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Merchants Protests against the Colonial Coffee Marketing Policies. Tanganyika 1920s-1950s

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KEYWORDS: **coffee, merchants, Bukoba, Tanzania.**

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Through an extensive use of primary sources available at the Tanzania National Archives in Dar Es Salaam, the authors provide an historical analysis of the power relations dominating the marketing of coffee in Bukoba district during the 1920s to 1950s, when the territory was under British colonial rule. Local small-scale growers, merchants and colonial authorities were the three main actors involved in the coffee production chain. This paper specifically shows how Indian merchants dominated the coffee industry in Bukoba district. It identifies the colonial coffee marketing policies that were introduced in the area and analyses their rationale and outcomes; it examines why such policies were rejected by the Indian merchants; and finally, it determines the impact of the implementation of some of the policies on the coffee industry.

Protestas contra las políticas coloniales de comercialización del café en Bukoba (Tanzania), 1920-1960

PALABRAS CLAVE: **café, comerciantes, Bukoba, Tanzania.**

CÓDIGOS JEL: **F54, N37, N57, O13.**

A través de un amplio uso de las fuentes primarias disponibles en los archivos nacionales de Tanzania en Dar Es Salaam, los autores realizan un análisis histórico de las relaciones de poder que dominaron la comercialización del café en el distrito de Bukoba durante las décadas de 1920 a 1950, cuando el territorio estaba bajo el dominio colonial británico. Los pequeños productores locales, los comerciantes y las autoridades coloniales fueron los tres principales actores involucrados en la cadena productiva del café. Este documento muestra específicamente cómo los comerciantes indios dominaron la industria del café en el distrito de Bukoba. Identifica las políticas coloniales de comercialización del café que se introdujeron en la zona y analiza sus fundamentos y resultados; examina por qué tales políticas fueron rechazadas por los comerciantes indios; y determina el impacto de la implementación de algunas de las políticas en la industria del café.

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1. INTRODUCTION

Beginning in the 1880s small-scale farmers were producing coffee in Tanganyika, the most prominent localities being Bukoba (part of now Kagera region) and Moshi districts (Seimu & Zoppi, 2022). Whereas Arabica was extensively produced in Moshi, both Arabica and Robusta (*Coffea Canephora* or *Bukopensis*) were produced in Bukoba by small holders, most of whom produced around 36 pounds (lbs) although a few produced up to three tons per year[1]. Arabica coffee was produced mostly by Indian and Arab plantation owners. According to Calvert (1917: 71), in the years 1910-11 there were 3,383,000 Arabica coffee trees in the country, of which 133,000 were in the Bukoba district. In 1911, the number of Arabica trees in the district increased significantly to 237,195 (Calvert, 1917: 17). Given the significance of the crop for the economy of the country, beginning in 1916 Major D. L. Baines[2], who was the British administrator of the Bukoba District, compelled every household to grow 100 coffee trees[3]. By the early 1920s these trees had matured to bear coffee.

Bukoba district, which is the focus of this paper, was then remote. It was located in the west of Lake Victoria with altitude ranging from 3,713 to 4,800 feet above sea level. It lies between 1 and 2 degrees south of the equator and longitude 300 and 45 degrees east. The average annual rainfall between the 1920s and 1930s was 39.763 inches and the mean annual temperature was about 20°C, a climate considered to be favourable for coffee farming (Ukers, 1935: 198)[4].

Bukoba was accessed by Indian merchants who began to settle along Africa's East Coast as early as the 7th century B.C. Generations of their descendants maintained business activities in the area (Ingrams & Hollingsworth, 1925). Before and during colonial rule merchants generated their wealth from a wide range of commercial activities, only some of them scrupulous. According to Kay, most of the Indian merchants in East Africa derived their wealth from unequal exchanges, selling particular commodities at a higher price than their value (Kay, 1975: 56-95). It is further argued by Kay that the merchants' prosperity went hand in hand with extending their business network in commodity han-

1. Tanzania National Archive (TNA), 24545, R. C. Northcote, Report on Bukoba Coffee Marketing, 1936.

2. Baines was Bukoba District Commissioner from 1916 to 1919 and then from October 1920 to February 1923.

3. Bukoba District Book.

4. Cf. World Bank historical data available at: https://climateknowledgeportal.worldbank.org/country/tanzania/climate-data-historical

dling which in many ways affected subsistence modes of production. Buell (1928: 276) argued that Indian merchants generated their wealth from a wide range of businesses including money lending. In Zanzibar, where their first business centre was for hundreds of years, they bought ivory from Arabs and financed the slave trade in the interior of East and Central Africa (Buell, 1928: 261).

During German colonial rule, owing to safety, the Indian merchants and traders extended their trading networks from the island of Zanzibar to German East Africa, later Tanganyika (now mainland Tanzania). With the subsequent era of British colonial in Tanganyika (1919-61), colonial authorities attracted Indian and Arab traders as well as civil servants into the territory. Some arrived from Uganda, Kenya and as far as India. Under the British's invitation, Indians responded in thousands, becoming of economic significance for the territory. For example, some properties included land and sisal plantations in the northern part of the country that were first leased and later on sold on public tender. Most of such plantations were formerly owned by Germans and were sold to Indians as well as other foreigners, particularly Greeks, South Africans, Dutch, Italians and British (Leggett, 1922; League of Nations, 1923; Buell, 1928: 436). Other invested in various commercial pursuits as wholesale and retail businesses, in the financial sector (banking and insurance), agribusiness (sisal plantation, cotton farming and ginning, coffee farming and export), transportation, and textile manufacturing in Kenya, Zanzibar and Uganda, as well as later in Tanganyika townships and rural areas (Sheriff & Ferguson, 1991; Zarwan, 1977; Calvert, 1917).

The merchants who took advantage of the opportunities available in Tanganyika included Goans, Indians, Sri Lankans and Arabs (Leubuscher, 1944: 24-6). Among the Indians were Bohra, Ismailis, Punjabi Hindus, Shrimalis, Brahmins, Wanza who were specialised in tailoring, Oshwals, Lohanas and Patidars (Zarwan, 1977). Most of them were engaged in business and organized themselves through the Indian Association of Tanganyika, which had fifty-five branches across the territory. They also formed a Chamber of Commerce. These organisations served their business interests and they had newspapers that aired their interests, such as *Tanganyika Herald*, *Tanganyika Opinion* and *Standard*.

There are several studies that document Indian businesses in the East African countries, specifically Kenya, Tanganyika and Uganda (Sheriff & Ferguson, 1991; Zarwan, 1977). Most agree that the Indians had financial capital and extensive business networks that provided them with an advantage to dominate the agricultural produce market, unlike the Africans who only knew Indian buyers as their coffee market. Most of the existing studies do not comprehensively examine the sale of agricultural produce in Tanganyika and in particular in the Bukoba district.

The Indian merchants were familiar with international trade, markets and commodity prices through their well-established business networks. Several reviewed studies posit that the Indian merchants' businesses involved the purchase and export of agricultural produce grown by Africans. Such transactions were characterised by a ruthless tendency to maximise profit. The merchants exploited African crop growers' illiteracy and inability to read weighing scales to cheat and exploit them (Seimu, 2021; Coulson, 1982: 290). The exploitation of small-scale crop growers by merchants did not only happen in Tanganyika. This was widespread and a common phenomenon in all African countries during the colonial era. Such exploitation can be traced in many existing studies including Ikwera and Twongyirwe (2019), Onyiloa and Adong (2019), Coulson (2013), Curtis (1992), Mpangala (1987), Hydén (1980), Iliffe (1979), Nindi (1978), and Ghai and Ghai (1965). These works highlight the monopoly held by Asian traders over the coffee and cotton industries in East African countries. Ghai and Ghai (1965: 35-51) note that most of the Asian traders engaged in agricultural business were prosperous. They concur with Leubuscher (1944: 78-9) in considering that small scale growers were exploited by merchants. There is a consensus among these authors that there were no initiatives on the part of the colonial authority to encourage natives to have a place in the purchase, processing and export of agricultural produce. Thus, the colonial authority played its part in the exploitation of growers by merchants.

