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UNION OF SOUTH AFRICA.

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REPORT

OF THE

Government of the Union of South Africa

ON

SOUTH-WEST AFRICA

FOR THE

YEAR 1927.

*Presented to both Houses of Parliament by Command of His Excellency
the Governor-General.*

Price 6s.

CAPE TOWN
CAPE TIMES LIMITED.
1928.

[U.G. 31-'28.]

Cost of Printing 155 10 5

B. 17/146737.4.28.
C.T. Ltd.—B4090.

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Prime Minister's Office,
Cape Town,
7th May, 1928.

Sir,

In compliance with Article 6 of the Mandate, I have the honour, on behalf of the Government of the Union of South Africa, to present a Report to the Council of the League of Nations on the Administration of South West Africa for the year 1927.

The Annual Report of the Resident Commissioner of the Bechuanaland Protectorate for the same period in regard to the Administration of the "Caprivi Zipfel" is contained in Annexure "A" hereto.

I have the honour to be,
Sir,
Your obedient servant,

J. B. M. HERTZOG,
Prime Minister: Union of South Africa.

The Secretary-General,
League of Nations,
Geneva.

UNION OF SOUTH AFRICA.

Report of the Administrator of South-West Africa for the Year 1927.

Office of the Administrator,
Windhoek, 23rd April, 1928.

The Honourable the Prime Minister
of the Union of South Africa.

Sir,—I have the honour to present a report on the Administration of South-West Africa for the year 1927, under the following heads :—

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I have the honour to be,
Sir,

Your obedient servant,
A. J. WERTH,
Administrator.

I. LEGISLATION.

Para. 1. The following legislation was passed during the year :—

A.—BY THE UNION PARLIAMENT.

Act No. 22 amending the South-West Africa Constitution No. 42 of 1925.

Act No. 24 Customs Management and Tariff (amendment) Act relating to the management of customs and customs tariff. Amends Customs Management Act 9 of 1913 and Customs Tariff and Excise Duties Amendment Act 36 of 1925 as amended by Act No. 34 of 1926.

[U.G. 31—'28.]

B.—PROCLAMATIONS OF THE GOVERNOR-GENERAL.

Proclamation No. 17 laying down that provisions of certain Railways and Harbours Acts shall apply *mutatis mutandis* to South-West Africa.

Proclamation No. 18 providing for extradition of criminals from Northern Rhodesia to South-West Africa.

Proclamation No. 34 abolishing compulsory pilotage at Luderitz Harbour.

Proclamation No. 64 granting privilege to Attorneys of High Court South-West Africa, of admission and enrolment as Attorneys of the Cape Supreme Court under Cape Act 30 of 1892.

Proclamation No. 195 applying provisions of Union Act No. 24 of 1927 to Walvis Bay.

Proclamation No. 310 amending and consolidating the laws and Proclamations in regard to Land Settlement in South-West Africa under Section 4 of the Treaty of Peace and S.W.A. Mandate Act, 1919, of the Union Parliament.

PROCLAMATIONS OF THE ADMINISTRATOR.

Proclamation No. 1.—Making certain amendments in the laws relating to the Land and Agricultural Bank of South-West Africa; creating additional Reserve Fund and empowering the Bank to make Fencing Advances and advances for the purpose of Breeding Stock.

Proclamation No. 10.—Amending the Masters and Servants Proclamation, 1920, in various respects.

Proclamation No. 11.—Amendment of the provisions of the Native Administration Proclamation No. 11 of 1922 relating to the issue of Passes to Natives; further restricting the number of natives allowed to reside on private farms and making provisions in regard to the issue of tickets to natives to travel by rail within the Territory. The main object of the limitation of the number of natives who may reside on private farms is to distribute labour.

Proclamation No. 17.—Application of the provisions of the Game Preservation Ordinance, 1927, to the Rehoboth Gebiet subject to modifications.

Proclamation No. 18.—Prohibiting the giving of credit to natives and declaring transactions in contravention of the provisions of the said Proclamation void and of no effect.

Proclamation No. 19.—Repealing the Burgher Force Proclamation No. 2 of 1923 and re-issuing it amplified and extended.

Under the new Proclamation all able-bodied male Europeans are liable for service between their 20th and 56th years, except members of the Advisory Council, Legislative Assembly, Ministers of Religion, Judges, members of South-West Africa Police, British Military and Naval Forces and Merchant Seamen. The South-West Africa Police are of course liable for active service under the provisions of the Proclamation governing that force. (Proclamation No. 56 of 1921.)

Proclamation No. 24.—Making provision in regard to leave for teachers.

Proclamation No. 27.—Extending the application of the Electric Power Proclamation, 1922, to areas where Village Management Boards exist.

Proclamation No. 30.—Amendment of the provisions of the Immigrants Regulation Proclamation No. 23 of 1924 dealing with the admission of children, Appeal Boards penalties on prohibited immigrants and evidence, and substituting a new definition of "domicile"; also amending the Schedule to the Undesirables Removal Proclamation in regard to the offences in respect of which persons may be removed from the Territory.

Proclamation No. 32.—Making certain amendments to the Vagrancy Proclamation, 1920, in respect of the penalties thereunder.

Proclamation No. 34.—Amending the Police Proclamation 1921 by removing the control of the Police Force from the Secretary for South-West Africa and the Magistrates and placing it under a Commandant.

Proclamation No. 35.—Amending the provisions of the Medical Practitioners, Dentists and Chemists and Druggists Licensing Proclamation, 1920, in regard to proceedings against Practitioners for Misconduct and in regard to the recognition of diplomas and licensing of successors to and *locum tenens* of pre-war practitioners.

ORDINANCES PASSED BY LEGISLATIVE ASSEMBLY.

Ordinance No. 1.—Increases the rate of interest payable on moneys in the Guardian's Fund from 4 per cent. to 4½ per cent.

Ordinance No. 2.—Provides for the control and maintenance of War Graves—the Administrator is given power to vest in himself control of any war grave or cemetery. This Ordinance was passed to give effect to Articles 225 and 226 of the Treaty of Peace of Versailles. The Administrator is empowered to delegate his powers to any person or body of persons and in respect of War Graves of the Allied Powers has done so to the Imperial War Graves Commission.

Ordinance No. 3.—Makes provision in the Liquor Laws for light liquor licences enabling the sale, under conditions, of wine, ale, beer, etc., of an alcoholic strength of not exceeding 14 per cent.

Ordinance No. 4.—Empowers the Administrator to pay over under condition to the local authorities in the several districts the proceeds of the wheel tax collected in such district. The proceeds of this tax must be utilised for the construction and maintenance of public roads.

Ordinance No. 5.—Consolidates the Game Laws of the Territory. The law follows the lines of previous legislation; game is defined and classified into small, big and Royal game; close seasons are established and conditions provided as to the number of animals of any species that can be hunted in any district. Owners are allowed to shoot on their own farms small and big game without a licence during the close season and in the close season, with the consent of the Secretary for South-West Africa, to protect their grazing. The Administrator is empowered to issue permits to persons to capture game for scientific purposes or domestication or acclimatization.

Ordinance No. 6.—Confers on Commissions appointed by the Administrator to inquire into matters of public concern powers of summoning witnesses to give evidence before them and to call for production of books and papers, to administer an oath to witnesses giving evidence and prescribes penalties.

Ordinance No. 7.—Empowers the Administrator to grant loans from public funds to local authorities for certain purposes and prescribes conditions and the manner of repayment.

Ordinance No. 8.—Consolidates and amends the law in regard to half-holidays for shop assistants in certain towns and villages and other areas to which it may be applied from time to time by the Administrator.

Ordinance No. 10.—Provides under conditions for the adoption of children and defines the status of such children and of the adopting parent. The Administrator may appoint persons or bodies guardians of children for the purposes of the Ordinance.

Ordinance No. 11.—Makes provision to prevent the introduction and spread in the Territory of insect pests, plant and bee diseases and to regulate the importation of exotic animals.

Nurseries must be registered and are liable to inspection and quarantine; plants infected with disease must be destroyed. Plants, bees, honey, beehives, etc., can only be introduced from overseas under permit and subject to inspection.

Ordinance No. 12.—Provides for the control and licensing of Insurance Companies and their agents operating in the Territory. Companies must register and make deposits of money or approved securities which are secured to policy holders or to satisfy judgments in case of non-payment of claims. Insurance agents are required to take out licences.

The Ordinance also makes certain amendments in the Insurance Law; it allows minors on reaching the age of 18 to insure; protects policies of persons engaged in the Naval or Military defence of the Territory; protects policies after three years against execution for debt or sequestration of the estate of the holder; enables a married woman to insure her own or her husband's life and makes other provisions.

