ARTICLES

The New Journal

The Determinants of Economic Growth in South Africa Since 1960

The Economics of African Education

Some Human Problems Encountered by African Farming Development

The Growth of Banking and Financial Institutions

REVIEW ARTICLES

The Rhodesian Economy Under Sanctions

The Report of the Beit Bridge Rail Link Commission

Edwin Dean: Supply Responses of African Farmers

ADDRESSES

N. H. B. Bruce, Governor of the Reserve Bank of Rhodesia

J. D. Cameron, former President of the Associated Chambers of Commerce of Rhodesia

ECONOMIC SOCIETY PROCEEDINGS

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# THE RHODESIAN JOURNAL of ECONOMICS

The Journal of the Rhodesian Economic Society

Editorial Board:

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At the outset, I would like to give you a very brief outline of the reasons why and how African Farming Development started. It was during the banning of firstly the National Democratic Party and then the banning of the Zimbabwe African Peoples' Union in 1962 that many of us farmers, as police reservists, were called out to patrol the Tribal Trust Areas. For many of us this was the first time that we had been into these areas and we were all appalled by what we saw and found, particularly during the banning of ZAPU where we had to search people's houses; we found insufficient food to see the families through to the next season. We were appalled by the lack of proper conservation methods employed in these areas and finally over the odd pint of beer in the club in the evenings, we as farmers decided that something must be done to show these people that by proper farming methods, they would be able to conserve their land properly and have adequate food resources to at least feed their families. We found that a vacuum had been left in these areas and that unless it was replaced or filled with something to inspire the plot-holders to greater efforts the situation in these areas would continue to slide into an agricultural slum.

Having formulated some ideas on how we could assist, we sought the advice of the government departments concerned on the best approach to be adopted to help the people in the Tribal Trust Areas. It became abundantly clear that the principle of self-help should be our aim. Many farmers neighbouring on the Tribal Trust Areas have assisted their African neighbours with fertilizer and even to the extent of showing them how to grow half an acre of a cash crop. In my own case I decided to tackle the whole plot. It seemed to me that traditionally maize was the most important crop. The two Africans that I selected and who have acted as "guinea-pigs" in this scheme were unable to produce enough maize to feed their families for the whole year. They had been employed by me on a contract basis for about four months of the year. The money received from this had gone into purchasing food for their families

1. Paper read to the Society in March 1967.
in the Reserve. I explained to the Africans that I was prepared to assist them with all the operations that I myself do on my own farm and that they would be charged a full economic rate for everything that was required. On their part they undertook to stump their lands and repay from the proceeds of their crops all outstanding credits. It became obvious to me that unless one included a valuable cash crop in the cropping programme, these people would not be able to meet their commitments. Burley tobacco seemed to be the obvious crop for the African peasant. It is a crop that in Chiweshi we know can do very well. The total commitments of these two Africans were roughly £300. This included all the ploughing, fertilizer, seed, etc., costs. Naturally, having lent these two farmers this sum of money, I gave them the experience and advice so that they could make the best use of their land. Despite a difficult season, the crops responded remarkably well remembering that this land had been continuously cropped for the previous thirteen years. It was not until the Burley crop had been sold that I fully appreciated the significance of introducing a high value cash crop. This crop alone repaid in full all the plotholders' expenses and at the same time left them with a small amount of cash. Their maize, monkey nuts and rapoko were their's to dispose of as they wished.

Expansion of the Project

Having arranged field days for the Africans to show what proper farming methods could do and having explained fully the principles of self-help, I was approached by forty Africans who wanted the same treatment. Clearly the most that I could supervise would be no more than three or four but if we could find someone to take my place on a full-time basis, then larger numbers could be coped with. This the Africans fully appreciated and when it was pointed out to them that possibly a suitable African could be obtained, this was unanimously rejected—a European was essential in their eyes, despite the fact that it would cost the plotholder more. The plotholders themselves suggested that they should levy on an acreage basis to help pay for the cost of an agronomist, at a pound an acre. Seeing that these people were prepared to help themselves to this extent inspired me to seek the assistance of Mr. C. G. Tracey and other prominent Rhodesians to try to solve this problem. As a result of this African Farming Development was born: firstly, to give the agronomist security of employment and secondly to increase as rapidly as possible the agricultural productivity of African farmers in the Tribal Trust Lands so as to stimulate economic development in these areas, and thirdly to develop a truly national market in Rhodesia which would enable local industry and commerce to supply agricultural machinery, fertilizer, insecticides, transport, fuel and consumer goods to a mass market instead of to a relatively small wealthy middle class.

