawful for the British Resident, by notice in the *Gazette*, to restrict the number of exporter’s licences which may be issued. Restriction
on number
of licences.

Suspension,
revocation
or refusal of
licences.

10. The Licensing Authority may, subject as hereinafter provided, suspend, revoke, or refuse to renew an exporter's licence on the ground that—

- (a) the exporter has been convicted of an offence against this Decree or one involving dishonesty or fraud; or
- (b) the exporter has not properly kept in the prescribed manner the register prescribed under this Decree; or
- (c) the exporter has become an undischarged insolvent; or
- (d) the person holding the exporter's licence is not the person carrying on the business;

or a godown licence on the ground that the conditions required by the Licensing Authority under the provisions of section 5 in respect of the godown have not been observed.

Right of
person
aggrieved by
decision to
require
reference to
British
Resident.

11. Any applicant for an exporter's or godown licence, or the renewal thereof, or any licence holder as the case may be, who is aggrieved by the decision of the Licensing Authority may require the latter to refer its decision to the British Resident for consideration and the Licensing Authority shall thereupon record the reasons of its decision and shall forward the record to the Chief Secretary and shall furnish the party concerned, if he so requests, with a copy thereof. The decision of the British Resident in any such matter referred to him shall be final.

Licence
holder to
display
licence.

12. Every exporter's licence shall be displayed in some conspicuous part of the exporter's principal place of business and every godown licence shall be displayed in some conspicuous part of the godown to which it refers.

Power to
enter and
inspect
premises and
books, etc.

13. The Licensing Authority or any member thereof may at all reasonable times enter upon any godown in respect of which a licence under this Decree has been issued and may inspect the premises and any cloves stored therein, and may call for the register prescribed under this Decree and any extract therefrom and may take copies of any entries made in such register.

Register to
be kept.

14. (1) Every person licensed under this Decree shall keep or cause to be kept at his principal place of business or at any godown in respect of which a licence has been issued a register in foil and counterfoil in the form prescribed in Schedule IV hereto in which he shall record in any one of the languages mentioned in Schedule III hereto, day by day, the following particulars of each transaction—

- (a) the date of purchase, receipt, sale, delivery or export;
- (b) the name and address of the seller, consignor, purchaser or consignee;
- (c) the weight and description of the cloves purchased, delivered, sold or consigned.

(2) A register in the prescribed form shall be issued free to each dealer in respect of each godown for which he has taken out a licence.

Return to be
made to
Licensing
Authority
and counter-
foils to be
kept.

15. Every exporter shall within ten days after the beginning of each month forward to the Licensing Authority the foils of the registers containing all transactions in cloves which he has entered into during the preceding month and shall preserve for one year from the date of its last being used every register of counterfoils.

Penalty.

16. Every omission or neglect to comply with and every act done or attempted to be done contrary to the provisions of this Decree or in breach of the conditions and restrictions subject to or upon which any licence has been issued shall be deemed to be an offence against this Decree and for every such offence the offender shall be liable to a fine not exceeding fifteen hundred rupees or to imprisonment of either description for a term not exceeding six months.

SCHEDULE I.

ZANZIBAR PROTECTORATE.

The Clove Exporters Decree, 1934.

Clove Exporter's Licence.

No.....
Licence is hereby granted to.....
of.....to export cloves under the provisions of the Clove Exporters
Decree, 1934.

This Licence expires on the.....day of.....193.....

Given under my hand this.....day of.....193.....

.....Member.
for Licensing Authority.



SCHEDULE II.

ZANZIBAR PROTECTORATE.

The Clove Exporters Decree, 1934.

Godown Licence.

Licence is hereby given to.....
a duly licensed exporter in cloves to store cloves for export under the provisions of the
Clove Exporters Decree, 1934, in the premises hereunder described:—

.....
.....

This Licence expires on the.....day of.....193.....

Given under my hand this.....day of.....193.....

.....Member.
for Licensing Authority.



SCHEDULE III.

Languages in which the register of a Clove Exporter may be kept:—

English or any other European language

Arabic

Swahili

Gujarati

Hindustani

SCHEDULE IV.

Serial No.....Exporter's Name and Address.....Export Licence No.....