Ordinance No. 13.—Confers on the Administrator and Municipalities power to expropriate land and prescribes the procedure to be adopted in such cases and the method of compensation.

Ordinance No. 14.—Amends the law in regard to the taxation of dogs and increases the amount to 10s. per annum, but provides for certain exemptions.

The proceeds in respect of persons residing in urban areas are payable to the local authority less 10 per cent. for collection.

Ordinance No. 15.—Consolidates and amends the law relating to roads and outspans. The Ordinance follows the line of previous legislation except that the Administrator may now grant Road Boards out of public funds a subsidy ordinarily not exceeding three-fourths of the expenditure of a Board on main roads, but in exceptional cases the subsidy may even exceed this.

Ordinance No. 16.—Provides for the better protection of children, for maintenance orders in respect of deserted wives and children, and for the enforcement in the Territory of maintenance orders made in any of His Majesty's Dominions or British Protectorates or Mandated Territories and *vice versa*.

Penalties are provided for cruelty to and neglect of children; begging by children or allowing them to be in brothels is prohibited. Provisions are made for protection of children against sexual offences and for placing them under proper protection. Persons receiving infants for nursing or maintenance must notify the local Magistrate and visitors of protected infants are provided for. Provision is also made for the care of destitute children, and the Courts can make orders on the parents for maintenance. The sale of tobacco and intoxicating liquor to children is prohibited, and they are excluded from bars of licensed premises. Provisions are made for the safety of children attending or employed at public entertainments and for hearing of evidence of children in courts in camera. Special provisions are made for the enforcement of maintenance orders against persons in the Public or Railway services.

II. ADMINISTRATION.

STAFF.

Para. 2. The following staff changes occurred during the year :—

Mr. A. Zylstra, Magistrate of Keetmanshoop, was dismissed for misconduct, and Mr. A. F. Kriel, Magistrate of Karibib, was promoted to the vacancy so caused.

Mr. J. H. Green, Magistrate of Maltahöhe, was transferred to the Union.

Mr. F. W. Ninow was appointed Magistrate of Karibib, and Mr. J. Kuys was appointed Magistrate of Maltahöhe.

A change was made in the Agricultural Branch, which was split into two separate sections, Veterinary and Agriculture. Formerly the Senior Veterinary officers controlled both sections.

Mr. Gilbert Cock, Technical Adviser, Agriculture, was transferred to the Union and Dr. P. J. v.d. H. Schreuder, Vice-Principal of the Agricultural College, Potchefstroom, was appointed as Chief Agricultural officer.

Mr. R. S. Garraway, Senior Veterinary officer, was also transferred to the Union in the ordinary course, and was succeeded by Mr. A. McNae.

It was felt that certain branches of the Administration required reorganisation, and an Inspector of the Public Service Commission was accordingly detailed to inspect and report. His recommendations involved considerable changes, which are at present under consideration. The alterations resulting therefrom will come into operation on the 1st April next.

CONSTITUTION.

Para. 3. It will be observed that the Legislative Assembly passed some important legislation during the year. A brief résumé of this is given in Part I. of this Report, and as copies of all laws have been transmitted to the League it is unnecessary to give further details. Copies of the Votes and Proceedings of the Assembly have also been forwarded to the League.

Throughout, that harmony which characterised the first session of the Assembly was present.

REHOBOTH BASTERS.

Para. 4. The report of the Hon. Mr. Justice de Villiers was considered by the Union Government, which came to the following decisions thereon :—

1. It being considered premature for the present to restore the powers of self-government enjoyed by the Rehoboth Community prior to the promulgation of Proclamation No. 31 of 1924, the powers of the Raad will for the time being continue to be vested in the Magistrate as prescribed by that Proclamation, subject to the following modifications :—

(a) There will be constituted an Advisory Board consisting of members of the Rehoboth Community, of whom three will be elected by the said Community and three appointed by the Administrator, to advise the Magistrate in the execution of the powers vested in him generally.

(b) In suits between Basters the Magistrate will be assisted by two disinterested assessors selected from a body of 12 persons nominated every year by him on the recommendation of the Advisory Board mentioned above.

2. No person other than a member of the Rehoboth Community shall be permitted to acquire in the Rehoboth Gebiet any interest in immovable property, whether leasehold or freehold, without the approval of the Administrator, the Government, however, reserving to itself the right to reconsider its policy in this respect with the change of circumstances.

3. All natives will be removed from the Gebiet, except the Berg Damaras, and no other natives will be allowed in future to enter the Gebiet to reside there.

4. Europeans will not be allowed to reside in the Gebiet except on a permit from the Administrator; temporary permits may be issued by the Magistrate to Europeans visiting the Gebiet for purposes of trade.

5. Legislative steps will be taken prohibiting Europeans from purchasing or being in possession of intoxicating liquor, firearms or ammunition in the Gebiet without a permit from the Magistrate.

The necessary legislation giving effect to these decisions is being framed, and the constitutional changes resulting therefrom will come into operation on the 1st April next. The Government's decision has been conveyed to the burghers by the Administrator, who visited Rehoboth specially for this purpose. A large gathering representing both sections of the community attended. The announcement was very quietly received.

The majority of the people appear to have settled down and to have realised that their attitude towards the Government has rendered at least a temporary curtailment of their constitutional privileges inevitable—indeed, a very considerable section is of opinion that the step is for the better, and generally the position is accepted quietly. They realise that everything has been much more regularly and competently dealt with than was formerly the case, and that whereas under their own local government their coffers were always empty, they now have a substantial credit balance, which will assist in restoring their economic position. The manner in which these funds shall be utilised will be left to the Advisory Council to consider.

A few notorious agitators, self-constituted leaders of the "Ryk" (which literally translated means "Empire") will no doubt have a great deal to say for some time to come, but they need not be treated seriously.

Pursuant to the decision to remove the natives from the Gebiet, action was commenced towards the close of the year. It may here be stated that it was impossible to take steps earlier owing to the inadequacy of water in the reserves, but the supplies have been developed and a considerable number of the natives with their stock can now be accommodated.

It is estimated that in all nearly 200 families will have to be moved. These natives according to the census taken at the close of the year possess 7,500 head of large and 22,000 head of small stock. The difficulty of making suitable provision for them will be appreciated when it is borne in mind that in this country there is no open water and that it is necessary to bore or make wells. The carrying capacity of the country generally is not high, and each borehole or well can provide for a very limited quantity of stock.

With their characteristic stubbornness the Hereros, who previously had expressed their willingness to go to the Reserves when called upon to do so apparently changed their minds and adopted an attitude of passive resistance. The large majority of them had no right to be in the Gebiet at all. They had slipped in and were not in possession of permits to reside there, and it was therefore necessary to institute prosecutions under paragraph 14 of the Rehoboth Agreement of 1923 against a number of the leaders. This has had the desired effect, and the resistance has now broken down. At the trials a large number of the accused produced residential permits, which proved to be forgeries. These were obtained from a local *Baster* at a cost of about 6d. apiece.

It is interesting to note that after the conclusion of the first few cases the Herero men stated they were satisfied the Administration was in earnest, and they would go, but they were incited to resistance by their women, who sent a deputation to the Magistrate and stated they would not leave. Amongst the Hereros the women invariably figure most prominently in troubles of this character.

NEUTRAL ZONE.

Para 5. The Boundary and "Waters" Commissions, referred to in Paragraph 5 of the Report for 1926, commenced their labours on the 1st June, 1927, on which date delegates of the Government of the Union met the Portuguese delegates at the Rua Cana Falls on the Kunene River. Surveys of the river as far as Naulila and of the surrounding country were made, and while it may be possible to construct a dam which will achieve the purpose in view, the cost will be enormously high—too high for the Administration to undertake at present. The investigation was adjourned on account of a difference of opinion between the Union and Portuguese delegates as to the interpretation of a certain clause of the Agreement. This matter now forms the subject of correspondence between the two Governments.

A theory exists that some, at least, of the water which inundates Ovamboland after the heavy rains comes from the Cuvelai (Evale), normally a dry river running between the Kunene and Okavango Rivers, and it is suggested that this will be a much simpler and more economical proposition to tackle.

The Agreement entered into between the Portuguese and Union Governments refers in specific terms only to the diversion of water from the Kunene, but in view of the high motives animating the Portuguese Government when they entered into the Agreement, so clearly expressed in the preamble thereto, it is hoped that the Portuguese Government will not raise any objection to the Union Government thoroughly investigating the alternative scheme.

The survey of the boundary has been about half completed. For climatic reasons the operations in this connection were suspended in October last. They will be resumed on the 15th May next.

Para 6. Visit of Governor-General.—In August last His Excellency the Governor-General and Her Royal Highness, Princess Alice, accompanied by Lady May Cambridge, Lord Rupert Trematon and Lord Frederick Cambridge, toured the Territory, visiting all the principal towns on the railway line.