However, protests against the colonial agricultural marketing policies and their consequences are scarcely discussed. Hence, this paper attempts to fill the gap. Smith (1989b) describes how small-scale coffee growers in the Bukoba district protested against coffee cultivation practises imposed and enforced by colonial officials in the 1930s. The practices involved weeding and pruning of undesirable coffee tree branches. Since coffee in the district was grown in banana plantations, producers were also compelled to remove dry banana tree leaves which they objected to. Like Smith, Eckert (2003) too examines the coffee industry among small-scale growers in Tanganyika, yet with attention on Kilimanjaro. However, some of his findings are also relevant for the present study on the Bukoba district. In his work, Curtis (2003) examines various actors involved in the Bukoba coffee industry. The actors identified by Curtis are peasants (small-scale growers), colonial officials, native authorities, landlords, tenants, and coffee traders. Curtis highlights friction among them over various issues ranging from the land question, mobilization of growers by colonial officials to plant the crop, and coffee farms' sanitation to adulteration of the produce. Indian traders featured prominently in Curtis' work, which described their dominance over export of the produce as being replaced during the 1950s by co-operatives. Nonetheless, Curtis examined the protest by the Indian merchants.

This paper focuses on coffee marketing policies as there are limited studies on the "Native" Statutory Agricultural Marketing Boards in Tanzania (Seimu, 2015, 2016; Curtis, 1992; Yoshida, 1984[5]; Coulson, 1977; Leubuscher, 1939, 1956). The existing literature provides a sketchy historical narrative of the Boards selected in this paper. Moreover, Leubuscher's and Yoshida's publications have covered the bulk purchase of coffee in Bukoba. They do take interest in East Africa, but we consider that their research has not provided sound evidence to support their arguments.

This paper shifts away from the narrow analysis and neglect of agricultural crop marketing that are common in most of the existing literature. This paper employs two perspectives in providing the analysis associated with merchants' protests against colonial marketing policies in Tanganyika. The selected approaches are functional and institutional (Kohl & Uhl, 1972). The functional approach identifies the roles and functions of individuals and firms in marketing agricultural produce. Growers marketed their produce, while buyers purchased, assembled, processed, and exported the crops. The institutional approach involves individuals (merchants, middlemen, retailers) and agents, as well as such organisations as co-operatives, marketing boards and enterprises, all playing key roles in the marketing functions of agricultural produce. Both approaches maintain genuine transitions in produce value chains as well quality of the produce based on the criteria set out by the government/marketing board or international crop buyers.

A further review of the existing literature shows that it has tended to neglect the relationship provided by the two mentioned approaches (Ikwera & Twongyirwe, 2019; Onyiloa & Adong, 2019; Coulson, 2013; Curtis, 1992; Mpangala, 1987; Hydén, 1980; Iliffe, 1979; Nindi, 1978; Ghai & Ghai, 1965). Curtis (1992), Mpangala (1987), Hydén (1980), and Iliffe (1979) have generalised about agriculture marketing and coffee marketing in Bukoba district especially. In addition, Ruthenberg (1964) has discussed agricultural development during British colonial rule.

Ruthenberg examines various production and marketing policies in Tanzania by citing how they were applied among small scale cash crop producers. However, his coverage of most policies is too general and lacks specificities, particularly where and why cash crop production and marketing policies were applied. Iliffe (1979) treats cash crop production and co-operatives separately. The existing literature is also characterised by oversights and misinterprets the historical development of co-operatives in the district. Kimario's work (1992), for instance, failed to illustrate its historical development. Smith

5. Yoshida's study is very broad as he covers three East African countries: Kenya, Uganda and Tanzania.

(1989a: 21-4) misinterprets its historical growth as it is argued it was 'bottom up' in response to class struggle. This paper concurs with Curtis (1992), who posits that the Co-operative Department organized or promoted co-operatives in the district. However, Curtis has not explained why the top-down approach was applied. Consequently, little is known about agricultural marketing.

This paper attempts to address this void using archival primary evidence by generating a new understanding of coffee marketing and protest against colonial coffee marketing policies in the district. This paper specifically shows how the Indian merchants dominated the coffee industry in Bukoba district; it identifies the colonial coffee marketing policies that were introduced in Bukoba district; it analyses the rationale for such policies and expected outcomes; it examines why such policies were rejected by Indian merchants; and it determines the impact for implementation of some the policies on the coffee industry.

2. COFFEE PRODUCTION, TRADE AND ADULTERATION

Coffee purchasing was one of the Indian merchants' interests. The merchants had to apply for a licence to buy and export coffee. The Department of Agriculture issued licenses to traders at the cost of 20 shillings[6]. The license covered as many collectors/traders/agents as a merchant could afford to hire. The indigenous people in the district, the WaHaya, were not totally side-lined, but neither did they play central roles in the trade. Most were hawkers and itinerant traders because they were undercapitalized. Some became agents. Others became porters (Curtis, 1992: 506, 508-509). Under these circumstances most Africans were at the periphery of coffee trade.

During the first half of the 1920s, coffee fetched a relatively high price in the international markets. These are years when Indian merchants intensified coffee purchasing from small-scale growers in Bukoba district. By then, the Bukoba coffee crop was one of most valuable of all the territory's exports. 75% of all the coffee produced in the territory in the mid-1930s was Robusta, produced in the district, and the remaining 25% was Arabica, produced by small-scale producers and settlers[7].

Statistics show that performance was good for some time. In 1917, the export was 1,228 tons; in 1918 it was 1,138 and in 1919 it was 2,042 tons. In 1920, export reached

6. TNA, 24545, R. C Northcote, Report on Bukoba Coffee Marketing, 1936.
7. TNA, 24545, R. C. Northcote, Report on Bukoba Coffee Industry, Appendix A.

1,269 tons, in 1921 it was 2,594 tons and in 1922 export amounted to 2,899 tons[8]. The entirety of Bukoba's coffee exports was sold in bulk offerings, mainly fair average quality (FAQ), which was preferred by importers in the United States and elsewhere (Curtis, 1992). Furthermore, for marketing purposes, coffee purchasers categorized the produce into several groups. For example, Arabica was designated as "Sato No. 4", while the Robusta grown mostly by small-scale growers was designated as "Rio 7 and 8"[9]. The quality of exported coffee was a priority: however, it was a challenge to rely on quality alone, as other characteristics were taken into consideration, such as moisture and percentage of defects by weight[10].

During the 1920s, more than half of the coffee exports in Tanganyika were Robusta produced in the Bukoba district, which provided growers with income and served as a significant source of revenue for the colonial government. This is when the price of coffee reached a promising "record price" of £7.44 per 112 underweights for the best grade at the London auction[11]. It found markets in Northern Africa, Holland, France and Egypt[12]. It was also sold in the United States of America, Canada, Red Sea bordering countries (Yemen, Somalia and Saudi Arabia), South Africa and Japan[13]. The available archival evidence shows that by the late 1930s, 75% to 85% of the coffee exported from Tanganyika was consigned to Kenya-Uganda. Virtually all of this coffee was re-exported (Ukers, 1935: 194). The principal destinations of coffee produced in Bukoba were the USA (35%), Canada (19%), United Kingdom and Germany (7%), and South Africa (6%)[14].

