

C487a

Memo. No. 44.

I.

In accordance with instructions, I met Mr. D. W. Ap-Jones on the 13th and again on the 15th instant. Mr. Jones has declared his willingness to enter into a contract with the Japanese Government, to introduce one hundred thousand head of Cows in Japan, upon something like the following terms:

II.

Mr. Jones would require a sufficient quantity of land, selected by himself, cultivated and seeded, at the expense of the Government, in such grasses as he would direct, and all such buildings erected and improvements made as would be necessary in sheep-husbandry.

— III. —

Precedent to the introduction of any sheep, about three thousand acres of land should be put under cultivation and all necessary buildings erected; and thereafter, as certain number of acres of land, say not to exceed three thousand acres, should be cultivated annually, until fifteen thousand acres be laid down in grass.

— IV. —

The whole expense of such a development would cost, probably, about one hundred and fifty thousand dollars (\$150,000). The first year's outlay required would perhaps, be about thirty five or forty thousand dollars; after which, an expenditure of say twenty five thousand dollars per annum for the term of five years, for the purpose of clearing land &c. &c. to meet the demands of an increasing flock, would suffice. It

must be borne in mind that these are approximate calculations only.

The Government to furnish, for the use of Mr. Jones, agricultural implements not exceeding five thousand dollars in value, and also to furnish transportation for the sheep imported by him, from Yokohama to the place where said sheep would be kept. All subsequent expenses of farming and taking care of the sheep to be borne exclusively by Mr. Jones. The cost of the purchase of sheep in any country whatever, whether America, England, Spain, Switzerland, China or Australia, and the expense of transporting the same to Yokohama also to be borne by Mr. Jones.

— V. —

When twenty thousand head of sheep ewes will have been introduced, bred and acclimated, the Government then to take

delivery of ten thousand head, and to
so continue to take delivery of an equal
number annually, as such sheep are
bred, introduced, or, until the one hun-
dred thousand are delivered and the
terms of this contract satisfied. After
eighty thousand head of ewes will have
been delivered, the Government to agree
to take delivery of twenty thousand head
and of such a number of sheep, not
exceeding ten thousand head, as Mr. Jones
may have in his possession upon the
completion of this agreement.

- VI -

The Government to agree to pay Mr. Jones
seven dollars per head for all ewes de-
livered, and to take delivery, in the
month of September of each year, of
all the castrated sheep, or wethers, one
year old or upwards, paying him four

dollars per head for such sheep.

VII.

The Government further to agree to take all the wool at its fair market value, the delivery of said wool and sheep to be taken at the place or places where said sheep may be kept.

VIII.

Mr. Jones to be allowed exclusive control over the land used by him, and permitted to farm it and grow such products as he would deem best, and to keep such a number of horses and other cattle, as would be useful to him in the cultivation of the land to raise winter food for the stock. The horses and cattle thus used by Mr. Jones to be purchased by himself and at his own expense.

- IX. -

The enterprise is of such a magnitude that it would require between ten and twelve years to carry it out successfully; but in case the contract be entered into, it shall be competent for the Government to terminate it in seven years after the date of the first importation of sheep made by Mr. Jones, upon such terms as may hereafter be agreed upon.

- X. -

Supposing that some of the plains of Nasu no no hara be converted into sheep pastures, the lands thus improved will, upon the completion of this contract, be worth not less than fifty dollars per acre, while at present, if purchasers could be found for it, it would not sell for more than about six dollars per acre. We will say that the total

improvements will cost two hundred and fifty thousand dollars; here, then, is a net gain of several hundred thousand dollars. And supposing that this contract should run twelve years, the sheep which the Government will have been rearing during this time will have increased, according to the tables enclosed, from an original cost of \$700,000 to the value of \$11,158,605, after making a large allowance for accidents and deaths. It must not be forgotten that all the lands used by Mr. Jones, and the improvements thereon, will remain in the possession of the Government.

- XI. -

To facilitate the execution of this contract, so that it will not conflict with the rights and privileges of ^{Japan} ~~foreigners~~, under the ex-territorial

Clause inserted in the existing treaties,
it is proposed to create Mr. Jones an
officer of the *Kaimusho* with a nominal
salary, as hereafter stated, which would
not ^{even} refund to him the sums dispensed
by him in paying his overseers and trav-
elling expenses. As such an officer, Mr.
Jones' duties would be:

First: To superintend and direct the
improvements to be made on the wild lands
on which his farms will be located, as
stated in paragraph No IV, which will
require from him a labor of eighteen
months before he can bring any sheep
to this country.

Second: To frame general instructions
for the Government officers entrusted
with the care of locating branch farms
in the different *Kens* of the Empire for
the introduction of sheep therein, in
conformity with the suggestions made

in my Memo. N^o 16, and to make preparations for the delivery of sheep to the Government in the manner stated in paragraph N^o V.

Third: To advise the above-mentioned officers as to the best way of distributing the sheep thus received over the branch farms.

XII.

Mr. Jones will bind himself to furnish and pay all the overseers that may be required by him in managing the central farms referred to in paragraph N^o IV. But he will be under no obligations to take any responsibility or incur any expenses in the management of the branch farms to be established by the Government, as mentioned in paragraph N^o XI Article Second.