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The visit was greatly appreciated, and all sections of the community combined to make it as enjoyable as possible. The sound advice given by His Excellency to the people, and his cheery optimism had a stimulating effect and everybody who came in contact with them was greatly impressed with the personal charm of the visitors.

The party enjoyed about three weeks shooting on the Etosha Pan and in the Kaokoveld in the vicinity of Kamanjab. They secured a splendid bag which was largely contributed to by the ladies of the party. The bag included three elephants.

The most important ceremony performed by His Excellency was the opening of the Wharf and the South-West Africa Cold Storage Works at Walvis Bay, which marked the completion of another stage in the progress of the Territory.

The ceremony was attended by a number of representatives of the various Agricultural Unions and Chambers of Commerce in the Union and leading business men and farmers of the Territory.

The Wharf is 1,500 feet long, and can accommodate three ordinary vessels. There is ample room for extension when need arises.

The Cold Storage Works are capable of treating about 300 cattle per diem. The works have been extended to include fisheries and a solid industry in this branch is being built up. Good table fish abound off the coast and already the Company has exported considerable quantities to overseas markets.

The Company is also erecting piggeries at Walvis Bay where pigs will be finished off for slaughter. The Cold Storage Works include a bacon factory. The establishment of these piggeries will be a step towards the creation of a market for pigs and will therefore benefit farmers.

ECONOMIC CONDITIONS.

Para. 7. On the whole the year was a very prosperous one for the farmers. The rainfall was not exceptionally high, but it was well distributed. Excellent rains fell early in the year practically throughout the whole of the Territory, only two or three of the districts in the south being unfortunate in this respect. This laid the foundation for a good season and promise was fulfilled, inasmuch as the early rains were followed by good rains in March and April which ensured an abundance of water and pasturage throughout the winter, and the dry early summer months.

Stocks of all classes have maintained splendid condition throughout and prices have been high.

The result has been reflected in the cheery optimism of the farmers and rise in land values and in the increase in the general revenue of the country.

Acute drought has continued in various parts of the Union and large numbers of farmers came to the Territory to seek pasturage. They brought many thousands of cattle and sheep and naturally they did not wish to trek further than was essential, but in order to protect the farmers in the southern districts, it became necessary to refuse permits to detrain stock brought in simply for this purpose south of the Rehoboth district.

Some of the farmers who came in for a purely temporary purpose have been so struck with the possibilities of the Territory that they have decided to remain here permanently, and a considerable portion of the stock thus brought in for grazing only will stay.

The competition for settlement farms, too, is extraordinarily keen. Since it is the Administration's policy not to allot farms until water has been found thereon and since the rate of settlement is thus limited to the rate at which water can be provided, progress in respect of land settlement has necessarily been somewhat slow, and it has not been possible to accommodate more than a comparatively small number of the applicants. Many people with sufficient capital, however, have purchased land direct from private owners and in many cases the prices paid would, four or five years ago, have seemed fabulous. The Land Bank, too, has been able to dispose of a large number of the farms which it had on its hands and this at a profit in practically every case. During the year 401 transfers of land were registered in the Deeds Office as compared with 321 during the preceding year.

Para. 8. The following are extracts from the reports of the Magistrates and reflect briefly the economic position in the various districts:—

Aroab.—The past year has not been a very favourable one for the farming community. Owing to the protracted drought hardly a single speculator visited the district during the year and farmers in consequence were unable to dispose of their stock. Many farmers sustained losses through Gallamsiekte and other diseases. Although the financial position was acute I know of no cases where farmers were unduly pressed by their creditors. This contention is borne out by the fact that not a single summons was taken out against a farmer of standing. The district is financially sound, but people have undoubtedly suffered considerable inconvenience owing to the absence of ready cash.

There were no cases of insolvency in this district during the year.

About 30 farms in this district have been allotted to settlers under the provisions of the Land Settlement Act. Some of the settlers have turned out excellent farmers and are making steady progress. Like the rest of the community they have suffered from the drought and are consequently somewhat in arrear with their Land Settlement debts. There is, however, no reason to think that the Administration will sustain any loss. During the year about ten individuals applied for advances for the purpose of purchasing merino sheep, but although advances were approved of only a few have up to the present availed themselves thereof and the others are waiting for favourable rains. Once the wool industry is firmly established the district will forge rapidly ahead.

Towards the latter part of the year the Aroab Roads Board was established and work is now proceeding apace on the main road to Keetmanshoop.

BETHANIE.—There is no Bank and the Magistrate makes cash advances to the Post Office and collects its surplus. He pays all Government expenditure; consequently, most of the cash circulating in this district passes through his hands. With the exception of a little market gardening in the village of Bethanie there is no agriculture, the district being purely a pastoral one.

Speculators are constantly about, but owing to the drought which prevails, less stock than last year was exported from the district.

There was more prospecting for minerals during the year and a fair amount of copper was exported. Mining operations resulted in more cash being put into circulation.

The loss of stock from disease was negligible.

Since the 1st April of the year under review a Road Rate was declared obligatory in the district and in December a Road Board was established.

GIBEON.—The year has been a bad one for stock farmers owing to the severe drought. Good rains have, however, fallen since Christmas and a prosperous year is generally anticipated. Owing to the poor condition of the cattle there is a considerable decrease in the numbers exported as compared with 1926, namely:—

	Large Stock.	Small Stock.
1926	5,910	36,235
1927	3,056	49,559

The large number of small stock exported is probably accounted for by the fact that many Union farmers who trekked here for grazing have since gone back taking their stock with them.

The railway lorry service between Mariental and the farm "Witkranz," in the Auob Valley, which was started at the beginning of the year, has proved most satisfactory. The traffic has steadily increased and the Railway Department has decided to use two lorries in future and to extend the service as far as the farm "Schilflage."

During the year a number of farms in the district have been allotted to a good type of settler, and this policy will without a doubt vitally affect the economic welfare of the country.

Many of the more progressive farmers have commenced fencing their farms.

There have been no reports of locusts in the district. A sample of locust eggs found in the Auob was sent away for examination, but the eggs were found to be dead.

GOBABIS.—The total collections for the year 1927 were £9,990 17s. 8d. as against £7,820 15s. 11d. for 1926.

The main heads of revenue were:—

	1926.	1927.
Trading and Liquor	£407 18 0	£485 4 0
Grazing Fees (excluding Reserves)	78 17 7	78 1 9
Dog Tax	223 10 6	264 3 9
Hostel Fees	466 14 3	510 7 0
Land Board Advances, Interest and Restkaufgeld	1,981 7 9	2,385 11 5
Land Tax	537 0 9	787 9 0
Transfer Duty	523 5 2	360 17 3
Game Licences	376 0 0	427 0 0

The district was entirely free from locusts during the year. The mealie crop was a failure as a result of insufficient rains, and mealies for local consumption had to be imported. During the second half of the year there was a considerable decrease in the production of cream, which continued until the beginning of December, when an increase was shown. Although the rainfall during the past two years has been below normal, farmers with large and small stock have trekked into this district—more particularly into the block of land lying between the Joint Nossob and Rehoboth district—for the purpose of grazing their stock.

[U.G. 31—'28.]

During the whole of the year under review there has been a constant demand for all classes of stock fit for slaughter and good prices have been realised. This class of business has been solely in the hands of speculators, who have come from, or are buying on behalf of Union residents. Recently the Dorbabis Company have also been purchasing slaughter stock in the district. A number of new farms have been occupied by settlers, and they have also purchased the breeding stock they require from the early settlers. Motor transport has made considerable advance during the year. Farmers in many instances are purchasing lorries of a light type to transport their produce to market. The running costs of the lorries also permit their use for domestic purposes.

Agricultural development in the southern portion of the district (Joint Nossob) did not show much progress during the year. Very little expansion in bringing land under irrigation has occurred, and the conditions in regard to the construction of reservoirs for water storage leave much to be desired.

During the month of April the Black and White Nossob were in flood for a considerable period. After the flood had subsided, two farmers in the Joint Nossob ploughed up a considerable portion of the land which had been under water, sowed wheat and reaped a crop without irrigation. The returns were good and the only damage suffered was from small tortoises, which ate the green wheat stalks.

The supply of farm labour is not equal to the demand. Farm labour is not popular with natives resident in Reserves. The Herero declines to take up farm work and the Bechuana prefers to take on piece work and be paid by results. The standard rate of pay is not sufficient to attract natives from elsewhere. In the main the solution of this difficulty rests with the farmer, who, if economically possible, must increase the remuneration and study the requirements of the native, otherwise the available labour supply will present itself at centres where conditions are more favourable.

The average monthly wage for farm labour is: Adult males, from 10s. to £1; females and juveniles, from 5s. to 10s., plus rations and, where families have stock, free grazing is permitted.