Generally, given the lucrative price of the produce, stakes were characterized by intense competition among coffee buyers[15]. Graph 1 shows exported coffee records, values and percentages of which Bukoba district had the highest share in comparison to other districts in the country. The graph below provides instead an overview of Bukoba district:

8. TNA, 24545, R. C. Northcote, Report on Bukoba Coffee Industry, Appendix A.

9. TNA, 24545, R. C. Northcote, Report on Bukoba Coffee Marketing, Appendix A, 1936.

10. TNA, 24545, R. C Northcote, Report on Bukoba Coffee Marketing, 1936.E

11. Report of the Tanganyika Department of Agriculture for the 15 months ending 31st March, 1924.

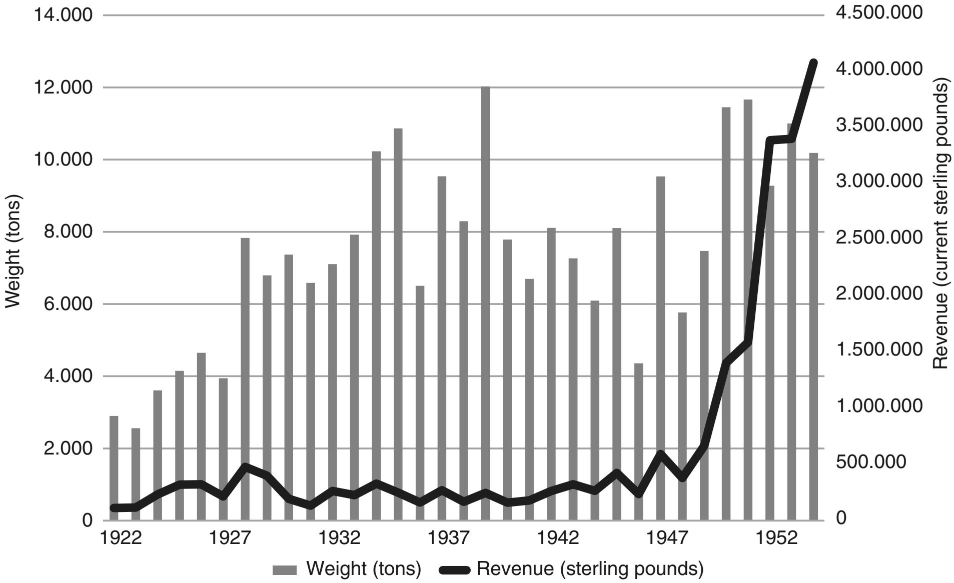
12. Report of the East Africa Commission, presented by the Secretary of State for the Colonies to the Parliament by Command of His Majesty. Published by His Majesty's Stationery Office, London, April 1925, pp. 35-6.

13. TNA, 24545, R. C. Northcote, Report on Bukoba Coffee Marketing, Appendix A, 1936.

14. TNA, 24545, The Report of Kenya and Uganda Territories for 1938, Table IX.

15. TNA, 24545, R. C. Northcote, Inquiry Report on Bukoba Coffee Industry in Report on Bukoba Coffee Marketing, 1936, pp. 11-2.

GRAPH 1
Evolution of coffee exports in Bukoba, as weight and revenue, 1922-54 (annual averages)



Sources: TNA, 24545, R. C Northcote, Report on Bukoba Coffee Marketing, Appendix A, 1936; Tanganyika Territory Annual Reports for 1920-30; Bukoba Native Coffee Board (BNCB), Annual Reports, 1947 and 1954.

Whereas coffee farming among small-scale growers was a success, problems persisted in the processing of the beans[16] because growers had no modern processing machines. According to a report by Northcote[17] it was estimated that in the early 1930s, about 60% of the crop was hulled using wooden hullers and 40% on the outcrops[18], known as *olwazi ibale lyokusa* in the local vernacular language, Kihaya. Again, coffee beans were crushed and the Indian traders bought it at lower prices[19].

Growers hulled about 50% of their coffee, with the remaining labor done by petty African and Arab traders. Ten to 12% of the coffee beans were damaged when hulled us-

16. TNA, 11969/19, vol. II, C. Harvey, Coffee Cultivation in Bukoba, (undated).

17. Mr R. C. Northcote was originally a colonial civil servant stationed in Tabora in the West Province. From 1935 to 1945 he served as the Tanganyika's Registrar of Co-operative Societies.

18. TNA, 24545, R. C. Northcote, Report on Bukoba Coffee Marketing, 1936.

19. TNA, 11969/19, vol. II, C. Harvey, Coffee Cultivation in Bukoba, (undated). See also Illife (1979: 282) and Smith (1989a: 19-20).

ing these methods. Most growers paid some fees ranging from 20 to 30 cents per *frasila*[20] to have their coffee hulled, while other opted to sell dried cherry *(buni)* outright to petty traders at half price per *frasila*. In this case, growers earned only 50% from Arabica and 58% from Robusta. The *olwazi ibale lyokusa* method was more or less the same as in Yemen, unlike in Latin America and Central America where during the 1930s growers introduced modern hulling equipment (Ukers, 1935: 58). Moreover, coffee trading in the district was marred with malpractices that included cheating of growers by traders, and sporadic marketing was a common phenomenon[21]. Understandably, around 1930 price fluctuations of agricultural products was common and impacted the producers, even more so during the economic depression, when due to lack of markets coffee growers were forced to mortgage their produce before harvest regardless of unfair prices. This is when barter trade was generally widespread, and coffee was used as a form of currency or medium of exchange. Coffee was exchanged for soap, cigarettes, meat, fish and salt, to the profit of the coffee buyers. Through barter trade the buyers determined the exchanged volumes of the crop, and in most cases inaccurate scales were used (Leubuscher, 1939).

Sources suggest that the manipulation of weight by merchants resulted in a profit that ranged between 4 and 14 shillings per ton[22]. Coffee buyers received funds to finance buying in advance with the price of coffee determined by merchants based on the price in Mombasa. The price was regularly updated as merchants kept a close eye on prices on a daily basis.

Since buyers cheated growers through weight, the latter retaliated. The most common retaliatory mechanism was adulteration of the coffee sold to buyers and itinerant traders, which occurred by soaking coffee in water and mixing it with impurities such as coffee husks to add extra weight[23]. Since buyers trusted growers and had scarce interest for setting up expensive quality control mechanisms, merchants exported coffee of poor quality abroad[24]. This raised a concern from importers in the destination countries upon receiving their consignments, and eventually foreign buyers lost interest while those who kept buying offered lower prices. As coffee export volume declined, a loss of revenue was unavoidable for both the territory and the Native Authority[25].

20. *Frasila* was a unit of weight used then, equivalent to 15.8 kg.

21. TNA, 24545, R. C. Northcote, Report on Bukoba Coffee Marketing, 1936.

22. TNA, 24545, R. C. Northcote, Report on Bukoba Coffee Marketing, 1936.

23. TNA, 24545, R. C. Northcote, Report on Bukoba Coffee Marketing, 1936.

24. TNA, 24545, R. C. Northcote, Report on Bukoba Coffee Marketing, 1936.

25. TNA, 11969/9, Director of Agriculture (DA) to Chief Secretary (CS), ref. 10430/415, Coffee Cultivation in Bukoba, November 5th 1930.

This prompted the colonial authority, and the Agriculture Department, to intervene. The Director of Agriculture (DA), in collaboration with the Provincial Commissioner, agreed to set up a coffee inspection room and coffee testing[26]. By the same token, the DA adopted a proposal from the Provincial Commissioner through which the Government planned to have a rigorous pre-export inspection of coffee. The success of inspection measures required the involvement of both merchants and traders. This was emphasised during a discussion between the DA and the Provincial Commissioner. The DA informed the Provincial Commissioner that[27]:

> "An intervention of the colonial authority in improving quality of coffee beans was encouraging. In this regard, the Bukoba Chamber of Commerce and shippers appeared wholly in favour of mentioned proposals that proposed to be brought in by the colonial government form of legislation and regulation. This was agreed because of a poor reputation of the Bukoba coffee in European markets. Some of fraudulent exporters exported from Bukoba was contaminated coffee, which had numerous impurities".

Throughout 1925 to 1926, stakeholders were involved to propose measures designed to ensure the prosperity of the industry. The Native Authority, European exporters, the Bukoba Coffee Chamber and the Indian Association all proposed the promulgation of merchandise legislation that would provide for coffee quality encouraging native growers to use modern pulping machines, and exporters to grade exported coffee[28].

There was a general consensus among stakeholders that a number of problems could threaten the industry. Hence, the Government drafted the Coffee Export Ordinance and Rules that provided for the minimum international marketing standard. But the absence of stringent rules in the proposed legislation triggered strong opposition from a wide range of stakeholders, including local colonial officials and merchants.