The Company is a non-profit making company. It secures its loans to the members and the repayment of those same loans through the co-operative
movement. It is one of our cardinal aims to try to teach the African sound business principles and we feel that by using the co-operative method this is the best method.

I would now like to go into some detail into the results of our operations over the past two years. In the 1964/65 season we had 31 farmers on the scheme. The total acreage cultivated was 212. Of this 33 acres was Burley. This grossed £5,430, the total costs came to £2,501. This left an overall profit of £2,929. The best result we had was £419 and the worst £60. The acreage under maize was 148. The gross realisation was £6,368 and the total costs were £4,077, leaving an overall profit of £2,291. Acreage under cultivation of other crops such as monkey nuts, rapoko and cotton was 28. The gross realisation on this was £172 while the total costs amounted to £395 showing a loss of £223. It was clear from these results that burley was the most profitable crop by a long way. Maize was only profitable providing we could attain a yield of 20 plus to the acre. The average yield per acre for burley was 1300 lbs. and the average price realised 29.6d. per lb. Our average gross realisation per acre was £160 cash for burley while the costs averaged approximately £80 per acre. In maize we found our average cost per acre £27.5 while our gross realisation was £43.5 leaving a gross margin of £16 per acre. This was at a total price of 37s. 2d. per bag.

In 1965/66 we had 64 plotholders. The average gross realisation on burley dropped to £132 per acre and the average gross realisation for maize had dropped to £26 per acre. Our average yield per acre on burley was 1,110 lbs. at an average price of 28.4d. per pound while our average yield of maize had dropped to 16.6 bags per acre at a gross realisation of 31s. 6d. per bag.

Let us now analyse the reasons for this sudden drop. Firstly, the season was largely responsible for the big drop in the maize yield. During the second year the plotholders, having been very successful in the previous year, were over-confident of their ability to cope with all the work. Many of them increased their acreages above what they could adequately handle with the result that they were unable to do all the jobs at the right time. Another factor, during the worst period of the drought, the tribal spiritual leaders forbade anyone to work in his land for three weeks. If he had done this his cattle could die, his wives could become barren. The result was that not only were the struggling maize plants trying to survive but the weeds also were competing for whatever little moisture there was. The much lower price received for maize made the situation even worse. These same points apply largely to the burley as well except that the price was almost the same as what we received the previous season.

**Human Problems**

What are the main human problems which we have encountered? One must appreciate that in working in the Tribal Trust Areas, one must adjust
one's outlook and one must be very careful to work in with the system which is already there. To the economist this is anathema, because this system does not allow full economic play to come into operation. Nevertheless from the human side, the tribal system with all its faults has many advantages to the people living under it. To disregard it is to court disaster. The head of the family has responsibilities far wider than what we know in our family circle. Should one member of the family or kinsman have fallen upon hard times, it is the duty of the more fortunate members of the family to come to his assistance. Failure to do so would be committing a grievous sin against the tribal laws. This encourages the habitual scrounger. However, by showing to all and sundry that opportunity exists for even the scrounger to be able to do something constructive, we believe that this problem can be overcome. The mental adjustments required for a person who has been unable to feed himself and his family to go in one year into the cash economy are too much for about 30 per cent of the plotholders in our scheme. Twenty per cent of these will never make the grade. To try and teach these people how to manage the least sophisticated co-operative is a task that is going to take many years, if not many generations, to accomplish. With a sudden increase in spending power that some of our plotholders have acquired, we are unable, at this stage, to show any material benefits that have accrued to them. Instead of spending their profits on buying equipment which will assist in reducing the amount of work that the family has to do on the plot and thus relieving their women-folk of the arduous task of cultivating by hand, they would much prefer to increase their labour force by buying an additional wife. They are unable to realise that by doing this they are in actual fact putting themselves in a worse position, as with each passing year they have an additional mouth to feed, clothe and school. The wives are regarded by their men-folk as being next to cattle in importance in the social structure and have virtually no say in the financial budgeting of the family, although they do nearly all the work. Traditionally, any revenue which may accrue from the sale of surplus crops, is regarded as the man's prerogative to spend as he thinks fit.