RECEIPTS.						DELIVERIES.					
Date.	How acquired	From whom.	Bags.	Weight.	Quality.	Date.	How disposed.	To whom.	Bales. Bags.	Weight.	Quality.

Passed in the Legislative Council on the thirtieth day of June, 1934.

G. H. SHELSWELL-WHITE,
Clerk of the Legislative Council.

Countersigned under the provisions of Article 42 of the Zanzibar Order in Council, 1924.

S. B. B. McELDERRY,
Acting British Resident,
6TH JULY, 1934.

ZANZIBAR PROTECTORATE.

WE ASSENT,

KHALIFA BIN HARUB,
Sultan of Zanzibar.

5TH JULY, 1934.

IN THE NAME OF THE MOST MERCIFUL GOD.

A DECREE TO AMEND THE MONEYLENDERS DECREE, 1928.

No. 18 of 1934.

[6TH JULY, 1934.]

Enacted by His Highness the Sultan of Zanzibar by and with the advice and consent of the Legislative Council thereof.

Short title.

1. This Decree may be cited as "The Moneylenders (Amendment) Decree 1934", and shall be read as one with the Moneylenders Decree, 1928, hereinafter referred to as the principal Decree.

2. Section 16 of the principal Decree is hereby repealed and the following is substituted therefor:—

Repeal and replacement of section 16 of the principal Decree. "Powers of Court" regarding certain other transactions.

16. 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."

Passed in the Legislative Council on the thirtieth day of June, 1934.

G. H. SHELSWELL-WHITE,

Clerk of the Legislative Council.

Countersigned under the provisions of Article 42 of the Zanzibar Order in Council, 1924.

S. B. B. McELDERRY,

Acting British Resident.

6TH JULY, 1934.

ZANZIBAR PROTECTORATE.

WE ASSENT,

KHALIFA BIN HARUB,

Sultan of Zanzibar,

19TH JULY, 1934.

IN THE NAME OF THE MOST MERCIFUL GOD.

A DECREE TO PREVENT ADULTERATION OF PRODUCE.

No. 19 of 1934.

[21ST JULY, 1934.]

Enacted by His Highness the Sultan of Zanzibar by and with the advice and consent of the Legislative Council thereof.

1. This Decree may be cited as "The Adulteration of Produce Decree, 1934". Short title.

2. In this Decree—

"Adulterate" means to falsify, deteriorate or increase the apparent bulk or weight or conceal the inferior quality of produce, by

Interpretation.

the combination, admixture or addition therewith or thereto of some foreign, superfluous or inferior substance, matter or thing, whether deleterious or not, or by the use of artificial means, and includes abstracting from produce part of it so as injuriously to affect its nature, substance or quality, or soaking or manipulating it so as to increase its bulk or weight.

“Adulterated Produce” means produce which has been subjected to any of the processes specified in the definition of “Adulterate” and includes

(a) cloves containing more than 16 per cent. of moisture or more than 5 per cent. of any or all of the following substances that is to say stems, mother of cloves, and foreign superfluous or inferior matter;

(b) copra containing more than 7 per cent. of moisture or more than 10 per cent. of any or all of the following substances that is to say defective, mouldy, immature or decayed kernel and foreign superfluous or inferior matter;

which for the purposes of this Decree shall be deemed to be “adulterated produce”.

“Clean” when used as a verb, means to free produce from any foreign, superfluous or inferior matter by picking, boiling or other means, and includes to free produce from excessive moisture and when used as an adjective has a corresponding meaning.

“Cloves” means the dried flower-buds of the clove-tree.

“Copra” means the dried meat or kernel of the coconut.

“Examiner” means any person appointed by the Director of Agriculture to examine produce under this Decree.

“Inspector” means any Agricultural Officer or other person appointed an Inspector of Produce.

“Produce” means cloves, copra and any other produce, whether raw or partly or wholly manufactured, which the British Resident may from time to time by notice in the *Gazette* declare to be produce for the purposes of this Decree.

Offences.