Interestingly, the European exporters, the Bukoba Coffee Chamber and the Indian Association advocated for penalties for traders who exported adulterated coffee[29]. Thus, the DA submitted them in 1929 to the Legislative Council (LEGCO) for a debate. Eventually, a law was passed: the Coffee Industry (Registration and Improvement) Ordinance

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26. TNA, 41011, Provincial Commissioner to CS, ref. No. 416/4435, October 2nd 1926.
27. TNA, 41011, Provincial Commissioner to CS, ref. No. 71/732, September 29th 1927.
28. TNA, 41011, CS to DA, ref. No. 10430/88A, May 1st 1929.
29. TNA, 41011, Bukoba Coffee Chamber to DA, ref. No. 26/72/1, January 5th 1928; TNA, 41011, DA to CS, ref. No. 416/4263, May 8th 1929.

No. 7 of 1929, which was followed by the 1929 Coffee Export Rules. Leubuscher (1939) argues that coffee inspection in the district was provided under the Produce Export Ordinance. Furthermore, she suggests that coffee inspection was conducted by inspectors appointed by the Native Authorities: this paper provides newly discovered archival evidence suggesting that the inspections policies were withdrawn following a protest by the Indian coffee merchants.

Under the new legislation, the colonial authority sought to ensure the quality of exported coffee, which had to undergo compulsory coffee grading and follow Inspection Regulations[30] hitherto unthought-of. This legislation was based on the Imperial Merchant Marks Legislation approved by Leo Amery, the then Secretary of State for the Colonies[31]. Given the seriousness of the problems, the colonial authority was committed to the enforcement of the new legislation from the 1929 harvesting season. The measure was considered necessary by the colonial authority as well as the Colonial Office (CO) because coffee from Bukoba became unpopular among buyers, resulting in low foreign revenue for the Government[32].

Indian coffee merchants were caught off-guard and opposed the policies. The Indian traders Association in Bukoba protested against the Ordinance and urged for its immediate repeal, on the grounds that the new rules were impractical and detrimental to the interest of the industry, and were likely to retard the progress of an industry which was in its infancy. They also complained that they had not been consulted at any stage[33]. Similarly, the Bukoba Chamber of Commerce protested against the Ordinance on the grounds that they were not consulted to provide some input[34].

The Bukoba Indian Association members were of the view that the legislation was useless and argued against its relevance and justification. They argued further that coffee from Bukoba fetched the same price as produce from Uganda, and emphasised that over the years the demand had been strong[35], and that undoubtedly it had found a warm welcome in foreign markets. Moreover, the Association saw the legislation as discriminatory because

30. TNA, 11969/9, DA to CS, ref. 10430/415, November 5th 1930.

31. TNA, 41011, Inspection, Grading and Regulation of Preparation of the Tanganyika Produce, Dispatch No 359, May 31st 1929.

32. TNA, 11969/19, vol. II, C. Harvey (undated), Coffee Cultivation in Bukoba.

33. TNA, 41011, Organisation of Bukoba Coffee Marketing: from Indian Association Bukoba to CS, April 22nd 1929 and May 8th 1929.

34. TNA, 41011, Telegram from Bukoba Chamber of Commerce to CS, April 12th 1929.

35. TNA, 41011, The Indian Association to CS, May 8th 1929.

it was not in place in other countries, such as Kenya. Finally, the Association cautioned that the enforcement of the legislation would prove disastrous to both imports and exports. Therefore, The Bukoba Indian Association called upon the colonial authority to suspend it for the sake of the Bukoba merchants who depended on the industry for their livelihood. The Mombasa Chamber of Commerce saw the significance of the Ordinance and Rules, but it expressed its concern with the timing of the implementation, because none of its members were prepared[36].

Some opposition came also from within the colonial authority. The Provincial Commissioner complained that the legislation was brought into force without prior consultation of the Provincial administration[37]. The Provincial Commissioner indicated that it was most regrettable that neither the provincial commissioner nor the local agricultural authorities were consulted to express their opinion before the passage of the legislation[38]. Furthermore, he was sceptical that its immediate enforcement would ruin the trade. This would in turn further frustrate growers who, during that particular season, had received low prices of 17 to 18 cents per kilogram.

According to the Provincial Commissioner, upon announcement of the rules merchants reduced prices by 2 shillings per *frasila*, and thus he argued that it was likely that price should be reduced to 3 to 5 cents per *frasila*. Therefore, with the enforcement of the rules they were likely to be paid much less as a result of the low-quality produce. However, the Provincial Commissioner could not see a way to implement the legislation because growers lacked “modern” coffee hulling machines; in other words, they could not meet the standard prescribed in the legislation[39]. Additionally, there was no inspection staff, nor was there a building where inspections could be conducted. On this basis, he demanded for the withdrawal of the policy until such a time as the enforcement mechanisms were in place. The Provincial Commissioner saw the necessity of the rules and its benefit to the industry, but strongly called for postponement to implement them.

3. SCRUTINY OF REACTION AGAINST EXPORT ORDINANCE

Faced with pressure from merchants to withdraw the Ordinance and its rules, senior colonial officials had to act. Sources indicate that the Chief Secretary (CS) asked the DA for

36. TNA, 41011, The Mombasa Chamber to CS, May 10th 1929.
37. TNA, 41011, The Mombasa Chamber to CS, May 10th 1929.
38. TNA, 41011, Provincial Commissioner, Lake Province to CS, ref. No. 10430/111, May 23rd 1929.
39. TNA, 41011, Provincial Commissioner, Lake Province to CS, ref. No. 71/A/73, April 22nd 1929.

explanations[40]. The DA broadly reviewed the previous consultations with merchants over the improvement of coffee. He defended the decision to have the Ordinance and its rules in place because the desirability of improving the quality of the product had been expressed also by merchants and the Governor, when visiting the province in 1926. He reiterated that input from both parties was instrumental for the prosperity of the industry. Hence, formulation and promulgation of the legislation (the Ordinance and its rules) followed thereafter.

Evidently, the DA's responses to the CS provided an opportunity to re-examine and rethink the desire to have the Ordinance and Rules in place and the necessity to enforce them. For example, the DA established the following rationale for having the Coffee Industry (Registration and Improvement) Ordinance No. 7 of 1929, and the 1929 Coffee Export Rules in place: that without the law and regulation there was the risk of losing market for the coffee produced in the district. Regardless of the significance of the Ordinance and Rules, the Bukoba Coffee Chamber and the Indian Association remained critical of the policy and proposed their outright rejection.

However, the DA was of the view that the protest was out of "ignorance"[41]. He insisted that their proposal could only be effectively enforced through legislation and the guiding rules. The DA suspected that the merchants' protest was driven by their desire to maximize their own profits by exporting adulterated coffee, which virtually ruined the industry's reputation. Moreover, the DA defended the legislation on the basis that the improvement of Bukoba coffee was a matter of necessity and was not as bad as the Chamber of Commerce gratuitously described it, as the price of the produce kept on declining year after year[42].

Despite defending the Ordinance and Regulation, the DA admitted that the Ordinance and Regulations had been rushed through for enforcement and implementation. In light of the protests, he recommended that the CS postpone enforcement and implementation by underlining that[43]:

a) Criticism shows that Rules are not necessary.

b) Non-existence of machinery to enforce the rules.

40. TNA, 41011, CS to DA, ref. No. 10430/88A, May 1st 1929.
41. TNA, 41011, CS to DA, ref. No. 10430/88A, May 1st 1929.
42. TNA, 41011, DA to CS, ref. No. 416/4263, May 8th 1929.
43. TNA, 41011, DA to CS, ref. No. 416/4263, May 8th 1929.

c) Taxes are too high that jeopardize the industry.

According to the DA it was also shocking that a draft of the Ordinance and Rules was shared in the absence of consultation with local opinions, which involved a range of stakeholders such as the local colonial authority and traders (merchants), and in the absence of market research to establish the actual demands and concerns. Owing to the mounting pressure and recommendations from the DA, the colonial authority decided to postpone the legislation indefinitely[44].