XIII.

In providing a compensation for the services which Mr. Jones would bind himself to render in conformity with the above memorandum of the understanding which may be entered into between him and the Government of Japan, it must be borne in mind: First, that it is the intention of both parties that all the risks of losing capital should rest upon the side of Mr. Jones alone; Second: that the heavy outlay of capital required to introduce into Japan the necessary number of ewes to produce the number (100,000 heads) which it is proposed to raise for the Government must be borne by him alone, as stated in paragraph No IV.; Third: - That notwithstanding that he has been warned by St. J. M.'s Government that all the

efforts heretofore made in this direction have proved to be failures, he is still willing to undertake the work; and Fourth: that the Government must in any event expect to be the gainers; for the land improved under Mr. Jones' intelligent direction will be worth far more than the sum expended in improving it.

XIV.

In view of the above, the Government should pay to Mr. Jones a salary of \$2,500 a year, ^[see paragraph No VII] and such price or prices as is stated in paragraph No VI for the sheep which he will, from time to time, deliver to the Government as per paragraph No V, such price or prices to include the payment of all commissions, refunding of ^{advances} ~~advances~~, remuneration for labor and compensations

of every nature whatsoever which Mr. Jones
may expect to receive under the stip-
ulations of this contract.

- XV -

The above is merely a crude outline of
the contract which it is proposed should
be entered into between H. J. M.'s Govern-
ment and Mr. Jones. Should the above plan
be carried out, the care of framing and
carefully wording the contract, for the pro-
tection of both H. J. M.'s Government and
Mr. Jones, should be entrusted to a com-
petent attorney.

Lo Hei, February 18th 1895.

Respectfully Submitted,

Chung Lee

His Excellency

Okuma Shigenobu,

H. J. M.'s Minister of Finance,

etc.

etc.

etc.

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Table A.

With Memo. No. 44.

Period	Ewes received.		Increase of Lambs.		Breeding Sheep.		Marketable Sheep.	
	No.	Cost	B	C	Yearlings.	E	No.	F
1 st Delivery	10,000		5,000	5,000		10,000	5,000	
2 nd "	10,000		10,000	10,000	5,000	20,000	10,000	
3 rd "	10,000		17,500	17,500	10,000	35,000	17,500	
4 th "	10,000		27,500	27,500	17,500	55,000	27,500	
5 th "	10,000		36,000	36,000	27,500	72,000	36,000	
6 th "	10,000		54,750	54,750	36,000	109,500	54,750	
7 th "	10,000		82,750	82,750	54,750	165,500	82,750	
8 th "	10,000		115,125	115,125	82,750	230,250	115,125	
9 th "	10,000		161,500	161,500	115,125	323,000	161,500	
10 th "	10,000		247,250	247,250	161,500	494,500	247,250	
Total	100,000	\$700,000			247,250	656,000	323,000	

Explanation of Tables.

The foregoing tables are intended to show the natural increase of sheep, without any allowances being made for accidents, deaths, etc. If such allowances be made, the total value given in Table B, (\$12,396,450) must be reduced by ten per cent, or \$1,239,645 = \$11,156,755. Mr. Jones considers this percentage of losses by death and accident as very large, from the fact that sheep, in Japan, will have to be kept in small flocks and will consequently increase much more rapidly than if kept in large flocks. During his experience of twenty years, Mr. Jones never suffered a higher loss than seven per cent.

- Column A - Sheep supposed to be delivered in Japan as per paragraph 9, Memo. No. 44.
 - Column B & C - Male and female issue of Column A.
 - Column D - The female sheep from Column C which have attained the age of one year.
 - Column E - The total number of breeding sheep that is expected to be in Japan at the end of each year. For instance, in the first year there will be only the first delivery of ten thousand ewes, the 5000 ewes born in Japan (see Column C) not becoming breeders until the second year. In the second year there will be the first 10,000 ewes and the additional 10,000 delivered in the second year. In the third year there will be the first delivery of 10,000 ewes, the 10,000 delivered in the second year, the third delivery of 10,000 and the 5000 born in the first year.
 - Column F - Wethers, or small castrated sheep, born each year, and which may be sold for muttons.
- Table B, shows the results obtained from Table A, and needs no explanation.

Yearly Valuation.

Table B.

Year	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	Total	Estimated Valuation.	Amount.
Wethers sold	5000	10,000	17,500	27,500	36,000	54,750	82,750	115,125	161,500	247,250	767,375	\$4	\$3,029,500
Wool. Pounds	60,000	120,000	330,000	540,000	762,000	1,089,000	1,650,000	2,374,500	3,321,300	4,405,000	15,157,800	25 cts.	3,787,950
Ewes on hand	10,000	30,000	35,000	55,000	72,000	109,500	165,500	230,250	323,000	494,500	1,994,500	\$7	3,461,500
Yearlings do.										161,500	161,500	7	1,130,500
Lambs do.										247,250	247,250	2	494,500
Wether Lambs										247,250	247,250	2	494,500

Value of Wether lambs added 494,500
 Total Value \$11,903,950
 Total Value \$12,396,450

李白第拾四号原書

Enclosure
with

Memo. No. 44.

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Loki, February 16th, 1875.

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