3. Any person who shall :—

(a) adulterate or cause to be adulterated any produce intended for sale or export;

(b) sell or tender in satisfaction of any just claim or demand or knowingly have in his possession for sale or export in that condition any adulterated produce;

shall be liable to a fine not exceeding Rs. 300 or to imprisonment of either description for a term not exceeding three months for a first offence and to a fine not exceeding Rs. 600 or to imprisonment of either description for a term not exceeding six months for a second or any subsequent offence, and in any case the produce and any article or thing by means of which the offence was committed other than the receptacles containing the said produce may be forfeited.

Provided, however, that no person shall be guilty of an offence under paragraph (b) above if he shall satisfy the Court that he was not aware and could not with reasonable diligence have become aware that the produce was adulterated and that he had taken all reasonable precautions against the commission of the offence, and that on demand made by the prosecutor, he gave all the information in his power with respect to the person or persons from whom he obtained the produce.

4. (1) An inspector or an examiner may :—

Powers of
inspectors
and exami-
ners.

- (a) at all reasonable times enter any building or premises in or on which there is or is reasonably believed to be any produce intended for sale or export or in the course of preparation for sale or export;
- (b) stop any vehicle, boat or canoe in which any produce is being conveyed;
- (c) examine any produce which has not already been inspected and sealed or bagged under the provisions of any other law for the time being in force; and take samples thereof;
- (d) seize and detain to be dealt with as hereinafter provided :—
 - (i) any adulterated produce and the receptacles containing the same;
 - (ii) any vehicle, boat or canoe in which any adulterated produce may be found.

Provided that an examiner shall not exercise the power conferred by paragraph (a) of this section unless authorized by an inspector in that behalf.

(2) When any produce shall have been seized and detained under the powers conferred by the last preceding sub-section the inspector or examiner, as the case may be, shall, if he is satisfied that the owner of the produce was not aware that the produce was adulterated or that, in the cases of cloves or copra, the adulteration was due to circumstances over which the owner had no control, release any vehicle, boat or canoe which may have been seized in connexion therewith and shall permit the owner to clean the said produce and when the same has been cleaned shall release it.

(3) Except as provided in the last preceding sub-section an inspector or examiner, as the case may be, shall forthwith report the seizure and detention of any produce, vehicle, boat or canoe to a magistrate.

(4) When any produce, receptacle, vehicle, boat or canoe has been seized and detained under the powers conferred by sub-section (1) of this section and the owner thereof is unknown or cannot be found, a complaint may be laid for the purpose only of enforcing forfeiture of such produce, receptacle, vehicle, boat or canoe, and the magistrate having jurisdiction in the place in which such produce, receptacle, vehicle, boat or canoe is detained may cause notice to be given in such manner as he may think proper, stating that, unless cause be shown to the contrary at the time and place named in such notice, such produce, receptacle, vehicle, boat or canoe will be forfeited; and at such time and place the magistrate, unless cause is shown to the contrary, may order the forfeiture of the produce, receptacle, vehicle, boat or canoe.

5. No prosecution for an offence under this Decree shall be commenced except with the consent of the Director of Agriculture nor after the expiration of one year after the commission of such offence.

Limitation
on prosecu-
tions.

6. No action shall lie against an inspector or an examiner for anything done *bona fide* by him in pursuance or intended pursuance of the provisions of this Decree.

Immunity
of inspectors
and exami-
ners for acts
done *bona
fide*.

7. Upon any prosecution under this Decree the Court may order costs to be paid to the defendant by the prosecutor or to the prosecutor by the defendant, having regard to the information given by, and the conduct of the defendant and the prosecutor respectively, and may (subject to disallowance by the British Resident) order an informer to receive a sum not exceeding one-half of any penalty recovered in consequence of such prosecution.

Costs, etc.

Implied
warranty on
sale.

8. On the sale, or in the contract for the sale, of any produce the seller shall be deemed to warrant that the produce is not adulterated, unless the contrary be expressed in some writing, signed by or on behalf of the seller, and delivered at the time of the sale or contract to and accepted by the purchaser.

Passed in the Legislative Council on the fourteenth day of July, 1934.

G. H. SHELSWELL-WHITE,

Clerk of the Legislative Council.

Countersigned under the provisions
of Article 42 of the Zanzibar Order in
Council, 1924.

S. B. B. McELDERRY,

Acting British Resident.

19TH JULY, 1934.