As a result of the mentioned issues and the mounting pressure, the export regulation was indefinitely postponed. The postponement of the policy represented the failure to treat the problems that were distressing the coffee industry in Bukoba, which were deteriorating year by year due to lack of Government attention. This is proved by an alarm raised by the provincial administration that led to the invitation in 1936 of Northcote, then Tanzania's Registrar of Co-operative Societies, to investigate the problems facing the coffee industry and to recommend improvement measures. He recommended the establishment of central marketing/buying posts as means to achieve "any improved marketing; it seems fundamentally necessary for the grower to sell coffee to a central depot or collecting stations"[45]. This was meant to change the prevailing market system whereby traders collected coffee directly from growers.

Secondly, it was stressed that licences for coffee buying be introduced which would eliminate and control the itinerant traders. One of the measures recommended by Northcote was the promotion of co-operatives to ensure improved coffee hulling, following his idea that co-operatives were the easiest form for Africans to understand and also that they fit their financing and organisation capabilities. He argued that "the first step towards improvement in marketing should be by small co-operative power hulleries in order to improve coffee quality which would secure a better price"[46].

These co-operatives were to serve growers at a family or household levels. This suggests that co-operatives were mainly envisaged as family enterprises focusing specifically on hulling to improve the quality of coffee. For him, the hulling co-operatives were intended not only to process coffee, but also to facilitate the collection of the produce for sale which they could then develop into a district co-operative union for bulk coffee han-

44. TNA, 41011, CS to PC, Lake Province, ref. No. 10430/111, May 23rd 1929.
45. TNA, 24545, Report on Bukoba Coffee Marketing, p. 19.
46. TNA, 24545, Report on Bukoba Coffee Marketing, p. 21.

dling[47]. This approach was likely to reinforce the existing division of activities between coffee traders and merchants who concentrated on marketing and natives who focused on cultivation and processing. However, implementation failed as the DA opposed it, arguing that such a scheme would threaten the livelihoods of the Indian coffee traders and could lead to the eruption of riots[48]. Similarly, the Provincial Commissioner who had given Northcote the assignment in the first place rejected the idea out of concerns that it would foment political unrest[49]. Interestingly, the colonial authority instead applauded Northcote's proposal to set up the coffee control Board that would issue licences for coffee buying to control the itinerant traders[50], as it saw this as the correct weapon/arsenal to employ in improving the industry.

4. ENTRY OF THE COLONIAL AUTHORITY IN COFFEE MARKETING

The colonial authority was keen to promote coffee in Bukoba district, since the crop accounted for approximately 60% to 75% of the coffee exported from Tanganyika and was then key to revenue generation at the time (Leubuscher, 1939). This was evident in report, which recommended the establishment of the parastatal, native coffee control board, whose primary responsibility was to control coffee quality.

Northcote's recommendation coincided with a colonial economic development circular issued by the Secretary of State for the Colonies, Sir W. Ormsby-Gore in June 22nd 1937. The circular stressed that colonial authorities had the responsibility to promote colonial economies. It was also mentioned that each British colony had its own local arrangements. In Tanganyika, the arrangement accommodated merchants, settlers, planters, missionaries in handling agricultural crops as coffee, cotton, tobacco and food crops produced by smallholders[51]. The circular termed such arrangements "sporadic and uncoordinated" as they facilitated exploitation of the growers by traders who determined prices as they deemed profitable, and proposed in its place the formation of the Boards. It was envisaged that, in their early stages, the Boards would play the same functions as the Empire Marketing Board, maintaining close relations with the trade association and agencies that were already in place across East Africa, Ceylon, the West Indies, and Malaya. In Tan-

47. TNA, 24545, Report on Bukoba Coffee Marketing, p. 13.
48. TNA, 24545, DA to CS, ref. No. Confidential 1/29/36, November 28th 1936.
49. TNA, 24545, PC, Lake Province to CS, ref. No. 1110/80 April 23rd 1937.
50. TNA, 24545, R. C. Northcote, Inquiry Report on Bukoba Coffee Industry, p. 19.
51. TNA, 24545, R. C. Northcote, Inquiry Report on Bukoba Coffee Industry in Report on Bukoba Coffee Marketing, 1936.

ganyika there were several associations comprised of merchants, as well as co-operatives. Seemingly, the circular demonstrated that growers were to play their part to handle their produce.

It was further considered desirable to establish of a regional organization dealing with a vast geographical area in a form of regional integration (*e.g.* East, Central or West Africa). This provided the basis for the establishment of producer Boards throughout the British colonies. Boards' assigned functions included the promotion of crop production, the enhancement of crop marketing efficiency and agricultural crop research. The establishment of a cocoa marketing board in West Africa was included in the recommended by the Commission that investigated growers' holdup of cocoa supplies in West African cocoa during the 1937/38 season due to the fluctuation of cocoa price especially in Nigeria and Ghana (Cooper, 2009; Williams, 1985).

The crisis forced the Unilever Company, which had a monopoly over cocoa imports to Britain, to ask for the British government's intervention. In response, the British government appointed the Commission to investigate the crisis. The Commission found out that the British firms, the United Africa Company owned by Unilever and local traders contributed to the suppression of cocoa prices with the intention to maximise profits.

The solution was to replace the monopolistic firms and local traders who for decades had engaged in the cocoa trade. In their place, the government marketing board took over their functions (Cooper, 2009; Alence, 2001). Following the outbreak of Second World War, the cocoa Boards in West Africa purchased the produce on behalf of the British's Ministry of Food and Supply. Similar arrangements were used in Australia and New Zealand, where compulsory purchase arrangements were in place during and immediately after the First World War. The settlers in Kenya made the same move by setting up the Kenya Coffee Board. The same applied for oilseed produced in the British West African colonies and for bananas in Jamaica.

These boards were originally set up primarily to stabilise agricultural commodity prices and improve marketing in the British colonies. They had also other key responsibilities: They were the sole exporters of agricultural produce, including but not limited to cocoa, coffee, tobacco, and cotton, and collected revenue for exported produce on behalf of the colonial governments. Boards collected revenues by holding much of what crops earned, whereas the growers continued to get only a fraction of the global price (Cooper, 2009).

Whereas the growers in Ghana opted for a holdup strategy, coffee growers in Moshi district in Tanganyika rioted against low prices or unpaid deliveries by the co-operatives during the 1936 and 1937 seasons (Seimu, 2015). The colonial government deployed police and the air force to quell the riots. Adding to previous studies on the riots (Campbell, 1951: 196-97), this paper has established that the colonial authority in Tanganyika not only used force to quell riots in the district but also came up with a new policy to control the industry in the same way as West African cocoa industry. This was implemented under the Coffee Industry (Registration and Improvement) Ordinance in 1937.

There is little discussion of this law in the available literature. Iliffe (1979: 346) and Smith (1989b) only mention opposition to the Produce and Marketing Bill of 1937 by both Indian and African traders, but do not outline the reasons for the colonial authority to bring in such legislation, nor do they explain what prompted the opposition and the concerns of Indian and African traders. Also, they do not mention the response of the colonial authority to the opposition. This paper takes into account the internal factors that played a part in designing Tanganyika's agricultural farming and marketing polices in the 1930s, such as the 1937 coffee riots in Moshi district and Section 36 of the Tanganyika's 1932 co-operative legislation. Both significantly shaped the colonial authority's decision in designing agricultural marketing legislation and policies meant to control small-scale growers' crops. Against this backdrop, the Coffee Industry (Registration and Improvement) Ordinance of 1937 provided an avenue for the formation of the local coffee marketing boards.

The Ordinance provided for the control of the native coffee industry and marketing of products. These Boards were empowered to fix prices, collect levies on coffee bought from growers. Levies were accumulated in the form of funds established under Section 8 of the Ordinance, which were spent for various purposes (*e.g.* payment of staff; running costs of the Board; research to improve seed varieties; control of pests and diseases). However, there was no section for improving the welfare of growers. Under this relationship, the co-operative could no longer freely conduct its businesses: they were merely crop assembling agents on behalf of the marketing boards, which also dictated prices.

Following the outbreak of the Second World War, the British colonial government adopted the Emergency Power Defense Acts of 1939 and 1940. The Ministry of Supply undertook bulk purchase of coffee, either Arabica or Robusta. The purpose of control essentially had three main aspects:

a) To deny supplies of produce to the enemy and to secure them for Allies.

b) To prevent a collapse in prices as it happened during Depression and

c) to maintain or increase exports from the colonies.