With the gradual progress made with the fencing in of farms and sub-dividing farms into camps, farmers with a knowledge of cattle breeding are finding it easier and are more successful in improving the present grade of their stock. Red Poll, Shorthorn, Devon and Aberdeen Angus bulls have been imported into the district during the year.

Blackquarter has now spread over the whole of the district, and comparatively heavy losses have been suffered, chiefly on account of farmers, where outbreaks of the disease have previously occurred, failing to inoculate as a preventive. Although anthrax is widespread within the district, preventive inoculation is systematically carried out. Losses have been few and only a few farms had to be quarantined for this disease during the year. Regular bone meal feeding is proving beneficial in combating lamsickness, and losses from this disease have shown a decrease where regular feeding to stock is carried out.

In the northern and eastern parts of the district sheep for meat production are kept. Persian rams are used for crossing with Afrikaner sheep. In the vicinity of Gobabis one farmer is successfully running a fairly large flock of Persian sheep which have been imported from the Union. Woolled sheep have been imported from the Union on to several farms in the district, principally in the south, and owners are well satisfied with the results.

Owing to the danger of horse-sickness only a few horses are kept for riding purposes. Mules have increased in number. Most of them have been immunized against horse-sickness.

The average price paid for slaughter cattle was from £5 10s. to £6 10s. and sheep from 13s. to 16s.

GROOTFONTEIN.—An unsatisfactory year is the simplest way of describing 1927. There were nice rains during the early summer (November and December), which gave promise of a splendid harvest. Much land had been ploughed, and the young maize looked well, and then at the beginning of the year the weather became dry and hot and there was no moisture to swell the grain or to put the veld in good condition for the winter. Hardly a farmer reaped a quarter of what he expected in January to reap, and the veld by June was so dry that there were few fat cattle for sale, and cream cheeses had become mere shadows of their former selves. Following on 1926, which had been a particularly dry year, the financial position of the farmers is again deplorable. It has never been understood in this area that working capital is an essential of farming success. Most men who take up farming consider that working capital will grow of its own accord and, failing that, that the Administration will provide it. The results are inevitable—in bad years they incur debts and in good years they pay them, or some of them. Nobody has any reserve fund or any money for better stock or improvements. The district remains in the same position year after year. The only persons who have any working capital are a few newcomers, who have not been long enough in the district to have any material effect on the outlook. For some reason, which it is hard to explain, it is thought that on agricultural farms no capital is required other than a span of oxen, a plough and a

harrow, yet the accepted idea on farms in England is that £10 an acre is necessary in order to obtain full benefit from the ground, whilst on the newer farms in North America the minimum requirements have often been quoted as 50s. per acre. This absence of capital makes farming extravagant and expensive—extravagant in that farmers cannot go in for rotations and fertilisers, and so are using up their arable land—expensive, because by inferior cultivation and the dearth of implements the cost of production becomes too high. In the case of young, energetic and trained men, the absence of capital may be overcome in time, but the men who have acquired farms in the Grootfontein area have usually been married men with considerable families and no agricultural education, and the absence of capital in their cases has been fatal to the progress of the district. Many men have spoiled their chances by acquiring a large farm when they had only capital for a small one. They have not realised that they could make a good living out of a well-developed small farm when it would not be possible to make ends meet on an undeveloped large one. They argue that they must have room for expansion and forget that much of the district is unsuited to the raising of stock and that few men without a European assistant can plough more than 100 hectares. If the men with limited capital would confine themselves to an area of 400 or 500 hectares and combine agriculture with dairying and pig raising, they would have a far greater chance of success than by attempting to raise scrub cattle by the hundred on land which is unsuited for the purpose. Much of the district is so tick-infested that cattle must be affected by the constant drain on their systems, and this may be one of the principal causes of the rat-like appearance which is so common amongst the herds. In any case, this tick infection must remain a constant source of danger to the cattle industry until steps are taken to eradicate it. The progressive farmers are anxious to have compulsory dipping as long as adequate notice is given of the alteration of the law. Besides anaplasmosis, disease does not take much toll of the district cattle. There have been some anthrax and blackquarter cases, but they are not serious as compared with anaplasmosis.

Owing to causes which were mostly extraneous, the price of cattle has steadily risen during the year and oxen have constantly fetched £6. This rise of price has been partly due to the fact that a number of settlers have arrived from Germany to take up land from the South-West Land and Settlement Company and these people have all wanted breeding cattle as well as ploughing oxen for their farms.

The new settlers appear to be socially of a good type but it is doubtful whether they have the training and capital to make good on raw farms. Outside of these German settlers, few have come into the district from the Union.

The cattle in the district have now risen to over 58,000, but the very large majority of these are of little value.

From the agricultural side, then, we have had a poor harvest, considerable losses from anaplasmosis, fewer cattle sales because fewer animals were fit for slaughter, and smaller cream cheques, and the only bright point has been the higher price for cattle. But the net result is that the farming community is again in a very bad financial way.

Outside of agriculture, Tsumeb remains prosperous in consequence of the money disbursed by the Otavi Mines, but the native labourers from the north have now become more knowing about prices and it is no longer possible for storekeepers to charge prices which show more than a reasonable profit. Owing to the number of licences in Tsumeb, few storekeepers are making more than a reasonable living, but the earnings of the male adults in the village must remain considerably above the average. Whereas Tsumeb remains prosperous because of the spending power of the Otavi Mines, however, Grootfontein Village is again financially depressed owing to the bad season and the contraction of the South-West Africa Company's activities. The modramite market has remained unsatisfactory during the whole year and as the Company have large stocks on hand they have not renewed their employees' contracts as they expired. Their staff, both European and native, is now less than half what it was a year ago. During the earlier part of the year they finished erecting a new plant at the Abenab Mine, but this is only being worked to a fraction of its capacity. No work is being done at Uitsab and little at Bobos, and it is not known how much longer it will be possible to carry on at Abenab if it is not possible to effect further sales at a reasonable price. This contraction has thrown a number of people out of work—people who were employed as handymen, transport riders, etc., and has meant a much smaller circulation of money in the area covered by the Companies' activities. It is not known how far the Otavi Mines have been affected by the lower grade of ore which they have recently been working, but if their operations ceased to pay and the modramite market remained impossible, the plight of the district would be bad. It might be beneficial in the long run as farmers who are now content to put forth second grade agricultural products for sale locally would either have to improve their output or go to the wall. (It may here be stated that since the close of 1927 the position at Grootfontein has improved and the outlook as regards sales of vanadium during the current year is much more encouraging.)

Up to September the revenue remained buoyant and was well in excess of previous years, but during the last three months it was found impossible to collect money as it fell due. Probably arrears will go on accumulating until the harvest is reaped.

A Roads Board was established during July but the preliminary work has taken so long that a start has not yet been made on road repairs. So much requires doing and money is so short, that it is essential that a full survey should be made before any expenditure is incurred.

The labour question during the earlier part of the year was unsatisfactory, but the Northern Labour Organization were more successful in obtaining supplies during the second half of the year. The Otavi Mines, by certain alterations in their Compound system, have managed to reduce the number of desertions to reasonable limits and this has been of assistance in keeping their numbers up to full strength. They have also been able to obtain a number of boys from Ovamboland as the supply from that source was more than the Luderitz Mines required. But the latter, as their contracts with Union natives expire, will need more boys from Ovamboland, and it is doubtful whether the Otavi Mines will be able to get any more from that source. If the South-West Africa Company again starts operations on a considerable scale they also will want several hundreds of boys a year. The present source of supply will not be sufficient to keep the complement of the two Companies at full strength and there would be no labour available for the farmers in the northern districts. The Labour Organization are aware of this difficulty and are endeavouring to obtain a supply of labour from the Bechuanaland Protectorate. If they are unsuccessful the farming industry will be badly hit.

KARIBIB.—Business generally has progressed steadily in spite of a few storekeepers having been hard hit through giving credit to mining or prospecting concerns that failed through lack of funds. From the turnovers furnished by the various businesses, it appears that there has been a marked increase in the business done at Usakos. The various licences at Usakos contributed $2\frac{1}{2}$ times as much revenue under this item as the rest of the district.

In addition to a large railway population which is estimated at two-thirds of the town community, there are several flourishing mining and prospecting ventures in its vicinity which do their business either with or through the Usakos traders. The Tin Mines, in the vicinity of Okombahe Reserve, Omaruru District, find it more economical to obtain their supplies from Usakos.