Village Development

With the increased spending power of the plotholders, the possibilities of village development in its true sense become very real. If we are to maintain the interest of the plot holder, we must see that he has reasonable facilities at his disposal whereby he can purchase his normal living requirements and at the same time cater particularly for the youth for recreation facilities. There is an urgent need for more sophisticated shops, things like a butchery, a chemist shop, garages and a community hall; banking facilities and postal facilities are non-existent. Clearly there is a need for these services. There is also a need for improved road services to enable crop extraction to be done more economically than it is at present. There is hardly a home with water
within a reasonable distance. During the dry months some of the womenfolk have to walk up to five miles to collect water for domestic purposes. While the plotholder is living at subsistence and below it is impossible for Government, or indeed anyone, to supply these basic services. However, the situation changes completely once the plotholder has money to spend. At this stage we are instituting an investigation into seeing what the real needs of the communities are. AFD in its first stage has been the catalyst in that we have broken through and materially altered the financial status of these plotholders. We will be failing in our duty completely and indeed the whole exercise will collapse if we cannot find the right social and economic foundations upon which to build a new society but one which will still be affiliated and catered for within the tribal structure as we know it today.

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APPENDIX

African Farming Development is a private non-profit making company which aims:

1. To increase as rapidly as possible the agricultural productivity of African farmers in the Tribal Trust Lands so as to stimulate economic and social development in those areas;
2. To develop a truly national market in Rhodesia which will enable local industry and commerce to supply agricultural inputs and consumer goods to a mass market.

The Company assists African farmers in the Tribal Trust Lands by providing:

1. loans and credit facilities for the purchase of seed, fertilizer and insecticides;
2. mechanical deep ploughing and land preparation services;
3. technical advice and supervision;
4. accounting and management services;
5. transport and marketing facilities.

It is a condition of the Company's scheme that no farmer is subsidised; each must pay for the goods and services he receives.

Growth of the Scheme

In the 1964–65 season AFD provided credit facilities, management and technical assistance to 31 farmers in the Chiweshe Tribal Trust Land. The following year this figure was more than doubled at Chiweshe and in the
1966–67 season two new groups were started—at Mondoro and Sipolilo—in addition to there being another increase in the numbers at Chiweshe.

The table summarises the results to date. It should be noted that 1965–66 was an exceptionally difficult agricultural season, due to drought and low prices, and it is important that even in such a poor season 50 of the 64 farmers managed to show a profit.

Experience has shown that burley tobacco is the most profitable crop. Progress is being made towards implementing the crop programme recommended by the Company’s agronomists whereby, on average, a farmer grows 1½ acres of burley tobacco to 5½ acres of maize and one acre of other crops—such as cotton, potatoes, sorghum and groundnuts.

**SUMMARY OF RESULTS**

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<th>Season</th>
<th>Total No. of Farmers</th>
<th>Total Profit</th>
<th>Average Profit per Farmer</th>
<th>Highest Individual Profit</th>
<th>Highest Individual Loss</th>
<th>Number of Farmers Making Profit</th>
<th>Number of Farmers Incurring Loss</th>
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<tr>
<td>1964/65</td>
<td>31</td>
<td>£5,289</td>
<td>£170</td>
<td>£360</td>
<td>£30</td>
<td>30</td>
<td>1</td>
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<tr>
<td>1965/66</td>
<td>64</td>
<td>£3,842</td>
<td>£60</td>
<td>£299</td>
<td>£133</td>
<td>50</td>
<td>14</td>
</tr>
<tr>
<td>1966/67</td>
<td>147</td>
<td>£14,562</td>
<td>£99</td>
<td>—</td>
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**Finance**

Although each farmer pays for the goods and services he receives the Company faces developmental and other overhead costs which in the early stages of the scheme have to be financed from sources other than the payments made by participant farmers. There will also be a continuing need for funds to meet development expenditure as the project expands. AFD hopes to obtain these funds mainly by gift or grant.

Finance for the farmers’ seasonal needs is obtained from the Agricultural Loan Funds of the Ministry of Agriculture and in the form of credit provided by the suppliers of fertilizer, insecticides and other input items. The loans advances and credit required by the farmers for financing their crops are secured, in accordance with co-operative legislation, on the crops grown.

One of the ultimate aims of the scheme is to establish its members as independent, fully credit-worthy farmers.

**Future Development**

AFD does not envisage working permanently in any one area. It plans to move on leaving behind it efficient and thriving African farming communities and to take over responsibility for new groups and new areas.