Under war circumstances, the colonial government was provided with powers to set prices and to appoint purchasing agents to sell the produce to the British Ministry of Food. In such contracts, Britain's needs were uppermost. All the agreements had specific quantities of commodities that ensured not only stable but also sufficient supplies of foodstuffs for servicemen and women as well as the general public. The prices for the commodities had to be fixed by the buyer, which in the colonies were the Boards operating on behalf of the Ministry Food and Supply. In Britain, these fixed –low– prices ensured that the commodities were affordable to British consumers.

The Coffee Industry (Registration and Improvement) Ordinance of 1937 led to the creation of the Bukoba District Coffee Board (BDCB), which was formed under General Notice No. 329 of April 8th 1941 to oversee coffee produced by the Africans. As per Ordinance No. 26 of 1937, Section 6, the Board was granted a monopoly in buying all native coffee in Bukoba and had the power to determine the price of the produce[52]. The Board established standards for coffee marketing. It issued licenses to coffee buyers, most of whom were Indian merchants, and limited issuing licenses to middlemen. Under the coffee export regulations, only licenced merchants were allowed to export coffee, and this reinforced the Indian merchants' monopoly position.

In 1942 the BDCB was replaced by the Bukoba Coffee Control Board (BCCB), established under the General Notice No. 329 on April 8th 1941. The BCCB oversaw the cultivation and marketing of the native-produced coffee, just like the Moshi Native Coffee Board (MNCB). The Board was charged with ensuring an uninterrupted coffee supply to Britain during the war. On October 31st 1947, the BCCB was renamed as Bukoba Native Coffee Board (BNCB). The BNCB was required to address declining coffee productivity[53].

The reconstruction of the Board was necessary to provide legal grounds to supervise the supply of 4,000 tons of coffee annually to the Ministry of Food on a five-year agreement[54]. The BNCB only controlled and handled coffee produced by Africans, in accordance with the powers conferred upon the BNCB by the Native Coffee (Compulsory

52. TNA, 11969, Extract from minute of meeting of the standing committee held in April 1947.

53. TNA, 25777/1, The BNCB Report on Development of Coffee Industry of 1951, Reorganisation of Bukoba Coffee Industry.

54. TNA, 37200, Note on Coffee Licensing, June 1950; TNA, 37200. Foreign Agriculture, September, vol. XII, No. 9, 1948, p. 102.

Marketing) Order, 1937, Section 6[55] because, unlike in Kilimanjaro and Arusha, a limited number of non-natives (Indians and Arabs) owned coffee farms in Bukoba[56]. Non-natives in Bukoba were not subject to the native authority and were not required to sell coffee either through co-operatives or to the BNCB[57].

The BCCB had two central obligations to fulfil: commodity export and generation of income for the state. To do so, they resorted to zonal agents appointed by the Board. The agents were required to buy coffee from producers at fixed prices, and then they sold both Arabica and Robusta to the Board at a fixed price on behalf of the Ministry of Food. The zonal coffee buying arrangements were designed to make sure that coffee growers were brought into closer contacts with the Board and enjoyed fair prices for their produce. The contacts with the farmers were kept through committees in each zone, which had one representative elected by growers from each *Gombolola*[58]. The elected representative from each *Gombolola* formed a zone committee. Each zone committee elected two members who formed Zone Representatives to the Board.

All in all, the Board gave an added advantage to the Indian coffee merchants who were licensed to purchase coffee from growers. But the Indian traders were displeased with the Ordinance, which perpetuated the coffee marketing monopoly that eliminated most of them from trading coffee. The publication of the bill and the subsequent promulgation of the law was strongly opposed by Indian traders across the territory[59]. They argued that the law created a monopoly that was contrary to the interests of growers and free trade, and against the spirit of the Mandate, which, among other things, valued equality.

A stream of protest telegrams from Indian merchants' associations across the country reached the Chief Secretary (CS) in Dar Es Salaam: the Indians considered the Bill unfair, discriminatory, iniquitous and against free trade principles. Thus, most demanded its withdrawal; others asked the Government to delay it. In response to merchants' reactions, the Government clarified that it was unable to delay the Bill[60]. The editorial comments appeared in the Indians owned newspaper, the *Tanganyika Opinion*[61]. The commentary was generally the most critical of the Bill in what appeared to be the defense of

55. TNA, 11969, Extract from the Standing Committee's meeting minute, April 1947.
56. TNA, 19623, District agricultural Office to DA, ref. No. 35/31/323, October 15th 1928.
57. TNA, 41011, Bukoba Coffee, Bukoba Coffee: Marketing Organisation.
58. The *Gombolola* is the Chief's jurisdiction administrative area.
59. TNA, 25038, Telegram from the India Association, Bukoba to CS, September 30th 1937.
60. TNA, 25038, CS to Indian merchants, September 29th 1937.
61. TNA, 25038, *The Tanganyika Opinion,* September 22nd 1937.

the interests of the small-scale coffee growers. It argued that those who suffered the most under the Bill were natives who unfortunately were not organised enough to voice their protest in an effective manner. Thus, they would be compelled to sell to the Board.

The newspaper went on presuming that, unlike the merchants, the Board was not a reliable coffee buyer. It seemed to judge merchants as the most reliable coffee buyers given their unquestioned financial position. Again, it clearly disregarded the relevance of the legislation by pointing out that there was no justification for the law because natives were making more money than they needed by selling some of their produce in open and competitive markets. For all these reasons, the Bill was undesirable as it deprived Indian merchants of all sources of livelihood so that many would be repatriated back to India[62]. This brought in some diplomatic orientation as well. The diplomatic approach emerged when the President of the Tanganyika Indian Association requested an intervention from the Indian National Congress Party. It asked the Congress Party to demand an intervention by India's colonial authority and the League of Nations to pressure the Tanganyika colonial authority to withdraw or at least postpone the legislation[63]. A move by the Tanganyika Indian Association to ask for an intervention by the Congress Party implied that most of the merchants considered themselves to be Indians whose interests must be protected by the Indian government. This paper has not found evidence that the Congress Party made an attempt to intervene.

The native business community joined the merchants' protest bandwagon led by the Tanganyika African Welfare and Commercial Association[64]. Its members demanded a copy of the Bill from the colonial authority written in the Kiswahili language, and also demanded clarifications and assurances over new coffee marketing arrangements. The colonial authority could not bow and act contrary to the directives from the CO, by arguing that it "had no intention of being stampeded or perturbed by uninformed criticisms"[65]. The letter repeatedly informed the merchants and LEGCO members of its determination to bring the native coffee industry in the country under control and stressed the significance of the legislation by outlining its purpose and the necessity of the legislation. With the outbreak of Second World War, the colonial authority was brought into further direct control. Since 1942, the BCCB had been obliged to supply 4,000 tonnes

62. TNA, 25038, *The Tanganyika Opinion*, September 27th 1937.

63. TNA, 25038, Resolutions of the Tanganyika Indian Association meeting held in Dar es Salaam in September 25th 1937.

64. TNA, 25038, The Tanganyika African Welfare and Commercial Association to CS, ref. No. C/S/117, September 27th 1937.

65. TNA, 25038, The Secretariat to Indian Association, ref. No. 25038, September 25th 1937.

of coffee to the Ministry of Food under the long-term contract provided for in Section 7 of the Defence Ordinance and Orders of 1939 and 1940[66].

The BCCB was appointed as agent on behalf of the British Ministry of Food. Britain presented a proposal for the extension of the bulk purchase contract for the supply of coffee, which was about half of the British home needs up to 1954, namely 2,000 tons of Robusta coffee to Ministry of Food for 1952/53 and the same tonnes for 1953/54[67] on much the same price terms as previous contracts. These contracts did not just assure cheap coffee supply to Britain. Under these circumstances, the Board appointed coffee agents in 1941 as per Section 6 of the Native Coffee Control Ordinance No. 26 of 1937. The appointed agents purchased coffee from the growers on behalf of the Board on a contract basis provided under a bulk purchasing agreement (Seimu, 2015). In an attempt to evade competition among appointed agents, the Board demarcated coffee farming localities into zones intended to facilitate quality control by limiting the number of coffee traders[68]. Supposedly, the coffee marketing zones[69] provided for centralized coffee marketing.