There are two established propositions, namely, at Ameib and Otjimboyo, carrying on Tin Mining with plant and machinery and it seems that the quality of the reef is rich. Each plant has maintained an output of several tons monthly. There is every prospect of a third plant being erected shortly at Mubib. Mining, even for Tin, is a speculative occupation, and many failures amongst prospectors occurred during the year. The Chuos Gold Mining operations definitely ceased, owing to the mineral being found in somewhat mysterious patches only, but the indications of Tin in the alluvial and reef appear to be very real. A few prospectors are working the alluvial as a profitable concern by panning it with native labour.

A large proportion of failures is, I think, due to lack of energy and enterprise on the part of the prospector, who usually has little or no capital behind him. In consequence he merely pegs claims in certain areas and then negotiates for a buyer at a fabulous price. Many prospective buyers representing financiers at Johannesburg and elsewhere have visited this district during the year which created an optimistic flutter amongst the so-called prospecting class, but it appears that very few of the prospectors were able to produce the material the expert required in order to form an opinion. Instead of shafts or excavations from the reef he was shown undeveloped claims, the surface indications of which may be sufficient for alluvial operations but are not intrinsic enough for starting a plant to work the reef.

It is not surprising, therefore, that no tangible results ensued.

Stock farming can safely be termed a stable and progressive industry in this district. In most areas it only requires an adequate water supply from subterranean sources and the cattle thrive on the excellent veld. One farmer, at Okamitundu, in the south-eastern portion of the district, produces on an average, 500 lbs. of butter a week, for which he has a regular market at Cape Town. The agents cannot get enough of it. This speaks well for the quality and the transport arrangements. Many other cattle farmers in the Wilhelmstal area send a regular supply of cream to the Omaruru creamery. Mixed breeds seem to constitute the majority of the herds. Sheep farming is a more delicate question in this district. The non-wool or slaughter species do well enough generally, but there appear to be difficulties to be contended with in most parts—with "steek" or coarse grass and thorny bush militating against the success of merino and karakul sheep farming. A few farmers are giving merinos a trial and the results are being awaited by others. Owing to the handsome prices that are being offered for pelts, several farmers are trying karakuls on a more extensive scale. One farmer has recently trekked to Donkerhoek bordering on the Namib, where he intends to

farm with karakul sheep only. It is premature to forecast the future of this class of farming in this district, but the consensus of opinion seems to be that there are fewer risks with karakuls than with merinos.

The rainfall during the year was 7 ins. compared with 9 ins. in 1926. Most of the rain in 1926 fell in December, so that the benefit thereof was reaped this year. A few farmers have been successful with the cultivation of fruit and vegetables, for which commodities there is a ready market locally at handsome prices. At Albrechts the success with vines has been phenomenal; vines planted two years ago are bearing prolifically. The quality of the several varieties is excellent. There is an abundance of water on this farm, sufficient to irrigate a few hundred morgen of land, the soil being sandy and fertile. Only two or three morgen are under cultivation at present.

Similar possibilities apply to the Swakop and Khan River areas, although these are handicapped by their remoteness from the rail head.

At farm Nudis on the Swakop River, dates of good quality are cultivated, and Navel oranges are successfully produced—large in size and fine in flavour and in fair quantities—the ripe season extending from March until November. At Nooitgedacht on the Kahn River, vegetables and fruit are also successfully grown. The success of these few farms should be some inducement for the Agricultural Department to consider the possibilities of more intensive farming on the Swakop and Khan River areas. It appears that water is obtainable at a shallow depth on the banks of these rivers as well as in the river bed.

The native residents of the Otjimbingwe Native Reserve sow wheat in the Swakop River bed, and the yield this year is estimated at 500 bags, for which they are obtaining £2 per bag from the storekeeper in the Reserve. Crops can only be sown if the river has flowed. After the river subsides, the moisture is retained for several months in certain parts where the ultimate foundation is rock which has been covered with sand several feet deep. The sandy soil has to be fertilized each season.

The Swastika Natural Fertiliser Company obtained concession rights over a vast area in this district, consisting of hills charged with bat guano. They have erected a large plant for mixing the nitrate and phosphates in commercial proportions. Several hundred tons have been exported to the Union during the year after being treated and tested scientifically. It was hoped that this industry would retrieve the failures of the marble quarries and the Chuos gold mine, but the prospect of its becoming more than a tentative industry is still in doubt. It was thought that the depth of the deposits in the various caves was greater. The percentage in three of the main caves worked has, however, not been maintained to any appreciable depth. Most of their native employees were discharged recently and the plant is idle at present pending the result of further developments and investigation work.

Conditions generally are still improving. There has been a ready market for livestock, and the prices obtaining were as good as if not better than last year. Copious rains fell in December, 1926, and since then the following further rainfall has been recorded at Karibib:—

1927.	m.m.
January	13·3
February	12·1
March	53·0
April	50·1
October	2·8
November	25·1
December	21·5
	177·9 mm. or 7·1 ins.

The prospects of another good season seem assured. There was no invasion of locusts and according to the locust records, no swarms have escaped destruction. There is only one place in the Namib bordering on this district where egg deposits are suspected, but there have been several rains since and no hatchings have occurred.

Karibib Municipality is an old established one, and the municipal services are carried out effectively and economically. Its finances are in a sound state. During the year the Municipality wisely purchased a neighbouring farm Haelbichsbrunn, which has augmented their commonage, and the water supply on this farm forms a valuable reserve supply for the town.

KEETMANSHOOP.—During the year about 5 ins. of rain fell—mostly in patches. This district has been suffering from severe drought for the last three years and the stock, both large and small, are at present not in a saleable condition. Fortunately during January, 1928, an inch of rain has fallen, which has been general over the district, and this has improved the outlook for the stock farmer.

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The export by rail of large stock is as follows :—

1926.	1927.
4,430	2,627

The decrease in the numbers exported is accounted for by the prevailing drought. The number of small stock exported from this district is as follows :—

1926.	1927.
28,550	14,049

The business turnover in town is as follows :—

1925.	1926.	1927.
£188,000	£180,000	£194,000

It is reassuring that notwithstanding the prevailing drought business is improving.

There are about 180 occupied farms in this district. Notwithstanding the severe drought the rains which fell in January, 1928, will enable stock to pull through. Many farmers from the Union trekked into this district during the early part of the year under review to find grazing for large flocks of merino sheep which were in a starving condition. Now that rains have fallen in Prieska, Kenhardt, etc., these farmers are trekking back with their stock.

The farms in this district are suitable for the breeding of merino sheep, and many farmers are going in for this type of sheep, which is doing extremely well, in fact there are many instances to show that the merino kept in better condition than the Afrikaner throughout the prevailing drought.

LUDERITZ.—Luderitz is peculiar because of the absence of farming in the district. There is not an entire absence of the industry as there are twelve occupied farms in the Aus area, where operations are being carried on, but as far as can be ascertained, not profitably. Representations have been made to survey some of the ground to the south of Aus on the border of the district to the Orange River. It is reported that excellent grazing is to be found there and that the conditions generally are suitable for stock farming. Luderitz is therefore entirely dependent on the diamond fields, a very fortunate industry to fall back on, indeed. The population therefore is centred on the fields and in the town, and from appearance is a prosperous one. A high standard of wage is paid by the mines and factories, which brings prosperity to the storekeeper who, through the medium of the Chamber of Commerce, is able to fix his prices to his distinct advantage, making Luderitz a most expensive place to live in. With the high salaries and wages which have to be paid, it naturally follows that the cost of living must correspondingly go up. The only section of the community who are not in a position to enjoy this prosperity is the unfortunate civil servant, whose salary is not fixed according to local conditions. According to the returns for turnover tax purposes very little difference in trade is disclosed as compared with last year, the figures of which are as follows, viz. : 1926, £514,250 ; 1927, £509,308. Information has, however, been received that trade has fallen off. This is quite possible because turnover tax information is for the period ending 30th June, and since then there has been considerable reduction of employees, natives and Europeans on the mines. This reduction is due to the reduced selling quota of diamonds and to a large extent to the mechanical means of production established at Elizabethbucht. The highest figure of Europeans employed on the fields stood at 645 in September, 1926 ; to-day it is 463. The highest for natives was 7,700 ; to-day it is 3,100, which will be further reduced to 2,500, but no further reduction will take place. Another cause for the falling off of trade is the method adopted by the mines in sending native labourers home by boat. Formerly it was the practice to allow natives to come into town a day or two before the due date for the sailing of the boat. What they spent at the stores in the few hours was considerable. This has now been altered and the native is kept on the mines up to the last moment and is then marched straight to the boat. The new method seems very desirable and is one that should not be disturbed as it is the means of preventing unemployed natives from roaming about the town.

The local crayfish canning industry in time it is hoped will make up for any setback to the mines. This industry is progressing as will be seen from the following figures, and gives employment to 450 people during the season, viz. : 1925-26, 11,810 cases, representing 2,063,029 fish ; 1926-27, 21,784 cases, representing 4,971,101 fish. The season commences on 1st July and ends on 30th June of the following year.

In 1927 there were 74 licensed fishing boats as compared with 38 in 1926. Revenue collected in this office in 1926 was £9,010 compared with £9,952 in 1927.

MALTAHÖHE.—It is regretted that trade is reported to have been bad here this year. The rainfall has only been 21 millimetres as compared with 184 millimetres the previous year. As a result of this the drought has been far-reaching in its effects. Grazing has been bad and fat stock scarce so that speculators did not buy so readily as they would otherwise have done. This resulted in the spending powers of the farmers being curtailed, with the result

that the commercial community were affected. Simultaneous dipping of small stock could not be undertaken owing to the poor condition of the sheep. During the month of June it was found necessary to allow some 700 head of native stock to move from the Town Commonage, where grazing had given in, to the Native Reserve at Neuhof, in this district. The change was all for the best, as the natives reported that their stock rapidly improved in condition. Until that time the Native Reserve had been unoccupied, so that good grazing, as well as a plentiful supply of water, was found there. During the past year there has been a certain amount of mortality among both large and small stock. Prices of commodities still continue to be high, and in many cases unnecessarily so. It is true that the cost of long road transport from the rail head has to be taken into account, yet it is well known here that the consumer who purchases goods from the coast at retail prices lands them here, after paying transport charges thereon, at a much cheaper price than the local storekeeper charges for similar articles which, no doubt, have been purchased by him at wholesale prices. It is considered that the local prices are about 50 per cent. higher than they need be, after leaving a fair margin for profit. Matches per gross can be got here from the coast at 6s. 3d., whereas the local price is 12s. Tobacco, which is priced here at 5s., has been obtained by a private person from the coast for 2s. 9d. Sugar can be landed here by the private person at 4½d. per lb., whereas the local price is 9d. A 200-yards reel of cotton can be landed here from the Union for 4d., whereas if purchased locally the price is 8d. for a similar reel. This has naturally the effect of compelling farmers and others to obtain commodities from the coast, with the result that local trade suffers in the long run. The same thing applies to footwear and clothing.

OKAHANDJA.—This is primarily a cattle district. The stock market during the year was good, and the following figures will be interesting. During the year Liebig's Extract of Meat Co. slaughtered 7,425 head of cattle at their factory at Otjihua, and exported 224,773 lbs. of meat extract to the overseas market. The Imperial Cold Storage Co. despatched to the Walvis Bay works 5,718 head of cattle from its ranch at Omatako. The local Government Veterinary officer and the Police issued permits to the quarantine and open markets and overseas for 3,986 head of cattle. Local agents railed 148 head of cattle to different centres in the Territory. That makes a total of 17,277 head of cattle slaughtered and exported during the year. But mention should be made that some of the cattle railed to Walvis Bay by the Imperial Cold Storage Company came from the Otjiwarongo, Outjo and Grootfontein districts. It is not known whether this large number will be maintained, remembering that good prices for cream are inducing farmers to go in more largely for dairy cattle. Milch cows are hard to buy even at a price of £6 or £7 to-day.

Generous rains falling towards the end of the year have brightened up prospects considerably.

During the year about 20 farmers with their families settled in the district, coming from the Union.

Government revenues, it is held, are an index to the activity and progress of a country, and the figures given here show month by month a comparison with the previous year and reflect a steady advance :—

	1926.			1927.		
January	£873	4	2	£601	14	3
February	452	15	1	378	13	7
March	451	9	2	589	11	8
April	1,096	13	11	1,326	1	10
May	518	12	9	1,049	2	2
June	500	12	8	658	9	11
July	672	10	2	728	12	3
August	591	19	4	838	17	5
September	509	18	5	331	11	0
October	753	14	9	958	9	11
November	558	15	2	928	16	2
December	490	7	6	1,199	17	2
	£7,470 13 1			£9,589 17 4		

Increase £2,119 4s. 3d.

OMARURU.—The farmer appears to have had a fairly good year and the district is progressive. Many enquiries were made regarding farms for sale, but the majority of owners are asking a rather high price. It is very probable, however, that at no distant date the farms will be well worth the amounts now asked for them. The creamery established here by the Imperial Cold Storage is most beneficial, not only to the local farmer but to farmers residing in adjoining districts, while the policy of the Administration in granting subsidies

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and allocating wheel tax to the Roads Boards for the purpose of making suitable roads is also a factor which has helped the district progress.

The turnover of business houses in this district show a marked increase.

There is still a shortage of native labour, and while this exists the farmer is unable to make the progress he desires.

OTJIWARONGO.—The Otjiwarongo district is rapidly filling up and there remain very few surveyed farms still to be allotted. Fortunately, of late experienced farmers of a good type have been entering the district from the Free State and elsewhere and taking up land when they have been able to get it. These new settlers are mostly men with a minimum of from £1,500 to £2,000 capital who, there is no doubt, will make good in this Territory. It is found, however, that much damage has been done to land settlement in this country by reason of the fact that many local farmers have a most unreasonable idea of the value of their land. It is almost a daily occurrence for a farmer to ask £5,000 or £6,000 for a property the true value of which is not more than £2,000. How this position has been brought about it is very difficult to say, for many farmers are anxious to sell, but it is thought that it is largely the result of the conduct of a certain class of individuals, quite a number of whom have visited the district lately, who, having no real intention of buying outright, nevertheless impose on the hospitality of the gullible for a few days while he spies out the land, meanwhile plying his host with absurd opinions in regard to the value of the latter's holding. Such individuals usually finish up by applying for Government farms after they have offered private owners absurdly high prices, knowing full well that their offers will not be accepted because the owner thinks a higher price reasonable. These incidents would be amusing had they not the result of keeping *bona fide* buyers out.

Notwithstanding a drought without precedent since 1922, the district has been in a flourishing condition practically throughout the year. Over the months, during which the grazing was good and water plentiful, farmers, with the price of butterfat standing at a minimum of 1s. a pound, found a ready market for their daily produce, and when the production of milk fell, by a coincidence the competition among stock buyers became more keen. Messrs. Lentin & Tobias, the biggest buyers as far as this district is concerned, who maintain a local representative here, purchased in this district during the year 3,486 head of large stock for £20,922, and 4,342 head of small stock for £3,392. The Imperial Cold Storage and other firms were also in the field, but unfortunately it has been unable to procure statistical information from them. Their purchases, however, were not large.

With the keen demand for stock many settlers, who four or five years ago, when cattle were cheap, purchased stock out of advances granted them by the Administration, have been able to sell most of their original cattle at greatly enhanced prices and to pay off their advances without seriously interfering with their herds.

Land values in the Otjiwarongo township continue to appreciate, and several companies are contemplating an extension of their business activities to this town, and it should not now be long before Otjiwarongo, both town and district, takes up its rightful position as the business and pastoral centre of the north.

Steady progression in all directions has been remarked during the past year, which, if there is no collapse in the supply of native labour, may confidently be expected to continue.

OUTJO.—Things are improving considerably and there is an air of optimism and prosperity which some years ago would have been looked for in vain. If one can judge by the number of motor cars in a district then Outjo must be flourishing. This is of course not a true indication, but it is certainly a sign of the times and it shows that business is brisk and that there is a desire and a necessity to move more quickly than the population found necessary some years ago. Given a good rain year, there should be quite a boom in the district. Numbers of the better class of farmers from the drought-stricken portions of the Union are making for the Outjo district, and some well-to-do men have recently acquired farm property here at good prices—this has sent up the value of land in spite of the vast tracts of vacant Government land in the district. The large number of applications for Crown land is significant, and given time the Outjo district will yet hold its own with the best in the Territory. The district is unsurpassed for mixed farming and especially good for mutton sheep. We have a vast and valuable hinterland which as yet has been practically untouched by the white man—a few roving prospectors, small settlements of Ovahimbos and Hottentots and large numbers of game of all descriptions are about all that are met with in this extensive territory of immense potentialities.

REHOBOTH.—There has been a steady, and in many instances rapid progress amongst the European farming community, which has also increased in number. Nearly all have improved their residences, surroundings and stock. Motor cars are being extensively used and circumstances are generally better. Amongst the natives the Hereros are about the best off, and when they leave the Gebiet they will take out a considerable amount of stock.

The *Basters* and, no doubt, several traders have reaped some advantage from these people. The *Basters* generally are getting poorer and when the dry wood in the Gebiet is exhausted

they will lose a considerable portion of their livelihood. Most of them are improvident, but there are some notable exceptions and a few well-improved farms—without financial assistance—are to be seen in the Gebiet.