5. THE PROTEST AGAINST THE ZONING SCHEME

The initial plan for BNCB in 1947 was to have 12 zones but adjustments made in 1948 reduced the number of zones to eleven[70]. The criteria for zonal agents were that those interested had to apply by identifying their location/zone of interest and showing their financial capability/capital to be invested[71]. The Board considered applicants whose financial capital ranged from 10,000 to 20,000 shillings[72]. Most of the traders operating in the district did not have such financial capabilities, and thus the elimination of itinerants and middlemen was unavoidable.

The BNCB was appointed as the sole buyer of native-produced coffee under the October 1st 1947 government Notice No. 169. In accordance with BDNB regulations, the

66. TNA, 25147, The Long Term Contracts Policy on the United Kingdom Departments and Colonial Agriculture Producer; TNA, 25147, Standard Newspaper, September 28th 1948.

67. TNA, 37200, Ministry of Food to DA, ref. No. CS/CP 30G, April 23rd 1952; TNA, 37200, DA to CS, ref. No. C/135/836, December 17th 1946.

68. TNA, 24545, Report on Bukoba Coffee Marketing, p. 19.

69. These were regulated coffee marketing areas where licensed traders were monitored and regulated.

70. BCNB, Annual Report, Appendix 1, 1948, p. 7.

71. BCNB, Annual Reports, 1948 and 1950.

72. TNA, 22813, CS to the Legislative Council, 1934.

zonal agents were required to sell their coffee to the Board. Those merchants who demonstrated sound financial capital were awarded the coffee-producing zones with the highest potential. Such centralization of coffee marketing provided a legal basis to monopolize and control the coffee business by selected merchants in their respective zones. The Indian merchants protested against the measure and asked to postpone the scheme, arguing that the long-term agreement and zonal scheme were both undesirable[73]. Nonetheless, the colonial Authority divided coffee farming *Gombolola* into 12 zones which were allocated to selected merchants as follows (see also Seimu, 2015):

TABLE 1
Zones, locality and appointed agents

S/N	Zone	Sub-Chiefdoms/Locations	Appointed Agents
1	Muleba	Kahengere, Bukoba, Ilamera, Mubunda, and Karambo	Sherrif Jiwa and Co Ltd
2	Nshamba	Kashasha, Mbatama, Kishanda, Nshamba, and Birabo	Messers. M. N. Patel and Co Ltd
3	Kamachumu	Ibuga and Kamachumu	Messers. Rashid Maledina and Co Ltd
4	Muhutwe	Izigo, Muhutwe, Rwagatiz and Minazi	J. S. Patel and Co Ltd
5	Ikimba	Kabirizi, Mikoni, Ibweru, Kishogo and Kaibanja	Messers. Rashid Maledina and Co Ltd
6	Maruku	Kanyangereko Chiefdom	J.S. Patel and Co Ltd
7	Kiziba	Kiziba Chief	Messers. J. S. Patel and Co Ltd
8	Bugabo	Bugabo Chiefdom	Sheriff Jiwa and Co Ltd
9	Kyaka	Misenyi Chiefdom	Messers Shah and Co Ltd
10	Karagwe	Karagwe Chiefdom	Messers Shah and Co Ltd
11	Bukoba	Kyantwara Chiefdom	Mr. Kassamali Allarakhusa and Co Ltd
12	Bumbire	Ihangiro	Bukoba Co-operative Union

Source: BCNB, Annual Reports, 1948 and 1950.

The scheme provided a monopoly over coffee trade in the district (Seimu, 2015). The selected merchants' status or position was further strengthened. Such monopoly was provided under the Compulsory Marketing Order passed during Second World War's Emergence Orders. The merchants who were not selected received the scheme with mixed feelings.

Merchants openly expressed their anger and frustration against the long-term agreements and the introduction of the zonal scheme. In their complaints, they pointed out that it was undesirable to grant monopolistic policy to the "ignorant" (natives) who were not capable of looking after their own interests[74]. Understandably, the law provided machinery

73. *The Tanganyika Herald,* September 3rd 1947.
74. TNA, 11969, *The Tanganyika Herald*, September 3rd 1947.

that enabled the marketing boards to control and collect revenue and to extract resources on behalf of the colonial authority. The Boards were considered relevant and largely complementary to the agriculture marketing co-operatives, with the Boards were placed at the top of a hierarchy with exclusive powers to control the native-grown produce.

Again, the arguments that the "ignorant" (natives) were not capable of looking after their own interests demonstrated the merchants' prejudicial mentality. It also reflected a failure to admit that for decades the merchants had failed to provide mechanisms to promote African business capabilities. Even more so, it demonstrated a desire to maintain a *status quo* that was the domination of the most profitable section of the coffee value chain while the growers were kept at the bottom of the hierarchy. Despite merchants' mistrust of the colonial authority's initiatives to help growers realise the profits associated with the entire coffee value chain, the benefits gained were small. The fact was that Government was against the involvement of middlemen in crop marketing because they were too demanding and were not in the interest of growers.

The merchants strongly reacted against the introduction of zones. The reaction was relayed through a number of channels by engaging the Chief Secretary. Newspapers were also used to make their concerns reach a wider public. In their expression to the CS they claimed that the affected zones were a threat to their livelihoods[75]. Arguably, the concern was that their businesses would close because the creation of the zones was designed to limit the number of coffee traders in order to minimize difficulties in conducting quality supervision. If the number of traders was reduced, many would be laid off. Since many traders depended on coffee trading the creation of zones would deprive them of their livelihoods. In this case, the zone scheme would render them unemployed. The whole exercise was considered by merchants as an infringement of commercial liberty and a restraint on free trade by the Government. The Government's interference with coffee marketing was therefore unfair, and they demanded the government to refrain and withdraw the policy[76].

Generally, the scheme was understood by merchants as a deliberate measure meant to give priority to Africans or producers. The involvement of Africans or producers in the industry was downplayed by merchants. Seemingly, they judged Africans or producers as lacking capacity to bring about significant change. For example, they argued that "so far involvement of Africans will not provide a solution to improve quality of the produce"[77].

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75. TNA, 11969, Tanganyika Indian Chamber of Commerce and Agriculture to CS, August 21st 1947.

76. TNA, 11969, Telegram to CS, May 10th 1947.

77. TNA, 11969, Telegram to CS, May 10th 1947.

The print media also made headlines in connection against the scheme. The newspaper was highly critical and referred to the zonal scheme as "monopoly evil"[78]. Despite the criticism and opposition, the colonial authority upheld the policy. The setting of zones and the appointment of zonal agents did not, however, eliminate cheating practices. Ostensibly, those assigned zones were supposed to ensure that the livelihoods of those who lost their trading rights were not entirely destroyed. In order to accomplish this, the zonal agents subcontracted individuals who bought coffee from growers. In several instances, they hoarded coffee which the zonal agents delivered to the Board only when prices increased, so as to make an astronomical profit.

6. THE AFRICAN AGRICULTURE PRODUCTS ORDINANCE, 1949

During the implementation of the contract with the Ministry of Food, a new legislation, the African Agriculture Products (Control and Marketing) Ordinance No. 57 of 1949 was approved. The legislation was drafted by the Registrar of Co-operatives societies (Tanganyika Government, 1947: 6). The Ordinance was followed by the order made by the Governor under Sections 3 and 17 of the African Agricultural Products (Control and Marketing) Ordinance 1947 for coffee produced in Bukoba district. The order also established the Bukoba Native Coffee Board (BNCB). Under the legislation, the BNCB was given powers to control and regulate the production, cultivation, and sale of coffee grown and produced by Africans.

The Ordinance paved the way for the formation of the co-operatives in Bukoba and envisioned that the co-operatives would take over as the Board's sole agent[79], leading to the formation and setting up of the co-operatives beginning in 1950 in Bukoba. Unlike the previous legislation, the 1949 Ordinance[80] was clear and specific that co-operatives should be appointed as the agency to handle coffee crops on behalf of and as agents of the Board[81]. Under the Ordinance, the crop boards and co-operatives were given a monopoly over the marketing of crops produced by small-scale African growers.