SWAKOPMUND.—The development of the Port of Walvis Bay, which does not actually form part of the mandated Territory of South-West Africa, notwithstanding that the area of Walvis Bay is administered by this Administration, and the growth of commercial and industrial undertakings at the port were the most important factors in the economic conditions of the district of Swakopmund. Large steamers are brought alongside the wharf, and the embarkation and disembarkation of passengers and the loading and discharge of cargo are now matters of ease and simplicity. Cranes had not been erected on the wharf during the year under review and, consequently, loading and unloading operations were undertaken with ships' derricks. Fifty new buildings of a total value of £39,340 were erected. A good road running from the wharf past the railway station to the boundary of the railway reserve was completed; and a beginning was made with the making up of the roads in the township, for which latter purpose a sum of £1,000 was placed on the estimates.

During the year 13,206 head of large stock and 128 pigs were slaughtered in the abattoirs of the S.W.A. Cold Storage and Stock Farmers, Ltd., in Walvis Bay. The carcasses were placed in the spacious cold storage chambers of the Company and about 3,000 tons of meat were exported to Europe. In addition to these figures, stock was slaughtered for consumption in Walvis Bay, and large quantities of fertilizer were produced. The Cold Storage works are adapted for the chilling of meat and Walvis Bay appears to be the only harbour in South Africa near enough to the European markets for the successful export of chilled meat.

Activity was manifested in the fishing industry at Walvis Bay.

During the period from May to October, whaling operations were undertaken with a fleet of six whalers; 107 Europeans and 136 natives were employed, and practically all the wages paid to the natives were expended locally—431 whales were caught; this is the largest yearly catch during the past five seasons. The quantity of oil produced was 627,156 gallons and this is the largest yearly quantity of oil produced during the past five seasons. The longest whale caught was 95 ft. and the shortest 36 ft., compared with 93 ft. and 24 ft. respectively during 1926. The largest was a blue whale, and during the year 1926 the largest whale caught was also a blue whale. The largest catch was of blue whales. A classification of the whales caught gives the following figures:—

Species.	Male.	Female.	Total.
Blue	150	161	311
Humpback	10	17	27
Fin	43	35	78
Sperm	9	5	14
Sei	1	—	1
	213	218	431

The humpback whale, which appears usually at the end of the season, was not found in large numbers, and this feature was probably due to the migratory habits of the fish on which this whale feeds. The comparative statistics in connection with the whaling operations are:—

	1923.	1924.	1925.	1926.	1927.
Number of whales caught	296	239	321	375	431
Quantity of oil produced ..	—	—	478,641 galls.	462,528 galls.	627,156 galls.
Value	£39,693	£46,787	£61,500	£52,420	£54,508
Export duty thereon	—	—	£498 11 8	£481 14 0	£653 5 9
Fertilizer produced	340 tons	490 tons	973 tons	1,344½ tons	1,552½ tons
Value thereof	£1,790	£2,915	£6,578	£4,110	£5,667

Snoek were caught in large numbers in the waters adjacent to Walvis Bay and were exported to Cape Town. Apart from the whaling operations and the catches of snoek, more than 2,600 tons of fish were caught off the coast of this territory and brought to Walvis Bay. Of this quantity over 2,000 tons were exported for food purposes. A large quantity of fish meal was manufactured at Walvis Bay and quantities of fish were sold for consumption in

South-West Africa. Twenty fishing boats operated from Walvis Bay as a base. Large numbers of edible fish are to be found in the area extending westwards from Walvis Bay for a distance of about 100 miles from Cape Cross to Sandwich Harbour, and the potentialities in the development of fishing operations in this area are unlimited. The world's demand for fish is great and, with the development of the fishing industry, economic advantages on a large scale should accrue to Walvis Bay.

1,400 tons of bird guano were obtained from Sandwich Harbour and exported to the Union and the value thereof was about £6 per ton. About 150 tons of guano were obtained from Cape Cross and exported. The value thereof was about £3 per ton.

2,138 seal skins were obtained from Cape Cross and exported to London. The reports as to the quality and value of the skins were favourable, and it is hoped good financial results will be obtained from the consignments of these skins. The local value of the skins exported was £1,488 7s. 6d.

Progress has been made in the development of Swakopmund as a health resort, and its popularity is increasing. Vacant houses are no longer to be found.

Very little farming activity is to be found in the district owing chiefly to the dearth of rain in the Namib, or arid zone, of which the district is composed. There are some market gardens in the bed of Swakop River and large quantities of vegetables for S.W. African markets were raised therefrom.

There were 58 motor cars in the district compared with 37 in 1926 and 14 in 1925.

WARMBAD.—Economic conditions, it is regretted, are worse than reported in 1926. There are no industries in the district and the sparse population lives on the precarious proceeds of stock farming. The severe drought that has carried off many animals has left the farmers in an impoverished condition, and should good rains not fall in 1928 their position will be hopeless.

The country would be splendid with regular rainfall, but one rainy season followed by three or four dry years will paralyse the most ardent farming expert. Warmbad has not in years produced a single farmer of means, but still there are many who wish to own property.

WINDHOEK.—The district has suffered from drought in modified form—some farms more than others.

With the steady influx of settlers from overseas and the Union the price of land has become firm, and a number of farms have been taken up and a few improved farms have been sold at good prices, averaging at about £1 per hectare.

Good prices have been obtained for slaughter cattle and sheep. Karakul sheep breeding has become popular owing to the high prices obtained for skins—ranging from 15s. to 35s.

There has been a decided progressive movement among farmers in making substantial improvements by fencing their farms and building dams and improving the quality of their stock in spite of the drawback of drought.

Motor transport is rapidly displacing animal-drawn vehicles, and farmers find it more economical to replace the ox or donkey wagon by a motor lorry.

In the town of Windhoek there is much activity in the building trade, and a number of good houses have been erected, but there is still a great shortage of dwelling houses, and rents are high.

Para. 9. The migration statistics (see para. 37) show that the influx of immigrants from overseas has in no way diminished. As has been pointed out in the earlier reports, no statistics are kept of persons entering from the Union of South Africa since the Territory must obviously be regarded as part of the Union for immigration purposes. The Immigration Proclamation cannot be generally applied against the Union. Conversely the Union Government does not enforce its Immigration Act against the Territory. The influx of persons from the Union, however, must have been very considerable. During the year 91 settlement farms were allotted and 27 holdings were sold under the Crown Land Disposal Proclamation. The Land Bank disposed of a number of its farms, mostly to Union farmers. Many farmers from the Union purchased farms privately, and a considerable proportion of the farmers who came in temporarily to find grazing have settled here. It will thus be seen that the farming section of the community has been very substantially augmented from the Union. The increase in the population and the general prosperity are also reflected in the Customs statistics, which are discussed under the heading "Trade Returns" (see para. 14 *et seq.*).

Para. 10. The District Roads Boards have been very active. With a view to encouraging the improvement of main roads and so opening up the country the Administration, as from the 1st April, 1927, increased its subsidy upon the cost of the construction and the maintenance of main roads to 75 per cent.—that is to say the Administration contributes £3 for every £1 spent by the Roads Boards on main roads, and this has produced excellent results. It must of course not be imagined that our roads are the best in the world. On the contrary, a European or American visitor would probably be somewhat dismayed if he attempted to negotiate them, and if he saw what people accustomed to local conditions manage to achieve with motor

cars his admiration for the motor would no doubt increase enormously. The character of the country generally, however, is against the construction of first-class roads. The main features are either an outcrop of mica schist or sand and suitable material is exceedingly difficult to obtain. It is literally true, for example, that in Ovamboland except on the

Kunene River not a stone could be obtained. The construction of one really good main road from the north to the south of the Territory would cost not thousands but many hundreds of thousands of pounds sterling—much more than the Administration could ever dream of spending. Regard being had to the general conditions obtaining, it is astonishing what the Roads Boards have been able to accomplish.

Para. 11. The only unfortunate circumstance in the economic position has been the drop in diamond revenue. This has been due to the extraordinary development of the alluvial diamond fields in the Transvaal and Namaqualand and the absence of control of output or disposal of the diamonds. The market was flooded with small diamonds, which came into direct competition with the South-West Africa diamonds, and while the Diamond Syndicate did everything possible to stem the tide and to stabilise the position, the effect has been that instead of realising its estimate of £200,000 for mining revenue during the current financial year (which it was thought at the time was a very low figure and took into account the alluvial production) the Administration will not obtain more than about £50,000 from this source.

The Precious Stones Act, 1927, which was passed late in the year by the Union Government, has, however, made provision for the control of the alluvial production and has restored confidence, and when the Diamond Syndicate has been able to dispose of the enormous stock of alluvial diamonds which it was compelled to purchase in its endeavour to stabilise the market, matters will improve.

It is an ill wind that blows no one any good. The Consolidated Diamond Mines were compelled to reduce the number of their native labourers by several thousands, with the result that large numbers of recruits from Ovamboland were diverted to other activities—the tin fields and farmers benefiting substantially.