78. TNA, 11969, *The Tanganyika Herald*, September 3rd 1947.

79. TNA, 41011, Annual Report, 1953, p. 13.

80. The 1949 Ordinance was amended in 1951 and 1954 that provided for dissolution of localised native coffee boards by January 1st 959 that led to creation of Tanganyika Territory Coffee Board (TTCB). Functions of native boards were transferred to the TTCB.

81. This through the Order made by the Governor in Council made under Section 3 and 17 of African Agricultural Products (Control and Marketing) Ordinance, 1949.

This legislation took into consideration that co-operatives had a financial inability to raise funds for the purchase of crops and the erection of storage facilities. Thus, it made clear that short- and long-term loans would be made available to societies with approval from co-operative officers. This demonstrates the fact that the 1932 Co-operative Societies Ordinance had limited impact in promotion of the co-operatives.

Throughout the 1930s, cooperatives were promoted in numerous British African colonies, including Tanganyika. Most of the promoted co-operatives recruited members from small-scale agricultural growers because they –the co-operatives– believed that small-scale growers were more committed to defending members' interests, providing jobs, and promoting livelihood (Agere, 1983). Seaton (1966) argues that co-operatives were operating in Tanganyika in 1930s in coffee producing areas. Seaton has referred to both Bukoba and Kilimanjaro. However, the fact is that there were no co-operatives in Bukoba at this time.

It worth noting that, during 1930s, several coffee marketing co-operatives were registered in Kilimanjaro, Songea, and Biharamulio (Ngara) districts. But none was registered in Bukoba district. In this regard, this paper is of the view that Seaton's contention has not taken into account differentiated times in the registration of co-operative societies in Tanzania and in Bukoba in particular, where they were registered and began to operate in the 1950s at the behest of the colonial authority. This finding challenges a contention raised by Curtis who argues that the co-operative in the district was an impulse from below.

The co-operatives were an admirable machinery used by the colonial authority to control its members, who were crop growers. The co-operatives proved to be crucial in facilitating production of food crops and raw materials that were cheaply bought with price determined by the marketing Boards. This meant that the merchants were no longer necessary, as they had no crops to sell since they were not crop producers. The tendency of merchants to oppose the colonial agricultural policies provided a viable ground for the colonial authority to end ties with them. Moreover, the merchants' profit motive was directly in conflict with the aims of the control boards. The profit-seeking merchants were considered an unnecessary medium for carrying out control schemes, as their demand would have necessitated an increase in the price of goods in the colonies, and ultimately also for consumers in Britain. They also kept the profit accrued through the marketing boards low, which implied low revenue for the colonial authority.

Consequently, the co-operatives attained a new status, which were by and large the Boards' agents. As co-operative societies became a priority, efforts were brought in place to promote them. This went hand in hand with agricultural sale and control. This was a carrot and stick situation: as co-operatives were appointed as Boards' agents, they were granted monopolies over the handling of coffee. However, the co-operatives had no power to determine or to bargain the price for their produce. Co-operatives were also denied the opportunity and the access to establish trade links with other parts of the world, which was instead a sphere reserved for marketing boards. Therefore, co-operatives were considered suitable for supporting the Boards as long as they were guaranteed a profit margin. Importantly, both the boards and co-operatives had a common purpose, which was providing services to growers and controlling the quality of the produce.

Moreover, since the co-operatives were represented on the board, it gave members a feeling that they were in control. Their representation in the Board was translated as an opportunity to present their views and frustrations, all of which were resolved through a discussion. This brought the board significantly closer to the growers and co-operative members, unlike private enterprises or middlemen. However, the relationship described shows a clear disconnect between the original motivations for promoting cooperatives, which were for the benefit of the colonised.

The co-operatives were in this case employed to facilitate the extraction of resources for the benefit of the State. The creation of the Bukoba Co-operative Union (BCU) and its affiliated societies beginning in 1950 was obviously viewed as suitable to control the supply of coffee supply. The managers were handpicked by the government to manage the BCU. Such appointments were no accidental. This illustrates that the BCU was an extended government department. Moreover, it has been noted that the BCU was prescribed to growers under external pressure. First, the appointment of co-operative societies as Boards' agents was not an accident. It was a response to the instructions directed to colonies by the CO. Since some districts, like Bukoba, had no co-operatives, the African Agricultural Products (Control and Marketing) Ordinance, 1949 was used to support their formation and advancement. Under this law, the marketing boards were compelled to provide support to the promotion of co-operatives and eventually appoint them as their own crop handling agents. Second, the policy direction not only produced alien co-operatives societies but imposed structures that were not demanded by growers (Rald & Rald, 1975). Thirdly, the essence of the decision to opt on a single government preferred buyer as the zonal agents' contract was due to end in 1954.

Additionally, the handling of coffee produced by both members and non-members granted co-operatives a monopoly portion. This approach was disastrous since the coffee industry was essential to the merchants' livelihood. Hence, they had to adapt to the circumstances by paying growers higher prices for coffee than co-operatives, and the coffee bought was then smuggled to Uganda where a ton fetched £45 whereas in Tanzania it fetched £35[82].

Individual growers from Kagera to Uganda smuggled 25% of the entire coffee crop produced in the region (Tanganyika Territory, 1956: 9). These native traders and growers fetched a better price for Robusta in Uganda than what they could make in Tanzania because during the 1950s prices were especially favourable. Weiss (2001) briefly mentioned the coffee black market in Bukoba, with much information provided on the cultivation history of the crop in the district. However, Weiss did not examine merchants, policies and legislation, or co-operatives. Curtis (1992) has not mentioned smuggling. This paper has found that 3,155 tons were smuggled out during 1959/60 and 1960/61 seasons being smuggled across the border to Uganda by native traders and growers (Tanganyika Territory, 1956: 7). Coffee smuggling especially was a critical challenge in Bukoba, as it threatened the financial survival of the BNCB, the only source of revenue. Smuggling was disruptive and rendered the BNCB, the co-operatives and Native Authority powerless before the growers as well as traders[83].

7. CONCLUSION

The British colonial authority prioritised coffee farming among small-scale growers in Bukoba district. As a result, the industry was a success in terms of production volume and in generating revenue. Coffee farming success drew Indian merchants who dominated coffee purchase and export. In that regard, the Indian merchants provided a reliable coffee market. However, coffee quality was not a priority to the merchants, and some traders in foreign market stopped buying it. Such a threat prompted the colonial authority to intervene in the late 1920s by introducing a coffee quality policy, which were strongly opposed by the merchants.

Emergence Powers and Orders that were declared following the outbreak of Second World War gave the colonial authority the power to control the coffee industry and the quality of the produce. The Emergence Powers and Orders provided the colonial government with direct control of the coffee market and provided a full control over the industry, especially over coffee produced by small-scale native growers. The Emergence Pow-

82. BCU, Annual Reports, 1959/60 and 1960/61, p. 5; TNA, 41011, BNCB, Annual Report, November 1947-48, pp. 14-6.

83. TNA, 41011, Organisation of Bukoba Coffee Marketing: BNCB to Members of Agricultural and Natural Resources, ref. No. C.1/92, November 26th 1951.

ers and Orders provided for the establishment of the Board and the number of traders was reduced by allocating zones to specific merchants. This was challenged by coffee traders, but without success.

The State's control was further reinforced by legislation in late 1940s, which paved the way for the promotion and registration of co-operatives. Indian traders saw all this as prejudicial legislation against them and at the expense of the natives. Their protest did not deter the colonial Authority from creating the Board to grab the opportunity that emerged during and after Second World War to supply coffee to the Ministry of Food and to serve coffee produced by native growers. This led to some problems, mainly black marketing as growers preferred to sell their coffee to traders who paid them higher prices than co-operatives. Many merchants who were shut out of the co-operative-dominated trade resorted to coffee smuggling to neighbouring Uganda in order to survive. This practice resulted in the decline of the coffee volume exported by co-operatives through the Board.

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