Postal revenue of only £59,000 was estimated during the financial year, which will end on the 31st March, 1928. The revised estimate for the year is £87,000. The postal revenue is a good index to the prosperity of a country, and this excess over the original estimate speaks for itself. Another indication of the improvement in the economic position is the fact that during the year there were only 13 insolvencies and assignments as compared with 25 during the preceding year.

Early rains have fallen throughout the Territory generally, the number of applications for farms and the number of persons coming to the Territory to look for farms continue unabated and the flow of settlers continues, so that the year 1928 has opened with great promise.

ARMS AND AMMUNITION.

Para. 12. Details in respect of the various kinds of arms and ammunition imported and exported during the year are given in the subjoined table:—

	Rifles.	Combina- tion and Shotguns.	Pistols and Revolvers.	Miniature Rifles.	Ball Cartridges	Shotgun Cartridges	Pistol and Revolver Cartridges	Miniature Cartridges
Imported ..	904	301	171	216	490,228	184,893	14,029	226,060
Exported ..	63	219	19	8	2,110	500	592	400

IMPORTATION OF LIQUOR.

Para. 13. The quantities of liquor (in gallons) imported during 1926 and 1927 are reflected in the table hereunder:—

Year.	Wine.	Brandy.	Whisky.	Liqueurs.	Rum.	Gin.	Methylated Spirits.	Beer.
1926	32,095	14,489	6,184	1,419	430	1,566	7,451	95,702
1927	37,523	18,111	8,971	2,425	342	803	5,483	97,329

TRADE RETURNS (STATISTICS).

Para. 14. The value of the imports during 1927 was £2,490,816 as compared with £2,507,625 during 1926, and the value of the exports during the same years was £3,475,561 and £3,292,986 respectively.

Para. 15. The following shows the value of the imports and exports under the different headings:—

Class.	Imports.		Exports.	
	1926.	1927.	1926.	1927.
I. Animal, Agricultural and Pastoral Products and Foodstuffs ..	£ 459,247	£ 493,898	£ 647,220	£ 819,873
II. Ales, Spirits, Wines and Beverages ..	68,311	73,833	348	222
III. Tobacco	79,993	88,071	188	1,791
IV. Fibres, Yarns, Textiles and Apparel	372,570	438,057	3,682	11,120
V. Metals, Metal Manufactures, Machinery and Vehicles	777,172	581,568	661,264	659,725
VI. Minerals, Earthenware, Glassware and Cements	72,807	61,013	1,868,172	1,879,112
VII. Oils, Waxes, Resins, Paints and Varnish	141,453	192,759	57,646	69,250
VIII. Drugs, Chemicals and Fertilizers ..	36,822	39,709	5,944	7,694
IX. Leather and Rubber and manufactures thereof	101,383	137,870	2,070	3,037
X. Wood, Cane, Wicker and manufactures thereof	92,611	88,024	5,120	5,210
XI. Books, Paper, Stationery	30,364	35,718	1,235	1,677
XII. Jewellery, Timepieces, Fancy Goods and Musical Instruments ..	32,687	50,330	1,062	6,059
XIII. Miscellaneous	58,847	89,266	13,730	11,742

The above items do not include Government stores and specie imported, which in 1927 amounted to £112,990 and £7,710 respectively. During 1927 merchandise to the value of £740,222 was imported direct from oversea and to the value of £1,498,846 from the Union of South Africa. The value of the South African produce included in the imports from the Union was £657,147. The other principal countries of origin were:—

Germany	£510,607
United Kingdom	126,140
United States of America	89,064

The last three figures refer only to direct imports as the countries of origin of merchandise—not South African produce, but imported from the Union ex open stocks and which amounted to £841,699—are unknown.

It will be observed that the value of the imports under practically every head have increased—the one notable exception being Class V. (Metals, Metal Manufactures, Machinery and Vehicles), which show a decrease of roughly £200,000. The decrease in Class V. is largely due to the completion of the large diamond sorting plant at Elizabethbucht and of the power station at Luderitz, which resulted in a large drop in the importation of mining and electrical plant and material. The value of mining machinery imported during 1926 was £110,092, and in 1927 only £39,621. The value of electric cable and wire imported during the same years was £15,737 and £6,609 respectively. The quantity of cement imported during 1927 showed a decrease of roughly 1,600,000 lbs. on the quantity imported during 1926. Railway material, too, which falls under Class V., showed a substantial drop. In 1926 rails and locomotives to the value of £15,500 and £41,864 respectively were imported. The values of the same articles imported during 1927 were only £1,377 and £4,152 respectively. The value of structural steelwork imported during 1926 was £10,910, and during 1927 £853. On the other hand, the value of fencing wire imported during 1927 was £25,291 and in 1926 only £19,822, and of fencing material other than wire during the same years £26,971 and £15,096.

Owing to the increased population the requirements of the country in other directions such as foodstuffs, clothing, etc., have increased, and this is reflected in the figures. It is interesting to note that only 1,008 lbs. of butter and 3,253 lbs. of butter substitutes were imported during 1927, while the quantity of maize imported during 1927 showed a decrease of 204,000 lbs. on the quantity imported during the preceding year.

Para. 16. The following are particulars of the imports of motor vehicles, etc. :—

	1926.		1927.	
	Number imported.	Value. £	Number imported.	Value. £
Motor Cars	312	72,873	404	87,522
Spare Parts, etc.	—	17,619	—	24,338
Motor Trucks	39	7,252	43	8,627
Motor Trucks (Chassis)	—	11,342	—	37,657
Motor Cycles	21	1,213	23	1,389

Para. 17. The following is a comparative statement of the principal exports during 1926 and 1927 :—

Commodity.	1926.		1927.	
	Quantity Exported.	Value-£	Quantity Exported.	Value. £
Mohair	22,443 lbs.	1,147	26,136 lbs.	1,921
Hides and Skins—Ox and Cow ..	836,366 "	24,332	1,796,085 "	52,528
Skins—Goat	277,518 "	12,724	303,366 "	15,941
„ —Sheep	217,191 "	28,548	297,945 "	54,946
Merino Wool	444,511 "	17,945	935,398 "	42,654
Butter	1,417,829 "	90,968	1,362,116 "	99,786
Cheese	50,291 "	2,958	50,568 "	2,883
Preserved Fish	662,236 "	27,598	1,235,231 "	51,532
Cured and Dried Fish	2,609,815 "	15,937	2,191,245 "	13,829
Fresh Meat	4,072 "	86	6,247,301 "	74,091
Salted and Cured Meat	5,460 "	328	17,266 "	761
Preserved Meat	167,663 "	6,606	218,769 "	10,077
Whale Oil	462,528 gals.	52,420	627,156 gals.	57,630
Copper	54,535 tons	502,187	50,808 tons	424,690
Lead	25,796 centals	34,550	97,317 centals	93,734
Vanadium	1,278 tons	58,333	1,541 tons	63,358
Tin	256 "	44,886	248 "	43,060
Diamonds	683,028 carats	1,863,860	723,862 carats	1,871,830

It will be observed that the quantity of merino wool exported during 1927 was more than double the quantity exported during 1926. The increase in the exports of ox and cow hides, preserved fish and fresh meat during 1927 were of course due to the opening of the Cold Storage Works at Walvis Bay.

Notwithstanding the flooding of the diamond market by the alluvial diggings in the Transvaal, the exports of diamonds during 1927 exceeded those of 1926 both in caratage and value. There was, however, a decrease in the average value—the value per carat in 1926 being £2 14s. 6.91d. as against £2 11s. 8.61d. in 1927.

While less butter was exported in 1927 than in 1926, it is interesting to note that the value was greater.

The principal countries to which the foregoing produce was exported were :—

United Kingdom	£1,994,893 (mostly diamonds).
Union of South Africa	654,092
Belgium	412,221 (mainly copper and lead).
Germany	276,763

Para. 18. *Meteorological.*—Towards the end of the year the Windhoek Observatory was shifted to a more advantageous site, so that observations are now recorded under much more favourable conditions.

Eight observation stations were added during the year and the central station at Windhoek is now receiving information from 243 stations.

The wireless station at Walvis Bay issues a weather forecast daily at 11 a.m., for the next twenty-four hours to all vessels along the south-western coast.

As in the past, daily messages for the weather forecast service were transmitted to the Meteorological Office, Pretoria, and to the Hydrographic Engineer, Salisbury.

[U.G. 31—'28.]

Collection Number: AD1715

SOUTH AFRICAN INSTITUTE OF RACE RELATIONS (SAIRR), 1892-1974

PUBLISHER:

Collection Funder:- Atlantic Philanthropies Foundation

Publisher:- Historical Papers Research Archive

Location:- Johannesburg

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